

The State of Democracy in Romania

A Future Problem on
the EU Agenda

Abstract:

Recent years have seen a deepening crisis of liberal democracy in Europe, exacerbated by the rise of populism, posing challenges to the political narratives of EU member states. This paper examines Romania's evolving political landscape, once considered an exception in the region, but now witnessing concerning shifts towards undemocratic practices. In 2021, a coalition of socialists and conservatives seized power, introducing changes that echo Viktor Orban's system and, to a certain extent, Vladimir Putin's regime. The paper analyzes the disregard for civil society, meddling intelligence services, media independence infringements, and aggressive intimidation of the democratic opposition through selective use of the judiciary. The conclusion underlines the decay in Romania's hard-won democratic foundations, whilst the absence of institutional balance hampers the fight against corruption, fostering public distrust in the justice system. As Romania faces multiple challenges in 2024, the paper calls attention to the urgency of addressing these issues to prevent irreversible damage to the country's emerging democracy.



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The state of democracy in Romania: a future problem on the EU agenda?

In recent years we have witnessed a deepening crisis of liberal democracy in Europe, one seconded by the rise of populism. This came as a challenge for political narratives at the national level in many Member States and added additional pressure to the democratic foundation they had built together as part of the European project. From this perspective, the European Union (EU) does not need to face new problems. It is important to start this debate before the situation becomes irreversible.

For quite some time, Poland and Hungary were perceived as Europe's black sheep. In contrast, Romania seemed to be an exception in the region, as the assault on democracy was carefully orchestrated and kept in the shadows. Romania did not appear to be one of the EU's weak spots.

In 2021, the socialists (PSD) and conservatives (PNL) forged a broad coalition that captured the state. That system is changing the rules of the game on its own and in its own favour. Slowly, but steadily, we are witnessing the development of a façade democracy as worrisome as Viktor Orbán's system in Hungary and (to a certain extent) Vladimir Putin's regime in Russia, as well as domination of the state by the secret services and the manufacture of a media and an 'opposition' controlled by the system.

The disregard of civil society, the meddling by the intelligence services, the failure to ensure the independence of the media, the aggressive intimidation of the democratic opposition, and, last but not least, the budgetary disarray all raise red flags about the state of Romania's democratic framework, which is deteriorating rapidly as the grand coalition rushes to close the 2024 election year by any means necessary.

Maintaining a *façade democracy*: the trio arrangement behind the curtain

How has Romania maintained a good reputation in the region despite such red flags? To begin with, in contrast to its neighbours, *democratic progress in Romania has been largely driven from the bottom up*, through the efforts of its citizens and civil society. As the indicators suggest, the country is better positioned than its neighbours in terms of liberal values, the influence of civil society, and popular support for international organisations (Tiut, 2023). The state has always been absent and it was the Romanians who created hopes for democracy in Romania. The protests held in response to governmental wrongdoing, such as the ones held in 2018, added to the belief that elected officials are incentivised

to adhere closely to fundamental principles of democracy and to citizens' expectations.

At the same time, significant indicators such as access to information, corruption prevention, and the independence of the judiciary are exhibiting some *downward trends* as the political parties that have long held power are increasingly blocking the democratic mechanisms the country fought so hard to put in place as part of its accession process to the EU (Wagner, Stan, & Brusis, 2022). In this context, it is no surprise that despite some barely noticeable increases in the overall scores, Romania continues to rank last in the EU when it comes to the state of its democracy (The Economist Unit, 2023).

Furthermore, the decay is less obvious because Romania has benefited from an alternation of power as a result of elections in which no party was able to consolidate its power over the state. Instead, two parties initially vied for power, but then they began to work in unison. Between 1996 and 2009, the organisers of both the presidential and parliamentary elections were sent to the opposition. In the last ten years, however, those who organised the elections have remained in power. 'The coalition government formed in 2021 has announced from the outset that its aim is to govern until 2028, regardless of what citizens say at the ballot box in 2024. Wanting to confirm that the regime is following the course of de-democratisation, making the alternation in government a memory of the time when Romania aspired to, negotiated and achieved EU integration', explains dean Cristian Preda (2023) in an evaluation of the state of the rule of law in Romania.

Therefore, in recent years there has been a visible decrease of pluralism due to the de facto unification of PNL and PSD, working as one party, and an arrangement between those ruling at the top of the pyramid, whom we refer to as *the trio*: the president, Klaus Iohannis, and the prime minister, Marcel Ciolacu (acting as the leaders of PNL and PSD, respectively), as well as the former head of the secret services, Eduard Hellvig. To some extent this can be viewed as part of the political game. However, as will be discussed, its extensive reach can be considered a breach of the principles of good governance and rule of law. This is such a common state of affairs in the former communist world outside the EU that Romania's slide into such a regime would constitute, on a historical scale, a common statistical trend: a fragile democracy that does not resist when the once favourable international context changes.

Whilst in the cases of Hungary and Poland the attack on democracy is personified by political figures such as Orbán and Jarosław Kaczyński, in Romania, the trio arrangement allows for the system to appear more obscure from the outside. Nevertheless, the close and yet hidden collaboration between the three leaders, through the secret services, makes the Romanian problem even more worrisome because it is less about a person and more about an entire shadow structure exercising power. In order to keep up appearances, this framework also emphasises the need to maintain a good image in Europe. To this extent, the trio employs various means to launder their image in the EU capitals.

In order to better understand the way in which the *façade democracy* is put in place, the analysis herein will provide real-life examples of people ensnared by the system to demonstrate that political arbitrariness and institutional abuse are changing the rules of democracy and that any claims of ensuring rule of law and democratic mechanisms have been abandoned.

Justice and administration in favour of those who rule

The Superior Council of Magistracy (SCM) voted in May 2022 to exclude Judge Cristi Dănilău on grounds that he participated in the political activity of two non-governmental organisations (NGOs) – a baseless decision given that the law clearly defines political activity as that linked to parties or organisations taking part in elections, while the NGOs in this case were entirely apolitical (Tăpălagă, 2022a). This was the second exclusion decision for Dănilău, based on spurious reasoning, which suggests this is a case of a judge being harassed – and not just any judge, but a strong voice in support of reform and modernisation.

A different treatment has been applied in other cases, such as when a judge was proved to have links with the ruling party. This was the case of Judge Dana Gârbovan, who, whilst a magistrate, in 2019 accepted the PSD party's offer to become Minister of Justice in what can be seen as clear evidence of 'doing politics'. The lessons learned from these examples are clear: if one is on the right side of those who rule, one's career will flourish. Meanwhile, should one publicly question their decision-making, it might mean the end of one's career as a magistrate.

Dănilău's case is not an isolated one. Nearly all the leaders of the magistrates' associations who fought for freedom in the 2000s – and facilitated Romania's entry into the EU, which otherwise would have been prevented by the conditionalities of the judiciary – have been harassed and marginalised. Romania joined the EU, and now it appears the situation may return to historical 'normality': impunity for the powerful, harassment of the opposition, and a caste-based organisation of the state.

Another relevant example involves the judges of the SCM responsible for disciplinary matters. In December 2022, judges Daniela Panioglu and Alina Nadia Gulutanu were excluded from the judiciary. They are the same judges who sentenced Lucian Duță, former president of the National Health Insurance House, to six years in prison for corruption. One of the reasons for their exclusion was that, in their grounds for conviction, the two judges invoked the involvement of the Prosecutor General of the Public Prosecutor's Office at the Court of Appeal of Constanta, and his subordinate, a former candidate for the head of the Directorate for Investigating Organized Crime and Terrorism (DIICOT), in an attempt to help Duță and to make it more difficult to bring him to justice. Once again, standing on the wrong side might cost you your career.

A shocking case of harassment and allegations aimed at destabilising the democratic opposition concerns the former health minister from Union Save Romani (USR), Vlad Voiculescu. In this case, the National Anti-Corruption Directorate (DNA) launched an investigation of the country's (supposed) procurement of vaccines, which was in fact a joint EU action on behalf of the Member States. Whilst the prosecutor admits that Romania's participation in all vaccine orders was decided by the prime minister, Voiculescu is accused of allowing the procurement of too many vaccines, even if he did not even have the decision-making power on vaccinations. In any case, the Romanian government could have only opted out from the EU procurement scheme. The DNA took up PSD's unfounded charges that the former USR minister lost 1 billion euros for Romania, while the entire amount paid by the country was in fact less than 300 million, and most of the vaccines were in fact used. *This is a staggering example of selective justice* against a person who was appointed by USR as second on its European Parliament elections list. The lead candidate, Dan Barna, was also previously harassed with bogus accusations for four years. While this paper is being written and published, mayors of USR are unrightfully charged by DNA with artificial accusations.

A recent case happened in Braşov, one of Romania's larger cities, where USR has the mayor. The City Hall has partnered in the past with an NGO to enhance and develop the attractiveness of the city's catacombs, even before USR was in charge. Once the project was running and events were about to be organized, it was discovered that those catacombs were not in the land register. Basically, they were not existing from a legal point of view. The Braşov City Hall, through the decision of a PNL vice-mayor, concluded the events should still be organized. Later the Court of Auditors highlighted that the cost of ensuring electricity was a prejudice. Even further, the DNA came out of nowhere stating that the prejudice is even higher and outrageously, they tied USR vice-mayor Flavia Boghiu to the case. Even though she was not at all involved in the decision-making of this case.

In yet another example, the national agency in charge of collecting, checking, and making public declarations of the assets and interests of all dignitaries and civil servants (ANI) has a reputation for making headlines with its investigations. The work of ANI was a crucial factor in easing Romania's accession to the EU, serving as proof that the country's elite was losing its long-standing impunity. For years, it focused on powerful people in public functions whose fortunes were not justified by their income, checking their possible incompatibilities and conflicts of interest. Not anymore. Currently, not only has ANI stopped pursuing any big fish cases, but it has also become *an instrument for harassing the political opposition* and any strong, independent voices.

The turning point for ANI came when it started to investigate the personal assets of Eduard Hellvig, then director of the main secret service (SRI). He was accused of building a 600 square metre mansion in a select area near Bucharest, which is not covered by its legal revenues. Coincidentally, or perhaps not, the head of ANI, Horia Georgescu, was also arrested. Publicly humiliated and dismissed, he withdrew from the public eye. Years later, he was found not guilty. This is another

example of how the once all-powerful ANI, previously seen as a symbol of the triumph of the EU's anti-corruption efforts in Romania, was brought into line.

The mayor of Bucharest, Nicușor Dan, an independent supported by the opposition, was accused by ANI of increasing the budget for the Parks Administration. With the position of director of the department temporarily vacant, the mayor was, by default, its legal representative until such time as a new director was appointed. The ANI identified a conflict of interest in the mayor's allocation of a budget for the Parks Administration despite him receiving no personal gain from it, a striking interpretation of the legal principle.

Meanwhile, the former mayor of the first district of Bucharest, Daniel Tudorache, amassed an enormous fortune from unidentified sources whilst in office. He was even named Mr Diamonds in the media in reference to the amount of wealth prosecutors discovered in his home. However, he was later cleared by ANI. One may guess from the leniency of ANI that, Tudorache was in fact a PSD mayor. And as the scandal was effectively silenced by the system, he remained politically active and is currently a member of Parliament on behalf of PSD.

The comparison is stark between these two mayors in Bucharest, one an independent who was investigated by ANI for doing his job based on unreasonable accusations, and one who enriched himself and has had a flourishing career. It is worth highlighting once again that this is the same institution whose establishment was a precondition for Romania's accession to the EU. Recently, it has become clear that this important institution has become an instrument of abuse. This has been a *victory of form over substance* and, surely, a fascinating case for those who study EU enlargement.

Another problematic development is the extended *use of influence and political clientelism* across the administrative and juridical systems. When the prime minister at that time, Nicolae Ciucă, was accused of plagiarism in his PhD thesis, multiple prosecutors acted to effectively block any possible inquiries into the accusation. It must be noted that Romania had built an autonomous institution to eradicate plagiarism and that this institution tried to fulfil its role by analysing the thesis. With overwhelming speed, high-ranking prosecutors effectively prevented any attempt by the institution to do so.

Firstly, a judge previously promoted to a high-ranking administrative position dismissed the legal action against the prime minister. Shortly thereafter, the judge retired, benefiting from his special pension. Secondly, a prosecutor seized all the documents concerning the prime minister's thesis, thus preventing the independent body from analysing it. Last but not least, another judge, Ionela Tudor, dismissed civil society's demands that the plagiarism be investigated, citing 'a need for political stability' (Dumitrescu, 2022). This ruling created a precedent by which one can plagiarise while in office and not be held accountable, all for the sake of *national stability*.

Not long after the plagiarism case was efficiently closed, Tudor was promoted to a higher court whilst the prosecutor who seized all the documents moved up the ladder as well: he was named chief prosecutor of DNA – the well-known

prosecutorial branch which used to be feared by the political elite for prosecuting serious corruption cases during the mandates of Daniel Morar (2005 – 2013) and Laura Codruța Kovesi (2013 – 2018). Needless to say, this is no longer the case. In recent years, DNA has been silenced.

Furthermore, there is increasing evidence that law enforcement is selectively applied, whilst at the level of legislative power the *rules are written to benefit those who rule* instead of society, further deepening the erosion of democracy. For example, MPs from the ruling coalition introduced a draft of a Putin-style bill to oblige all NGOs in Romania to publicise lists of those who redirected 3.5 per cent of their income tax towards their organisations. The draft also provided for the automatic dissolution of NGOs that do not comply. The bill was only withdrawn in response to strong protests from NGOs and the democratic opposition (Pantazi, 2023b). This is only one example of many attacks on civil society, which is currently functioning in a fragile ecosystem.

The arbitrariness of the justice system is paid for by society and translates into huge privileges for the system. Romanian magistrates can retire at the age of forty-five with a pension that is far higher than the average. Furthermore, the magistrates, the military, and the police all benefit from a separate pension system where the amount of the pension is not calculated based on wages. This represents in Romania the so-called *special pensions*, which were due to be reformed as part of the Recovery and Resilience Facility (RRF).

However, PNL and PSD have made a tremendous effort to sabotage this reform. Most of the party leaders are themselves beneficiaries of the special pensions. The members of the Constitution Court are in fact chosen by the *ruling parties* and some of them are beneficiaries as well. Their ultimate benefit was the ability to also decide on the reform of their special pensions themselves. They blocked the reform, arguing that the changes proposed are discriminatory because they do not affect all types of special pensions (Colceriu, 2023). Instead, common sense would say that the mere existence of these pensions is in fact discriminatory against the pensions received by citizens that are 'not special'.

Last but not least, the judicial reforms introduced in 2022 also raise concerns. They confirm a tendency towards oligarchisation within the justice system. The measures that were introduced prior to EU accession to promote autonomy and responsibility of individual magistrates have been systematically dismantled. A report published by Expert Forum identifies the issues that persist, whilst Romania is backsliding to a lower standard than in the pre-accession period (Stefan & Grama, 2022). Judges and prosecutors elected to the SCM are no longer obliged to relinquish their leadership positions. Chief prosecutors are able to overrule the measures of all subordinate prosecutors. The senior positions in courts and prosecutors' offices are to be occupied on a non-competitive basis. And this entire legislative package, introducing such provisions whilst leaving other matters unresolved, was adopted by the Romanian Parliament without waiting for the opinion of the Venice Commission.

These examples constitute the *triumph of political interest* over common sense and rule of law. The political influence exercised on the judicial system has reached levels similar to those before Romania's accession to the EU. The country is going back in time. The institutional mechanisms drawn up at the request of the EU, which were fragile to begin with but tentatively worked to maintain a healthy judiciary system, have now collapsed due to political pressure. More precisely, they were dismantled by the ruling coalition since 2021, under the patronage of the top of the pyramid across all state powers. Furthermore, the intelligence services themselves, as part of the trio arrangement, also apply pressure on public institutions.

The siloviki system – the Romanian edition

Romania is a country still traumatised by the legacy of the former Securitate, a toxic legacy that has never been fully brought to light. More precisely, the process of declassification of former Securitate files is being sabotaged by the authorities in Bucharest and by the heirs of the Ceaușescu regime. Tens of thousands of files are still illegally classified despite the efforts of CNSAS, the autonomous institution established to work on the Securitate archives.

There is a special legal framework for the process of declassifying the archives. Under the current law, the CNSAS manages the archive and only in exceptional circumstances can files remain secret, subject to a common decision by a committee comprising those holding the archive (the main secret services or the Army) and CNSAS.

Based on the Freedom of Information Act, the USR's department of public policy asked the Romanian secret services and the Army (the two entities that divided up the Securitate archive after the revolution) to provide details on how the archive has been transferred to CNSAS. Whilst the former head of SRI, Eduard Hellvig, publicly stated that all Securitate files had been handed over, the official response provided by the institution itself acknowledges that it unilaterally retained some of the files – and not just a few. Thus, it illegally bypassed the legal mechanism that required the CNSAS to decide, together with the secret services or the Army, which files needed to be remain classified.

To put it simply, the heirs of the Securitate decided on their own that thousands of persons who collaborated with the Ceaușescu regime should remain under protection, despite the civilian mechanism and the autonomous authority that is meant to make this decision. Hence, several thousand people, many of them from the political, academic, media and business elite, are still under the influence of the secret services, who have unilaterally and illegally decided that their pre-1989 files are still, in 2024, matters of national security.

Nicolae Ceaușescu's Securitate is not a closed chapter in Romania's history. One could argue that the country managed to enter the EU and NATO without dismantling this heritage, that is, without proving that the newly established

secret services adhere to the instruments of democracy, due to the lack of proper *acquis* on the part of the EU and NATO. Russia under Putin's rule is a clear example of how the unlimited and uncontrolled power of *siloviki* can destroy a country. The so-called security forces, known in Russia as *siloviki*, are the core and backbone of Vladimir Putin's regime. The issue of Romania's *siloviki* could become a European issue. Eduard Hellvig's mandate has ended (Tăpălagă, 2023), and President Iohannis's will soon end as well (Pantazi & Tăpălagă, 2023). Nurturing the future aspirations, which are thought to go as far as pursuing EU-level careers, could represent another triumph of the *siloviki* system over Europe – and this is surely an alarming flag which must be raised.

When it comes to the intelligence services nowadays, there is a very legitimate question awaiting an answer: who is controlling whom – are the intelligence agencies controlling politicians, or is it the other way round (Pirvulescu, 2023)?

By their governing laws, these services are subject to control either by select committees in Parliament or by government ministers. Most MPs who are members of these specific committees are graduates of courses organised by the very intelligence services they are supposed to control. This is the case even for the current prime minister, who started a doctorate at the intelligence services' academy (Pantazi, 2023c). Soon after he entered the course, his political fortunes began to rise after a long career in the shadows of low-level local politics and other questionable endeavours.

Former senior members of the intelligence services are popping up in many government decision-making positions. At the very top of the Cabinet, the former agriculture minister, Adrian Chesnoiu, used to be an intelligence officer.¹ A former intelligence officer also holds a top position at the Romanian Digitalisation Authority, whilst another – a four-star general – was appointed chief of staff at the Financial Supervisory Authority. The intelligence services seem to have put down roots everywhere and can therefore act wherever they wish; as one of the agency's highest officials has publicly stated, 'SRI is ready to intervene in elections if necessary' (Pora, 2023).

A similarly intrusive presence has been identified at the Ministry of Investments and European Projects. The secretary of state who was initially chosen to work on the country's RRF under the PNL government, Liliana Anghel, publicly presented herself during her time at the institution as an agent of the secret services (Oancea, 2023). The militarisation of the Romanian state is shocking, and the trend is growing. By decision of an administrative body called the Supreme Council of Country's Defence (CSAT), which is not subject to parliamentary control, successive rulings were made to declare various policy sectors as areas of interest for 'national security'. Education and anti-drug policies were recently added to the list. This demonstrates how the Romanian *siloviki* have decided that elected politicians and civilian institutions are not to be trusted with governing Romania. Their involvement and power is spreading, calling into question the

¹ The Romanian Chamber of Deputies, [Adrian-Ionuț CHESNOIU](#), CV.

democratic apparatus of the country.

What is even more concerning is that the shadow of the intelligence world is hovering over every major digitalisation project as well, from the future government cloud to a planned digital platform that would help lawyers work with their clients, which is designed to run on a digital infrastructure controlled by the intelligence agencies.

Ever since the (re)establishment of the SRI in 1990, there has never been true civilian control over it. Most recently, we have witnessed an attempt by virtually all the main intelligence agencies to amend the laws governing their activities. The timing – right after Russia invaded Ukraine – is a known trick: every time the country experiences a security crisis, a proposal is made to amend the intelligence services laws and grant them more powers.

Even more alarming is the fact that the draft of the law was written by the intelligence agencies themselves (Chirileasa, 2022a). It was a startling moment when the real power of SRI was revealed: it had written its own laws, replacing Parliament's constitutional role. The huge public protest that ensued, thanks to the mobilisation of civil society and the liberal opposition, the USR party, meant that the draft quickly vanished. The story was buried, and there has been no official enquiry into why the SRI was allowed to write the draft, nor any consequences for the intelligence agency or its head, Eduard Hellvig.

The state of the affair is clear in this case: the current, outdated laws on national security are vague and leave plenty of space for the secret services to act in undemocratic ways. Therefore, Romania finds itself at a crossroads: it must decide whether it will rein in the power of the secret services or, on the contrary, legalise their way of doing business. The draft written by the SRI was their attempt to formalise what is increasingly the reality.

If the attack on democracy was not clear enough, the actions of the president himself provided more reasons to worry. When the draft of the legislation was released in the media, President Iohannis responded by threatening the journalists who published it (Tăpălagă, 2022b).

There are significant concerns when it comes to the media in Romania, widely recognised by most of the democratic indicators. These will be further explained in the next section.

Those who really hold the remote control

The consumption of news on political topics in Romania continues to occur primarily in front of the television. And whilst one could argue that control is in the hands of those holding the remote control, Romania's narrative may demonstrate the contrary. The media landscape is highly problematic, with the media seldom reflecting the public interest because it is controlled by the government.

An Expert Forum report shows how much political parties spend on media and propaganda. In 2022, they spent more than 100 million lei, 54 per cent more than the previous year. At PSD and PNL, the amounts allocated represent more than 50 per cent of total spending (ActiveWatch, 2023).

Influential TV news stations are owned by politically connected oligarchs who have been convicted of corruption or are known to have had close connections with the intelligence services. For example, the owner of Romania TV has been a fugitive for over seven years (Chirileasa, 2022b), wanted by Romanian prosecutors on corruption charges. He was previously an MP and a member of the select committee overseeing the SRI. The owner of Antena 3 was convicted and sentenced to ten years in prison for corruption in 2014. He was a Securitate officer during the communist period. The owner of Realitatea TV was also convicted on corruption charges. Zoltan Teszari, the owner of Digi24, has significant business interests in the energy sector and is thus completely in tune with any party that controls the Energy Ministry. Together, these stations cover more than 70 per cent of the TV news market, with a significant impact on viewers.

These stations abandoned all attempts to provide impartial journalistic coverage long ago and embraced their owners' political or anti-justice agendas. The supposedly autonomous control body, the National Audiovisual Council, is dominated by appointments by the ruling parties, recruited directly through their PR departments and remains impotent in the face of this reality.

Furthermore, there are documented cases of media outlets being financed by the two governing parties. They use public subsidies to impose their political agenda on primetime television and distort the objective reporting of facts (Arun, 2023). This has been recognised in the resolution of the Parliamentary Assembly of the Council of Europe on Romania, which states that 'the use of public funds by political parties to finance media and influence their content on the basis of secret contracts is of the utmost concern'.² USR is the only political party that has refused to illegally finance media outlets (Iordache, 2022). The TV market is entirely under the influence of the single party PSD/PNL, from owners and regulation, to the control body and the financing.

While there are still pockets of real journalism left in Romania, they face a tough fight to hold the government accountable. When journalists try to do their jobs honestly, they end up being harassed by public institutions. One of the most widely debated cases was that of journalist Emilia Șercan, who filed criminal charges against the police for online harassment as confidential details from her case were leaked by the police themselves (Committee to Protect Journalists, 2023).

The campaign against Șercan started as soon as she published details about several cases of plagiarism within the government, including by the prime minister at the time as well as the interior affairs minister. As demonstrated by the NGO

² Resolution 2466, [The honouring of membership obligations to the Council of Europe by Romania](#), PACE, 13 October 2022.

ActiveWatch (2023), there is evidence of a linkage between PNL's indirect funding of the media and the online harassment suffered by the journalist. When asked about its contracts with the entity behind the online publications, Green Pixel Interactive, PNL refused to respond.

What is more, the mass media is not only in favour of those who govern but also surprisingly open to and encouraging of the rise in populism.

A de facto alliance with the extremists, against the liberals

There is little coverage on TV when it comes to the democratic liberal opposition, as the mass-media outlets enjoying the largest audience are boycotting USR, especially during prime-time (Mihăiescu, 2023). However, what is surprising is that the main PSD-funded TV channels give ample space on air to populist leaders such as George Simion, from the Alliance for the Union of Romanians, and Diana Șoșoaca, leader of S.O.S. Romania. Thus, extremist leaders are portrayed as carrying more weight than they really do, with the consent and for the benefit of those who control the TV stations.

Meanwhile, the ruling coalition and its top-level leaders often refer to the dangers of extremism in Romania. The aim is to convince the public that their de facto conservative–socialist system is preferable to the trend towards extremism. Whilst the liberal democratic opposition is harassed by the party-controlled media and even by some public institutions, the populist 'opposition' is aided by the same mechanisms. This is, in fact, the orchestration of the *façade democracy*: those currently in power are trying to punish independent and reformist voices and facilitate a *façade opposition* that appears as potentially destructive as possible so that the status quo remains appealing – creating a sense that there is no reasonable alternative. At a time when there is a critical need for good governance – the RFF reforms, the special pensions, the state of the budget, the corruption cases related to elderly people's homes – the AUR party³ has generated no real opposition to PSD.

It is now relevant to consider another example: the way in which the Permanent Electoral Authority (AEP) scrutinises the parties' spending. The extremist party AUR made a strong impression with its so-called mobile medical caravans, which promised to provide medical services to the poor. In a country with limited access to medical services, this touched on a painful issue, especially as this topic often seems to be ignored by those in power. Recently, the funding budgeted in the RRF for increasing the poor's access to basic medical treatment was lost by the government. Nevertheless, the actions of AUR were theatrical at best, not to mention that it is illegal to use party funding in such a way (Soare, n.d.). That did not stop one of the TV outlets from promoting AUR's actions in a spectacular way. Meanwhile, the AEP, whose role it is to scrutinise the way parties spend their

³ The Alliance for the Union of Romanians (extreme-right party in Romania).

money, only gave AUR some small fines for these actions, of an inconsequential amount when compared with the electoral benefit they gained.

In comparison, the case of the Popular Movement Party (PMP) shows once again the level of political abuse by the ruling coalition. PMP is a small party with a conservative orientation that has two members in the European Parliament and thousands in position as local officials. After the coalition failed to swallow up this small party, it started to take revenge. Two weeks after PMP announced its intention to form an alliance with USR, the AEP cut PMP's funds, invoking the existence of a judicial case brought by a former president of PMP. However, such a precedent has never been used in the case of any other party in Romania, even if it could have been applicable. PSD was in a similar situation to PMP, for instance, with one president on paper in court and another in practice. The process of change takes time, and if the AEP's logic now applied universally and without discretion, almost all parties would have their funding suspended when they changed presidents.

Once again, the politicisation of public institutions is clearly visible, all being possible given the mutually beneficial agreement between the two ruling parties, PSD and PNL. In an article on the appointment of former PSD official, Tony Greblă, as the head of the AEP, the G4Media publication considers this an act by PSD 'with the complicity of PNL and President Iohannis' (Pantazi, 2023a). This is how the system is currently lynching those who fall out of line, such as PMP, because of their simple intention to form an alliance, whilst at the same time encouraging extremists.

Dysfunctional democracy and budgetary disarray: the prime minister gains unprecedented power

The decline of good governance and rule of law in Romania has started to have direct implications for budgetary stability. For the first time in the 33 years since the revolution, the government abandoned the legal mechanism to rectify the budget for 2023. Such a formal rectification would have forced it to be transparent and at least try to mimic parliamentary control. Instead, the government proposed an emergency ordinance to exempt itself from any transparency and budgetary control, a practice that also undermines the stability and predictability of legislation. This problem is highlighted in the European Commission's Report on Rule of Law in Romania in 2023, which states that the country should step up its efforts to ensure effective public consultation before legislation is adopted.

It is almost commonplace for Romanian governments to abuse fiscal mechanisms, but this time there is a difference in nature, not in degree: by using an emergency ordinance, the prime minister has decided that the law on budgetary stability, the tax code, and legislation related to the functioning of local authorities no longer

apply. Such measures were not taken even in the worst times of austerity; what the current government did, even former prime minister Liviu Dragnea did not dare to do during the country's previous budget crisis. The entire framework of budgetary-fiscal stability created at the time of EU accession was abolished for the first time by an emergency ordinance. The effects will be significant, and the country may end up bankrupt because there is no longer any possibility for the European Commission, the public, the press, or the Fiscal Council to even monitor the state of the budget.

The government has replaced budget rectification with non-transparent, discretionary, ad hoc decisions to allocate resources from the 'reserve fund for emergencies and unforeseen situations'. The stake of this practice is the possibility to arbitrarily allocate public money.

The unofficial motivation behind such undemocratic moves is to influence mayors' actions and decisions by cutting money for public investments and public services according to the government's wishes. In this context, the pressure on opposition mayors has become tremendous, and the expectation is that they will consequently shift towards the parties in power. One by one, opposition mayors are being aggressively intimidated and bought off.

The effect of this practice is the slow but steady emergence of chaos in the public sector, dismantling all fiscal rules and accountability while generating payment arrears in the private sector related to investment works and acquisition contracts. After a sharp increase in public spending during the past two years, thus breaking the promises made to the EU, the government went as far as to also increase taxation of the private economy.

In a letter to the European Commission, USR President Catalin Drulă has highlighted such concerns regarding the fiscal policies currently being implemented by the Romanian government, policies that are hurtling the country towards budgetary disarray, leaving it doomed to insolvency. The lack of transparency and predictability further harms the country's ability to attract investments: Romania is borrowing at a fast pace, at the highest interest rates in the EU after Hungary.

If the state of democracy in Romania – a PSD/PNL democracy in name only – is not addressed, it will lead to bankruptcy, which would pose a problem for the EU in the future.

Conclusions

Romania is witnessing the decay of the democratic foundations it fought so hard to establish as part of its EU accession. There is evidence of a system of power built by a combination of administrative arbitrariness, media capture and politicisation, lack of control over the secret services, and, last but not least, budgetary chaos, all of which are becoming increasingly visible as the current ruling coalition works to prearrange 2024 presidential and parliamentary elections in its favour.

The absence of an institutional balance between the judicial, executive, and legislative powers in Romania (not to mention the fourth power as well, the media) has translated into a standstill in the fight against corruption at the highest levels. The country is witnessing growing public distrust in the state's ability to deliver justice and equality before the law, especially as politicians are taking advantage of their positions to get away with everything from plagiarism to corruption.

In this context, 2024 could be a turning point for the country, not only because all electoral ballots are occurring in the same year, but also because Romania faces multiple challenges at the same time: the continuous rise of populism, economic disarray, and the incumbent parties' fight to maintain perpetual control and continue their state capture.

The façade democracy that has been created, whilst dangerous, is not yet irreversible.

Author bio

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About ELF

The European Liberal Forum (ELF) is the official political foundation of the European Liberal Party, the ALDE Party. Together with 59 member organisations, we work all over Europe to bring new ideas into the political debate, to provide a platform for discussion, and to empower citizens to make their voices heard. Our work is guided by liberal ideals and a belief in the principle of freedom. We stand for a future-oriented Europe that offers opportunities for every citizen. ELF is engaged on all political levels, from the local to the European. We bring together a diverse network of national foundations, think tanks and other experts. In this role, our forum serves as a space for an open and informed exchange of views between a wide range of different EU stakeholders.

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