



**Contributions from the Sherpas  
of the Member States to  
the Five Presidents' Report**

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**ROMANIA**

## ROMANIA'S PERSPECTIVE ON THE WAY FORWARD TOWARDS A STRONG ECONOMIC AND MONETARY UNION

Romania is one of the non-euro Member States who has assumed including through its Accession Treaty the objective to join the Euro area and has actively participated in the efforts aimed at consolidating the European economic governance, associating itself to all relevant initiatives: the Euro Plus Pact, the Fiscal Compact etc.

**A stronger and sustainable Europe requires a consolidated Economic and Monetary Union.** In order to achieve this objective all Member States should have an active role in the process.

### 1. JOINT EFFORTS AND TRANSPARENCY

- **The key to ensuring effective and sustainable reform of the European Union consists in joint action (of both Member States and institutions),** in accordance with the commitments to respect European values and contribute to economic convergence and to ensure the development of the entire EU.
- The consolidation of the economic and monetary governance in the latest years led to stricter rules, the accent being currently placed on their implementation. **Applying these rules could prove to be insufficient if not accompanied by an EU strong political will.** In this respect, the common action of all the European financial and political institutions with responsibilities is key in this process.
- Moreover, the **sustained responsibility from all Member States** is vital for ensuring a sound fiscal and economic position which will lead to an increased level of trust within EU Member States and to more resilience to shocks in the EU economy.
- While ensuring that commonly agreed rules are followed, the implementation of the Stability and Growth Pact in an intelligent, effective and credible manner, including through a more flexible approach, aims at facilitating structural reforms and investment in order to consolidate growth and job creation. From this perspective, we deem appropriate for the European Commission **to explore further options in order to motivate the non-euro Member States which already make significant efforts to ensure real convergence while abiding to the rules of the Pact.**
- Ensuring sustainability and a strong and effective EMU could only be ensured through an inclusive, cohesive approach, facilitating common achievements for the Union and taking into account the interests of all EU Member States. **Ensuring the transparency and inclusiveness of the decisions taken in the Euro area is a must.**
- We deem as essential, in this context, a reflection on **a real cooperation framework and dialogue to be developed** between the European Commission and the Member States, **with a special focus on the non-euro Members who want to join the euro, in order to provide necessary guidance and assistance** in their efforts towards complying with the requested convergence criteria.

## 2. BETTER IMPLEMENTATION OF THE CURRENT FRAMEWORK.

- Economic challenges remain significant and they are currently influenced by the geopolitical developments,. The credibility of a medium and long term vision for the economic and monetary policies will very much depend on the effectiveness in the implementation, on a short and medium term, of the instruments already agreed within EU.
- The recent changes to the EU governance framework are definitely an important step forward. At the same time, **the framework has become extremely complex and contains many interlinked elements** which make necessary a more in-depth work analysis and evaluation by the European Commission. These new rules also need to be internalized at national level in order to provide for the expected results. Furthermore, some of these instruments are being applied for a short period of time, which makes difficult to assess their effectiveness and even less the opportunity for a possible consolidation. Therefore, while acknowledging that important challenges remain with respect to the shock-resilience of the Euro area, **we deem more efficient, at least on a short and medium term, to focus on the full implementation, both at EU and national level of the already consolidated mechanisms within the governance framework.**
- **Fulfilling the commitments undertaken by all Member States is essential for the well-functioning of the Union.** From our perspective, the Union has sufficient instruments in place to ensure that its principles and rules are consistently applied by all Member States, on the economic dimension as well as on the other EU policies. Furthermore, their enforcement at the EU level (in the non-euro Member States willing to take part in this process, such as Romania) should further enhance the efficiency of these instruments throughout the Union.
- It is also preferable that the consolidation process of the EMU be designed within the existing framework of the institutions competences, by avoiding the creation of new bodies or institutional structures which could create difficulties to the decision-making process.
- The EU needs all its members to act together in order to improve, and if the case, further develop mechanisms able to further contribute to its long-term competitiveness. In this regard, **any new measures for consolidating the EMU should be based on a clear, realistic and pragmatic view** of where the EU and its Members currently stand and what their final goal is.

## 3. COMPLETION OF THE INTERNAL MARKET.

- Promoting economic and social progress for the European citizens, including through the consolidation of the EMU, should be governed by the principle of sustainable development, reduction of economic and social disparities at regional and national levels and the accomplishment of the internal market. The well-functioning of the Internal Market and the **full guarantee of its four freedoms** (goods, services, capital and persons, including work-force) represent the foundation on which the EU was conceived.
- The future of the EU stands in its ability to remain united, especially when facing economic, social and political difficulties. We should preserve as major objective the need for common action to eliminate the barriers which divide Europe. The social and economic interdependencies between the EU Member States, which are fundamental to the EU project, require a **coordinated and integrated approach** when it comes to the need to address existing and potential imbalances.

- Our joined efforts should be geared towards preserving **Europe as a social market economy and maintaining a highly competitive European social model.**
- The existence of sound economic and financial framework has a strong impact on the functioning of the Internal Market, contributing to achieving other important goals of economic policy - e.g. strong and sustainable economic growth and the creation of jobs.
- **The need for better implementing the economic and fiscal governance framework must not undercut the efforts to enhance economic growth** which is essential especially for non-euro Member States' objectives of ensuring real convergence.

#### 4. ENSURING LEGITIMACY

- When building a medium and long-term approach for the EMU it is essential to fully take into account all related objectives to this process, including the impact on the day-to-day life in order to ensure that the welfare achieved impacts and benefits to all European citizens. **Strengthening the social dimension** will ensure the **long-term sustainability and the legitimacy of the economic and monetary policies, as well as an increased support from the European citizens.** It is crucial to restore the confidence of the European citizens in the measures promoted at EU level through a more coherent social approach of the measures concerning the consolidation of the EMU (including with respect to preserving the labour mobility principle, as one of the fundamental principles of the EU design).
- The major impact that the consolidation of the economic and fiscal governance framework has on EU Member States' national policies, as well as on the economic perspectives of the Union calls for **a comprehensive and in-depth reflection process in order to come to efficient and credible solutions** designed to consolidate the trust of the European citizens in this process. **A pragmatic and coherent approach is needed.**
- Therefore, **we should focus on providing deliverables on a short and medium run in terms of economic sustainability and growth.** From this perspective, the issues related to the accountability and legitimacy of the EMU structure and of the EU architecture, as a whole, remain a challenge that should be addressed in a concerted and integrated manner.
- **Only through proper consideration of the differences and specific needs of all its members and the adequate means for reducing the existing disparities at regional and national levels, will the EU be able to convince as a reliable, competitive and long-term viable project on the global scene.**