



**Parlamentul României  
Senat**

*Bucharest, June 18, 2020*

*Courtesy translation*

**OPINION  
of the SENATE of ROMANIA**

*on the European Semester 2020 Package:*

*Communication from the Commission to the European Parliament, the Council, The European Central Bank, The European Economic and Social Committee and the Committee of the Regions - Economic governance review Report on the application of Regulations (EU) No 1173/2011, 1174/2011, 1175/2011, 1176/2011, 1177/2011, 472/2013 and 473/2013 and on the suitability of Council Directive 2011/85/EU  
COM (2020) 55 final*

*Report from the Commission to the European Parliament, the Council, The European Central Bank and the European Economic and Social Committee - Alert Mechanism Report 2020 (prepared in accordance with Articles 3 and 4 of Regulation (EU) No 1176/2011 on the prevention and correction of macroeconomic imbalances)  
COM (2019) 651 final*

*Proposal for a Joint Employment Report from the Commission and the Council - accompanying the Communication from the Commission on the Annual Sustainable Growth Strategy 2020  
COM (2019) 653 final*

*Commission Staff Working Document - Country Report Romania 2020  
Accompanying the document Communication from the Commission to the European Parliament, the European Council, the Council, The European Central Bank and the Eurogroup 2020 European Semester: Assessment of progress on structural reforms, prevention and correction of macroeconomic imbalances, and results of in-depth reviews under Regulation (EU) No 1176/2011  
SDW (2020) 522 final*

The Romanian Senate examined the European Semester 2020 Package: COM (2020) 55 final, COM (2019) 651 final, COM (2019) 653 final, SDW (2020) 522 final, according to the provisions of the Treaty of Lisbon (Protocol no.1).

Taking into account the report of May 29, 2020 of the Committee for European Affairs, **the Plenum of the Senate**, during its session of June 12, 2020

1. Notes:
  - a) that this reflection process and the Country Reports were published before the COVID-19 crisis, so their relevance is now different;
  - b) the need to adjust the approach in the context determined by the COVID-19 epidemic.
2. Supports European solidarity, which must be manifested through the development of a joint relaunch program and the issuance of bonds that pool the significant costs of this process; It is clear, in this case, that populist or risky behavior by governments (moral hazard) can no longer be invoked and that, as the Commission has correctly analyzed, we are facing a double crisis, both supply and demand, whose duration is difficult to anticipate.
3. Emphasizes that the current crisis is in addition to the one expected by analysts, due to the inability or lack of political will to resolve the deeply unequal distribution of the economic results, globally and at European level. Thus, if appropriate measures are not taken in a timely manner, the wealth concentration will increase and global, European and national demand will decrease. As a result, the post-crisis measures proposed by the Commission must directly target the most affected categories - citizens, small and medium-sized enterprises, public goods and services.
4. Points out that this epidemic which affects all Member States confirms the lack of resources in the European budget; the solutions adopted, although welcome, are based on a move of funds from one objective to another, before reaching the initial objectives.
5. Expresses its concern at the widening of the gap between debtor and creditor Member States through the use of financial instruments in particular. We recall the controversial results of the monetary policy of the European Central Bank to revive the European economy, which led to rising prices for land, real estate, and a total disconnection of stock prices from the real economy, phenomena generated by the huge amount of cheap money and purchases of central bank bonds.
6. Recalls its own observations from previous years:
  - a) many of the recommendations made during the European Semester have opposite effects, as there is no unitary vision of the document; the analyses and recommendations elaborated within the economic directorates of the European Commission and those that come, we suppose, from the directorates with social specificity, are in contradiction;
  - b) inadequate indicators are used (for example, the high percentage increase of salaries in Romania has another significance if their extremely low absolute size is taken into account);
  - c) structural reforms must be directed towards improving the allocation of resources, the reform of the fiscal policy on both aspects, the structure and the level for a more efficient redistribution; emphasises the need for strong measures to combat tax optimisation, with a special focus on digital taxation;
  - d) encouraging investments for the provision of public goods and services; this is the main reason for the legitimacy of the existence of public institutions, including the European institutions;

e) the functioning of the single market and the completion of monetary and capital markets is not the solution to all the problems the Union is facing, as is explicitly stated or supported in some documents prepared by the European Commission.

**p. President of the Senate**  
**Robert-Marius CAZANCIUC**

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a stylized representation of the name.