



Parlamentul României Senat

Bucharest, July 1, 2020

Courtesy translation

OPINION of the SENATE of ROMANIA

on the Communication from the Commission to the European Parliament, the European Council, The Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank 2020 European Semester: Country-specific recommendations COM (2020) 500 final and the Recommendation for a Council Recommendation on the 2020 National Reform Programme of Romania and delivering a Council opinion on the 2020 Convergence Programme of Romania COM (2020) 523 final

The Romanian Senate examined the Communication from the Commission to the European Parliament, the European Council, The Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank 2020 European Semester: Country-specific recommendations COM (2020) 500 final and the Recommendation for a Council Recommendation on the 2020 National Reform Programme of Romania and delivering a Council opinion on the 2020 Convergence Programme of Romania COM (2020) 523 final, according to the provisions of the Treaty of Lisbon (Protocol no. 1).

Taking into account the report of June 26, 2020 of the Committee for European Affairs, **the Plenum of the Senate**, during its session of June 30, 2020

1. Points out that this epidemic, which affects all Member States, confirms the insufficient resources of the European budget; the solutions adopted, although welcome, are based on a transfer of funds from one objective to another, without the initial objectives having been achieved;
2. Notes that the current crisis is in addition to the one already expected by analysts, due to the inability or lack of political will to solve the problem of the deeply unequal distribution of the results of the economy, globally and at European level. Thus, if appropriate measures are not taken in a timely manner, the concentration of wealth will be even higher, global, European and national demand will be even lower. Therefore, the post-crisis measures proposed by the European Commission must directly target the most affected categories - citizens, small and medium-sized enterprises, public goods and services;
3. Is concerned that the use of financial instruments in particular will widen the gap between debtor and creditor Member States. Recalls that the European Central Bank's monetary policy in recent years, aimed at reviving the European economy, has had controversial results; thus, we

have witnessed the rise in prices for land, real estate in general, and a total break in stock prices due to the real economy, phenomena generated by the huge amount of cheap money and bond purchases by the European Central Bank;

4. Recalls its previous observations:

- a) many of the recommendations made during the European Semester have opposite effects, there is no unitary vision of the document; the analyzes and recommendations developed within the European Commission's economic directorates and those that come, we assume, from the social directorates, contradict each other;
- b) in addition, in the analyzed document, the Country Specific Recommendations (Rst) 1 refer to the application of fiscal-budgetary policies in accordance with the Council recommendation of 3 April 2020 in which Romania is invited to put an end to the situation of excessive public deficit by 2022, a recommendation that no longer makes sense given the activation of the general derogation clause in the Stability and Growth Pact, as well as Rst 2, 3 and 4;
- c) structural reforms must be directed towards improving the allocation of resources, the reform of the fiscal policy on both aspects, structure and level, for a more efficient redistribution; we emphasize the need for firm measures to combat tax optimization, 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 are not the solution to all the problems facing the Union, as is explicitly stated or supported in some documents prepared by the European Commission.

p. President of the Senate
Robert-Marius CAZANCIUC

