

## ROMANIA (16 risks)

### LABOUR RIGHTS (8)

#### Freedom of association (2)

- Labour law reform in Romania has diminished employees' freedom of association and restricted the right to form unions. Because of these law reforms, collective agreement is an exception most of the collective bargaining is now mainly happening at the enterprise level. [Source: EU observer, How Romania became an EU workers' rights 'guinea pig', 2017](#)
- Romania scores a 4 on the ITUC Global Rights Index (scale 1-5) for freedom of association and workers' rights, which stands for systematic violations of labour rights. The government and/or companies are engaged in serious efforts to crush the collective voice of workers putting fundamental rights under continuous threat. [Source: ITUC-CSI, ITUC Global Rights Index, 2020](#)

#### Labour conditions (2)

- Union leaders claim that employees are often required to work more than the legal maximum number of hours and the compensation for overtime required by law is not always paid. This is especially common in the textile, banking and finance, and construction sectors. [Source: US Department of State, Romania 2019](#)
- The COVID-19 pandemic posed major challenges to the agriculture and accommodation and food sectors in the EU. For seasonal workers, the pandemic has highlighted and exacerbated their already very tense situation. Lack of income, restrictions on freedom of movement and access to better sanitation and the health system were and are the main reasons for the very precarious situation of seasonal workers. [Source: European Parliament, Migrant seasonal workers in the European agricultural sector, 2021](#)

#### Discrimination & Gender (2)

- Roma in Romania face discrimination. Read more about this in the report of Amnesty International. [Source: Amnesty International, Report 2020/21 - The state of the World's Human Rights, 2021](#)
- Violence against women, including spousal abuse, is a serious problem, according to NGOs and other sources. Women face discrimination at the workplace, as they occupy few influential positions in the private sector, and differences between the salaries of women and men exist in most sectors of the economy. The law prohibits discrimination based on sexual orientation, but NGOs report that police abuse and societal discrimination against LGBT persons are common. Additionally, discrimination in employment or occupation occurs with respect to gender, disability, HIV-positive status, and Roma and migrant workers. [Source: US Department of State, Romania 2019 Human Rights Report, 2019](#)

#### Child labour (1)

- Child labour is widespread in Romani communities, mainly in urban areas. Activities include begging, selling trinkets on the street, and washing windshields. [Source: US Department of State, Romania 2019 Human Rights Report, 2019](#)

## Wage & Remuneration (1)

- According to Eurostat data, in 2017 more than one-third (35.7 percent) of the population was at risk of poverty or social exclusion. Union reports claim that many employers pay informal supplemental salaries to reduce tax burdens for both the employee and the employer. This practice has a negative effect on future pensions and the ability to obtain commercial credit for employees. [Source: US Department of State, Romania 2019 Human Rights Report, 2019](#)

## ENVIRONMENT (5)

### Environment & Waste (2)

- Waste management is a key challenge for Romania. The country's performance is characterized by very low recycling and composting, and high landfilling rates. Resource efficiency is low, and the circular economy is underdeveloped. In 2015, 'resource productivity' was one of the lowest in the EU, at 0.31 EUR/kg compared with the EU average of EUR 2.0 EUR/kg. [Source: European Commission, EU Environmental Implementation Review Highlights: Romania, 2017](#)
- Currently, the bulk of municipal solid waste in Romania is disposed of in landfills and dumpsites. Waste separation and recycling infrastructure are not yet sufficiently developed. Romania has very low levels of recycling and composting, namely 16%, compared to the European average of 44%. [Source: Cronicile, Country of hundreds of tons of garbage thrown everywhere stumbles over legislation, 2017](#)

### Biodiversity (1)

- Forests in Romania cover 29 per cent of the total land area and have some of the richest biodiversity in Europe. The forests contain 200,000 hectares of beech, spruce, fir, oak and other species. But by some estimates, it is losing three hectares of total forest cover an hour, including valuable virgin forests, as a result of legal and illegal logging and degradation. [Source: NewStatesman, The race to save Romania's forests: how illegal loggers lay waste to the wilderness, 2017](#)

### Water use (1)

- Significant pressure on water resources in Romania comes from treated and untreated wastewater discharges into surface water. Much of the nation's industrial wastewater ends up in the Danube river system, making water unsafe for drinking and threatening the diverse ecosystems of the Danube delta. Its lakes and marshes are home to hundreds of species of birds and dozens of fish and reptile species, many of which are threatened with extinction. [Source: Naturvernforbundet, Environmental issues in Romania, 2019](#)

### Soil & Contamination (1)

Poor farming practices, especially infrequent crop rotation, have led to severe soil degradation and erosion in parts of Romania, although today, nearly half of all Romanians still live out of farming, in rural areas. Besides that, soil quality is under pressure from fertilisers, pesticides, and industrial activities (mining, steel, energy, etc.). [Source: Naturvernforbundet, Environmental issues in Romania, 2019](#)

## **FAIR BUSINESS PRACTICE (2)**

### **Corruption (2)**

According to the Corruption Perceptions Index, the corruption score of Romania is 44, on a scale of 0 (highly corrupt) to 100 (very clean). This means that the risk of corruption in Romania is high. [Source: Transparency International, Corruption Perceptions Index 2020, 2021](#)

Corruption is a serious problem in Romania and can be a problematic factor for doing business. Petty corruption such as irregular payments and bribes happen often and foreign investors experience complicated procedures, arbitrary application of rules and request for bribes when trying to resolve administrative tasks related to business operations. Whilst the Romanian Criminal Code criminalizes active and passive bribery, the government does not enforce anti-corruption laws effectively and impunity occurs. [Source: The Risk & Compliance Portal, Romania Corruption Report, 2020](#)

### **Human Rights (1)**

#### **Government influence (1)**

Police in Romania use arbitrary and excessive force during anti-government demonstrations in 2018. [Source: Balkan Investigative Reporting Network \(BIRN\), Romanian Police Chiefs Indicted For Violence Against Protesters, 2018,](#)