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EUROPEAN GOVERNANCE, INSTITUTIONAL TRANSFORMATION, AND INTEGRATION: AN EMPIRICAL ANALYSIS OF ROMANIA

ELENA-MIHAELA SFRIJAN (căs. ANDRIEȘ)
Alexandru Ioan Cuza University of Iași
Iași, Romania
elena.sfrijan@student.uaic.ro

ANA-MARIA BERCU
Alexandru Ioan Cuza University of Iași
Iași, Romania
bercu@uaic.ro

Abstract
The dynamics of European governance are shaped by complex processes of differentiated integration, Europeanization, and institutional transformation, with implications for member states, including Romania. The purpose of this paper is to explain how the European Union is redefining its governance framework under the impact of enlargement and systemic crises, particularly the eurozone crisis. The objective is to analyze the degree of Romania's convergence with the acquis communautaire and the European Union average.
The model of constrained adaptive governance describes the European Union's tendency to experiment with functional centralization during times of crisis, while maintaining significant political pressure to deepen integration.
The research methodology employed combines theoretical analysis with an empirical approach based on relevant economic indicators, using Romania as a case study to assess the effects of Europeanization and the implementation of the acquis communautaire. The results highlight partial but unevenly distributed economic and institutional convergence, confirming the differentiated nature of European Union integration.
In conclusion, European governance is viewed as a flexible and adaptive system in which institutional transformation is driven by the interplay between crises, structural constraints, and processes of Europeanization. There is no complete standardization among member states, as they evolve at different paces
Keywords: *European governance; differentiated integration; Europeanization; institutional transformation; the acquis communautaire.*
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1. INTRODUCTION

European governance is one of the most complex and contentious aspects of contemporary political integration. To properly understand the situation, it is necessary to take a broad view of the origins of the European project and its gradual transformations over time. In fact, the contemporary European Union is a product of historical developments and successive institutional adaptations, not the result of a coherent, pre-established plan for supranational political construction (Pierson, 1996; Pollack, 2004).

The structure is not that of a federal state, as member states retain their sovereignty and the right to withdraw from the Union (Article 50 TEU, invoked by the United Kingdom through Brexit). At the same time, it is not a simple classical international organization governed exclusively by revocable intergovernmental agreements. European legal scholars and political scientists consider it a unique political and legal entity, with its own operating principles, its own constitutional order, and its own logic of integration (Weiler, 1999; Schmitter, 2004). It is precisely this hybrid and constantly evolving nature that makes European governance a contested field of study in contemporary academic literature.

The evolution of European integration has not been linear, but rather marked by crises and compromises that reflect the tension between European integration and national sovereignty. An important example is the "empty chair policy" practiced by France in 1965–1966, which led to the Luxembourg Compromise and the informal recognition of the right of veto on matters of vital national interest (Rittberger, 2005).

In 2005, France and the Netherlands rejected the European Constitutional Treaty, highlighting the difficulty of securing public support for further transfers of sovereignty. Some of the reforms were subsequently incorporated into the Treaty of Lisbon. Another major milestone was Brexit, finalized in 2020, when for the first time a member state left the European Union, calling into question the irreversibility of integration (Hobolt, 2016).

Thus, the history of European governance can be interpreted as a constant tension between deeper integration and resistance from nation-states, driven by political interests, identities, and concerns about sovereignty.

2. THEORETICAL FRAMEWORK: NEO-INSTITUTIONALISM, MULTILEVEL GOVERNANCE, EUROPEANIZATION, AND DIFFERENTIATED INTEGRATION

2.1 Neo-institutionalism

Neo-institutionalism is a theoretical approach in political science that explains how European institutions are formed, persist, and transform (Hall and Taylor, 1996; March and Olsen, 1989). In the literature, it is divided into three main variants: rational-choice, sociological, and historical neo-institutionalism,

each emphasizing different mechanisms through which institutions influence political behaviors and processes.

Rational-choice neo-institutionalism starts from the idea that member states remain the primary actors of integration, delegating powers to supranational institutions only when the cost-benefit calculation is favorable. This perspective explains the selectivity of integration and the resistance of national governments to transfers of sovereignty in politically sensitive areas, such as direct taxation or foreign policy (Moravcsik, 1998).

Sociological neo-institutionalism emphasizes the normative and cultural dimensions of institutions. These not only constrain behavior but also shape the identities, perceptions, and preferences of actors. European integration is both a process of negotiation and one of institutional socialization, in which states and domestic authorities come to adopt common norms and practices (Risse, 2010).

Historical neo-institutionalism introduces the concept of path dependency. According to this perspective, initial choices have lasting effects because they create institutional structures that are difficult to change later. Once established, these structures generate constraints that limit future options, even if the context changes (Pierson, 1996).

With regard to European integration, this concept explains why the evolution of the European Union is highly cumulative. The treaties from the Treaty of Rome, the Treaty of Maastricht, the Treaty of Amsterdam, and the Treaty of Nice, up to the Treaty of Lisbon demonstrate a process of gradual institutional construction. Each stage of integration was built upon existing foundations, expanding the Union's competences and adapting the institutional architecture, but without completely eliminating the initial tensions between the supranational and national levels. Thus, European integration is not a radical overhaul starting from scratch, but an evolutionary process in which earlier decisions shape future choices.

2.2 Multilevel Governance Theory

The concept of multilevel governance (MLG) was developed to explain how the decision-making process works within the European Union. Unlike the classic model of the nation-state, in which power is concentrated primarily at the central level, multi-level governance involves the distribution of authority among multiple levels of government (European, national, regional, and local) that interact continuously and share responsibilities.

The theory was developed by Liesbet Hooghe and Gary Marks (2001) in their analysis of European cohesion policy and structural funds. They observed that the implementation of European policies does not depend exclusively on national governments, but also involves regional and local authorities that actively participate in the negotiation, management, and enforcement of European decisions.

A central element of the MLG model is the idea that subnational authorities (regions, counties, municipalities, or other local authorities) can interact directly with European institutions, without always going through the central government. For example, certain European regions directly manage projects funded by European funds, participate in transnational networks, or promote their own interests in Brussels.

This approach reflects the transformation of sovereignty within the context of European integration. Power is no longer exercised exclusively "top-down" by the state, but is shared among multiple levels of authority that coexist and cooperate.

From the perspective of multilevel governance (MLG), the eurozone crisis (2010–2012) highlighted the difficulties of a system in which economic and fiscal powers are divided between the European and national levels. Although monetary policy was managed by the European Central Bank, fiscal and budgetary policies remained largely under the control of member states, and the lack of a strong common fiscal mechanism limited the Union's ability to respond effectively to the crisis.

The crisis affected countries such as Greece, Portugal, Spain, and Ireland in different ways and demonstrated the need for more integrated economic coordination. However, many countries were reluctant to transfer additional sovereignty to the European level. As a result, the European Union strengthened its common economic coordination mechanisms, without, however, establishing a true fiscal or political union.

2.3 Europeanization - Conceptualization and Dimensions

Claudio Radaelli (2003, p. 30) defines Europeanization as the process by which rules, norms, and practices developed at the European Union level are integrated into national political and administrative systems. This process is not limited to the adoption of European legislation but involves a broader transformation of institutions, administration, and public policies through adaptation to EU standards. At the same time, Europeanization is a two-way process, as member states also contribute to shaping European policies and norms.

Robert Ladrech (1994) defines Europeanization as a gradual process of adapting national political structures and practices to the requirements of the European Union. It is not limited to specific legal changes, but involves gradual transformations of institutions, decision-making processes, and relationships among political actors, through the integration of the logic of European governance into the functioning of member states.

Subsequently, Simon Bulmer and Claudio Radaelli (2004) developed a more nuanced typology of Europeanization, highlighting the fact that the European Union's impact on member states is not uniform. They distinguish

between three mechanisms of the Europeanization process. A first mechanism is that of institutional constraint, through which states are required to adapt their legislation and institutions to comply with the acquis communautaire. A second mechanism is institutional learning, which involves adopting administrative models and practices considered effective at the European level. Furthermore, Europeanization can have an identity-based and discursive dimension, influencing how political actors and society define national interests and their relationship to the European project.

In the countries of Central and Eastern Europe, Europeanization was particularly intense during the pre-accession period, when reforms were driven by the criteria imposed by the European Union. However, the formal adoption of European norms did not always lead to their effective implementation, with many reforms remaining incomplete or selective, which created a gap between legal compliance and actual changes in practice (Schimmelfennig and Sedelmeier, 2004).

Thus, Europeanization must be viewed as a continuous and complex process of mutual adaptation between the EU and its member states, combining institutional convergence with the persistence of national differences. The case of Romania highlights this uneven nature of the process, in which European integration brings about both adaptation and transformation, as well as forms of institutional resistance.

2.4 Differentiated Integration – Concepts and Typologies

Differentiated integration describes the phenomenon whereby EU member states participate to varying degrees in the process of European integration. Unlike the traditional view of uniform and simultaneous integration for all member states, this approach acknowledges that the European Union operates through varying levels of participation and cooperation, determined by distinct political interests, economic capacities, or strategic choices.

In the academic literature, Alexander Stubb and later Kenneth Dyson and Angelos Sepos have shown that differentiated integration represents a pragmatic solution to the heterogeneity of the European Union. As the EU has expanded and become more diverse economically, politically, and culturally, it has become increasingly difficult to maintain a rigid model of identical integration for all member states (Stubb, 1996; Dyson and Sepos, 2010). The realistic solution is for integration not to be uniform for all, but flexible and tailored to each state or group of states.

Differentiated integration takes shape through several mechanisms. One mechanism is the opt-out clause, whereby certain countries choose not to participate in specific common policies. For example, prior to Brexit, the United Kingdom had secured significant exemptions in areas such as the single currency and cooperation within the area of freedom, security, and justice. A second

mechanism is enhanced cooperation, which allows a group of member states to move forward more quickly in a specific area without the participation of all EU members. This instrument was created to avoid institutional deadlocks caused by the requirement for unanimity and to allow for deeper integration among states willing to cooperate more closely. A third mechanism involves differences in the pace of adoption of common policies. Not all Member States participate simultaneously in the same European structures, and access to certain forms of integration is conditional on meeting specific economic, legal, or institutional criteria.

These dynamics are evident in several key areas of the contemporary European Union. The eurozone includes only those countries that have adopted the single currency and meet the economic convergence criteria. The Schengen Area comprises countries that have abolished internal border controls, but not all EU member states are part of this system. In the field of security and defense, Permanent Structured Cooperation (PESCO) allows interested states to develop joint defense projects without the mandatory participation of all members. Similarly, the European Public Prosecutor's Office (EPPO) operates on the basis of selective participation by states that have agreed to transfer certain judicial powers to the European level.

Lazarou and Thomas (2012) propose a typology of integration differentiated according to two dimensions: intention (voluntary vs. constrained) and permanence (temporary vs. structural). Romania falls into the category of temporary constrained integration in areas such as the eurozone (where membership is mandatory but conditional on convergence criteria) and Schengen (where the founding states have blocked accession for political reasons). This position generates what Leuffen et al. (2013) call horizontal differentiated integration, characterized by the exclusion of certain states from the benefits of deep integration.

3. INSTITUTIONAL TRANSFORMATION OF THE EUROPEAN UNION: FROM COMMUNITY TO UNION

3.1 Stages of European Institutional Construction

The institutional architecture of the European Union did not emerge from a single, coherent, and fully defined project from the outset. It took shape gradually, through a succession of defining moments that each time reconfigured the relationship between the supranational and intergovernmental dimensions. Each major treaty served both as a response to the limitations and shortcomings of previous stages and as a compromise between different perspectives on the direction and degree of European integration.

It all began with the founding of the European Economic Community through the 1957 Treaty of Rome, based on a desired balance among three institutions with different rationales. The European Commission acted as a

supranational guardian of the treaties, proposing legislation and overseeing compliance with common rules. The Council of Ministers represented the interests of the member states and held the primary decision-making power. The Parliamentary Assembly (which later became the European Parliament) had direct democratic legitimacy starting in 1979, serving as an early form of citizen representation.

The Court of Justice of the European Union played a key role in consolidating the European legal order by establishing the principles of direct effect (Van Gend en Loos, 1963) and the primacy of European law (Costa v. ENEL, 1964), which reinforced the autonomy of Community law (Craig and de Búrca, 2015).

The Single European Act accelerated integration by expanding qualified majority voting and strengthening the role of the Parliament, thereby reducing decision-making deadlocks. EU enlargement, especially after 2004, necessitated successive institutional reforms. The Treaty of Amsterdam and the Treaty of Nice introduced functional adjustments, while the Treaty of Lisbon represented a major reform: it simplified the EU's structure, expanded the ordinary legislative procedure, strengthened the role of the Parliament, and introduced mechanisms such as the citizens' initiative, alongside new leadership roles at the European level.

Overall, the evolution of the European Union reflects a continuous process of institutional adaptation, aimed at maintaining a balance between decision-making efficiency, enlargement, and the diversity of Member States.

3.2 The Euro-zone Crisis and the Reconfiguration of Economic Governance

The eurozone sovereign debt crisis (2010–2012) highlighted the structural weaknesses of the Economic and Monetary Union's architecture, which was based on a single currency without being accompanied by a full fiscal union, a robust crisis management mechanism, or a banking union capable of breaking the link between sovereign and banking risk (De Grauwe, 2011; Pisani-Ferry, 2014). In this context, the institutional response entailed an unprecedented acceleration of economic and fiscal integration. The Stability and Growth Pact was strengthened by the Six-Pack (2011) and Two-Pack (2013) legislative packages, which reinforced budgetary surveillance, introduced stricter mechanisms for correcting macroeconomic imbalances, and increased the capacity to sanction countries that deviate from common fiscal rules. These reforms aimed to increase fiscal discipline and reduce the risk of budgetary slippage within the euro area.

An important step was the Treaty on Stability, Coordination, and Governance – TSCG (2012), signed by 25 of the 27 member states of the European Union. It introduced the balanced budget rule into national legislation,

including at the constitutional level in some countries, which represented a significant transfer of fiscal policy powers to a supranational coordination framework. This development has been interpreted in the literature as a form of indirect integration, carried out outside the classical framework of the EU treaties (Bénassy-Quéré et al., 2018).

At the same time, the European Stability Mechanism (ESM), which has been operational since 2012, replaced the previously existing temporary crisis instruments (EFSM and EFSF) with a permanent financial stabilization mechanism. With a lending capacity of approximately €700 billion, the ESM has become the euro area's main instrument for providing financial assistance to countries in difficulty, conditional on strict economic adjustment programs (Eurogroup, 2012).

The Banking Union, launched in 2012–2014, created the Single Supervisory Mechanism (SSM) under the auspices of the ECB and the Single Resolution Mechanism (SRM), transferring banking supervision from the national to the European level for over 120 significant credit institutions in the euro area (ECB, 2014). This functional centralization illustrates the crisis-driven integration model (Matthijs and Blyth, 2015): systemic pressures forced the overcoming of political and institutional deadlocks that had hindered progress during normal times.

Overall, the response to the eurozone crisis has led to a significant deepening of European economic governance, through a combination of stricter fiscal rules, partial centralization of economic oversight, and the creation of permanent stabilization mechanisms. At the same time, these reforms have highlighted the structural tension between the need for deeper integration to ensure the stability of the single currency and member states' resistance to further transfers of fiscal sovereignty.

3.3 The Limits of Institutional Transformation: Political Constraints

Despite the significant progress made in the wake of the crisis, the institutional transformation of the European Union in the post-crisis period reveals significant structural limitations, which confirm the nature of constrained adaptive governance. In other words, integration advances through successive adjustments to pressures and crises, but is constantly limited by political constraints, particularly the willingness of member states to retain control over areas considered sensitive.

In this context, proposals to transform the Economic and Monetary Union into a genuine Fiscal Union (including a significant common budget, automatic instruments to stabilize economic shocks, and the possibility of issuing Eurobonds) have largely remained stalled. Opposition came particularly from creditor nations in Northern Europe, such as Germany and the Netherlands,

which expressed reluctance toward the mutualization of financial risks and further transfers of fiscal sovereignty.

Although the 2015 Five Presidents' Report and subsequent documents on the future of the euro area proposed a gradual roadmap toward a more integrated fiscal union, the implementation of these reforms has remained incomplete and piecemeal. Progress has been incremental rather than transformative, reflecting the difficulty of building political consensus around deeper transfers of fiscal powers.

At the same time, the democratic dimension of post-crisis economic governance has drawn significant criticism regarding the widening democratic deficit at the European Union level. Major economic policy decisions have often been adopted in predominantly intergovernmental frameworks, such as the Eurogroup and the European Council, where transparency is limited and direct parliamentary oversight is relatively weak (Fasone, 2014; Habermas, 2012).

Although mechanisms such as the Joint Parliamentary Committee and the Interparliamentary Conference on Economic and Monetary Union were created, they have failed to fully compensate for the lack of democratic oversight exercised by the European Parliament in the realm of the new economic governance. Consequently, post-crisis reforms illustrate a structural paradox: on the one hand, deeper economic integration, and on the other, the maintenance of significant limits regarding democratic legitimacy and the distribution of decision-making power within the Union.

4. ROMANIA: EUROPEANIZATION AND INSTITUTIONAL TRANSFORMATION

4.1 The Accession Process and European Conditionality

Romania's accession process to the European Union was one of the most complex and controversial in the history of European enlargement. Officially launched with the opening of negotiations in February 2000, the process required the full transposition of the 35 chapters of the acquis communautaire, a profound restructuring of the planned economy, and the development of the administrative capacity necessary to implement European standards (Vachudova, 2005). The European Commission used conditionality as the primary instrument of pressure for reform, linking the progress of negotiations and, subsequently, the prospect of an accession date to the performance of reforms in sensitive areas: justice and home affairs, agriculture, the environment, and competition (European Commission, 2004, 2005).

Schimmelfennig and Sedelmeier (2004) argue that the effectiveness of pre-accession conditionality depends on the credibility of the accession prospect, the costs of meeting the conditions, and domestic implementation capacity.

In Romania's case, the prospect of joining the European Union was credible enough to mobilize domestic coalitions in favor of structural reforms, including

among political and economic elites interested in European integration. However, the adjustment process required by the accession criteria entailed significant social and economic costs, such as the privatization of state-owned enterprises, price liberalization, and the profound restructuring of the industrial sector. These transformations, in turn, generated significant social tensions and political resistance, reflecting the difficulty of adapting to the market economy and the requirements of the acquis communautaire.

In this context, the establishment of the Cooperation and Verification Mechanism (CVM) at the time of accession in 2007 represented an unprecedented instrument in the history of the European Union's enlargement. This mechanism was created to monitor progress in areas considered problematic, particularly judicial reform and the fight against corruption.

Table 1. Weaknesses identified by the EU at the time of Romania's accession

No.	Domain	What the European Commission considered insufficient
1	Justice reform	The judicial system was not sufficiently efficient, independent, and coherent
2	Independence of justice	There was a risk of political influence over judicial institutions
3	Fight against corruption	Limited results in investigating and sanctioning high-level corruption
4	Administrative capacity	State institutions had difficulties in the uniform application of EU legislation
5	Law enforcement	Differences between the adoption of reforms on paper and their actual implementation
6	Transparency and accountability	The need to strengthen institutional oversight and public accountability

Source: own compilation

The table above summarizes the main institutional shortcomings identified by the European Commission in the context of Romania's accession to the EU, in areas essential to the functioning of the rule of law, such as judicial independence, the fight against corruption, administrative capacity, and institutional accountability. These vulnerabilities formed the basis for the establishment of the Cooperation and Verification Mechanism (CVM), through which the European Commission explicitly acknowledged that Romania, along with Bulgaria, had not yet fully met all the necessary conditions all the conditions necessary to ensure the effective functioning of the judicial system and to combat corruption. Thus, the 2007 accession was accompanied by a post-accession monitoring mechanism, highlighting the asymmetric and gradual nature of the Europeanization of the new member states and the gap between the

formal fulfillment of accession obligations and the effective strengthening of institutional capacity (European Commission, 2007).

4.2 Economic Convergence: Achievements and Persistent Gaps

From an economic perspective, Romania's accession to the European Union has significantly accelerated the process of convergence toward the European average. GDP per capita expressed in purchasing power standards (PPS) rose from approximately 40% of the EU-27 average in 2007 to about 74% in 2022, placing Romania among the countries with the fastest economic recovery in the history of European enlargement (Eurostat, 2023).

This development reflects the cumulative impact of integration into the European single market, increased foreign investment, expanded exports, and access to European funding mechanisms. In particular, the Structural and Cohesion Funds have played a key role in supporting infrastructure modernization, regional development, and the expansion of administrative capacity.

Between 2007 and 2020, Romania received approximately 38 billion euros in European funds, which were used for infrastructure, local development, agriculture, digitalization, and institutional strengthening projects (Ministry of European Funds, 2021). However, the absorption process was marked by administrative and institutional difficulties, particularly in the early financial years, when the absorption rate remained below potential due to bureaucracy, limited implementation capacity, and administrative instability.

Table 2. Impact of European funds and integration into the European Union on Romania's development

No.	Domain	Data and indicators	Impact on Romania
1	Economic convergence	GDP per capita in PPS increased from ~40% of EU average (2007) to ~74% (2022)	Significant reduction of the economic gap compared to EU average (European Parliament)
2	Foreign direct investment	FDI increased from ~€42 billion (2007) to over €107 billion (2022)	Modernization of the economy and development of industrial and service sectors
3	Exports	Exports grew from ~€29 billion (2006) to over €92 billion (2022)	Integration into the EU single market and higher external competitiveness
4	EU funds absorbed	~€89 billion attracted between 2007–2023	Support for public investments and economic development
5	Structural and Cohesion Funds	Funding through ERDF, Cohesion Fund, ESF+	Infrastructure development and reduction of regional disparities (Publications Office of the European Union)

No.	Domain	Data and indicators	Impact on Romania
6	Transport infrastructure	Investments in highways, railways, and urban infrastructure	Improved connectivity and regional economic integration
7	Regional development	Investments in less developed regions via cohesion policy	Reduction of territorial inequalities
8	Administrative capacity	Studies highlight need to strengthen public administration	Improved institutional capacity and policy implementation (IBIMA)

Source: own compilation

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The table above highlights the contribution of European integration and European funds to Romania's economic and structural development, through increases in GDP per capita adjusted for purchasing power parity, the attraction of foreign direct investment, the expansion of exports, and the financing of infrastructure and regional development.

However, the progress made in terms of economic convergence has not been uniformly reflected in the institutional and social dimensions of development, as territorial disparities and challenges regarding the public administration's ability to make effective use of available resources persist.

Consequently, the table illustrates both the economic benefits of European Union membership and the limitations of convergence, which depends, essentially, on the quality of governance and the institutional capacity to implement public policies.

However, the nominal economic convergence achieved by Romania following its accession to the European Union has masked the persistence of significant structural imbalances. Although macroeconomic indicators have shown significant progress, the gaps in productivity, infrastructure, and fiscal stability compared to the developed countries of the European Union remain considerable.

In terms of labor productivity, Romania continues to lag behind the European average, reaching approximately 73% of the EU-27 level (Eurostat, 2022). This gap reflects both technological and economic capitalization differences, as well as the structural limitations of the Romanian economy,

including low levels of innovation, underdeveloped infrastructure, and pronounced regional polarization. Compared to Western European countries, the productivity gap remains significant, indicating that economic recovery is still incomplete.

Table 3. Density of motorway infrastructure in selected European Union Member States (2022–2023)

No.	Member State	Highway length (km)	Area (km²)	Highway density (km/1000 km²)	Infrastructure and connectivity observations
1	Romania	~1,000 km	238,397	~4.2	Incomplete TEN-T connectivity; underdeveloped infrastructure
2	Poland	~5,200 km	312,696	~16.6	Rapid expansion after EU accession
3	Hungary	~1,800 km	93,030	~19.3	Well-connected regional network
4	Czech Republic	~1,370 km	78,871	~17.4	Developed infrastructure and advanced TEN-T integration
5	Slovakia	~850 km	49,035	~17.3	High level of European connectivity
6	Bulgaria	~870 km	110,994	~7.8	Higher than Romania, but below EU average
7	Germany	~13,200 km	357,588	~36.9	One of the most developed networks in the EU

Source: own compilation

Table no 3 highlights the infrastructure gaps between Romania and other European Union member states by comparing the length of their highway networks and their density relative to the country's total area. The data illustrate Romania's weak position relative to countries such as Poland, Hungary, and the Czech Republic, suggesting that European integration and access to structural funds have not yet eliminated the shortcomings in national connectivity and integration into the trans-European transport network. These differences highlight the importance of administrative capacity for planning and implementing public investments, as infrastructure development is an essential prerequisite for economic competitiveness, territorial cohesion, and reaping the benefits of the European single market.

Table 4. Evolution of the budget deficit in Romania compared to the EU fiscal discipline criterion

No.	Year	Romania's budget deficit (% of GDP)	Stability and Growth Pact threshold	Economic and political context
1	2007	~2.9%	3% of GDP	EU accession year; relatively stable fiscal conditions
2	2008	~5.4%	3% of GDP	Increased public spending before the financial crisis
3	2009	9.10%	3% of GDP	Impact of the Global Financial Crisis
4	2010	~6.9%	3% of GDP	Fiscal adjustments and IMF agreement
5	2015	~0.6%	3% of GDP	Temporary fiscal consolidation
6	2019	4.30%	3% of GDP	Expansionary fiscal policies in pre-election context
7	2020	9.20%	3% of GDP	Economic impact of the COVID-19 pandemic
8	2021	~7.1%	3% of GDP	Continued economic support measures
9	2022	~6.3%	3% of GDP	Inflationary pressures and persistent budget imbalances

Source: own compilation

Table no 4 illustrates the evolution of Romania's budget deficit relative to the 3% of GDP reference threshold set by the Stability and Growth Pact, highlighting the persistent difficulties in maintaining fiscal discipline following accession to the European Union. The significant overshoots recorded in 2009 and 2020—against the backdrop of the global financial crisis and the COVID-19 pandemic, respectively—as well as the deterioration of the budget balance in 2019 reflect both the effects of economic shocks and the vulnerabilities of national fiscal policies. These developments have contributed to Romania remaining subject to the Excessive Deficit Procedure and have highlighted the difficulties in achieving the nominal convergence required for the adoption of the euro, underscoring the importance of fiscal discipline and institutional capacity to implement economic policies.

4.3 Institutional Transformation and Europeanization of Public Administration

The Europeanization of public administration in Romania has led to significant institutional changes at the formal level, but their implementation has often been uneven and hampered by persistent structural constraints. The process

of administrative adaptation was directly influenced by the requirements of the EU acquis and the conditionality imposed during the pre-accession period, with the European Union calling for the development of a stable, professional public administration capable of implementing European policies.

In this context, the creation of the National Institute of Administration, the adoption of Law No. 188/1999 on the status of civil servants, and the establishment of the National Agency for Civil Servants represented important steps toward the professionalization of the administration and alignment with European standards (European Commission, 2005). The reforms aimed to introduce neutrality in the civil service, competency-based recruitment, and administrative stability. However, administrative Europeanization was limited by persistent politicization, staff turnover, and uneven administrative capacity.

The decentralization process, supported by European cohesion policies, has transferred powers to local and regional authorities, but often without sufficient resources, which has reduced administrative efficiency and maintained dependence on the central government (Profiroiu and Profiroiu, 2009).

In the justice sector, reforms have been more far-reaching. The establishment of the National Anti-Corruption Directorate and the reform of the Superior Council of Magistracy have strengthened the fight against corruption and the independence of the judiciary. However, legislative changes during the 2017–2019 period have drawn criticism regarding the undermining of judicial independence and the weakening of anti-corruption policies, demonstrating the fragility of institutional reforms.

In response, the European Commission issued critical reports through the Cooperation and Verification Mechanism and utilized instruments associated with the European framework on the rule of law, confirming the EU's ongoing role in monitoring reforms in Romania. This intervention highlighted the European Union's ongoing role as a monitor and source of institutional pressure even after accession.

Regarding the implementation of European law, Romania's transposition rate for European directives has shown positive progress, rising from 93.2% in 2010 to 96.8% in 2022, approaching the EU-27 average of 97.4% (European Commission, 2022). This progress reflects an improvement in administrative and regulatory capacity to adapt to European legislation.

However, the main issue was not only the speed of transposition but also the quality of implementation. Romania has repeatedly accumulated a high number of infringement proceedings (over 200 by the end of 2022) initiated by the European Commission for incorrect transposition or incomplete application of European legislation (European Commission, 2023b). This highlights the existence of a persistent gap between the formal adoption of European rules and their effective application, confirming the often incomplete and uneven nature of the process of institutional Europeanization in Romania.

4.4 Differentiated Integration and Romania's Position in the EU Architecture

Romania occupies a unique position within the European Union's process of differentiated integration, as it does not yet fully participate in one of the most important projects of deepened integration, namely the eurozone. This situation reflects the uneven nature of European integration and highlights the fact that formal membership in the European Union does not automatically guarantee full participation in all of its central policies and structures.

With regard to the eurozone, accession represents an obligation assumed under the accession treaty, as Romania does not benefit from an opt-out clause, unlike countries such as Denmark or the former member, the United Kingdom. However, integration into the monetary union has been repeatedly postponed due to difficulties in sustainably meeting the convergence criteria established by the Maastricht Treaty.

Among the main obstacles were inflation volatility, fiscal imbalances, and the difficulty of maintaining budgetary discipline compatible with the requirements of the Stability and Growth Pact. Although Romanian authorities adopted a roadmap in 2018 that called for joining the euro area by 2024, this objective has not been achieved (Ministry of Finance, 2018; National Bank of Romania, 2022). This situation highlights the fact that monetary integration does not depend solely on political will, but also on the existence of sustainable economic and institutional convergence.

Romania was admitted to the Schengen Area in 2025. Although it had met the technical criteria for accession as early as 2011—including those related to securing external borders, police cooperation, and the interoperability of European IT systems— However, full accession was blocked for a long time by opposition from certain member states, particularly Austria and the Netherlands, which cited concerns regarding migration, the rule of law, and the effectiveness of border controls.

This situation demonstrated that the process of European integration is not determined solely by the fulfillment of technical criteria, but also by political factors and the balance of power among member states. In December 2023, the Council of the European Union approved Romania's partial accession to the Schengen Area for air and maritime borders, while full integration, including the removal of land border controls, took place in 2025.

This case illustrates what can be defined as politically differentiated integration: a situation in which a state formally and technically meets the conditions for participation, but full access to the benefits of integration is delayed or limited by political opposition from other member states. Thus, Romania's experience highlights both the gradual nature of European integration and the persistence of the intergovernmental and political dimensions in the European Union's decision-making processes.

5. CONCLUSIONS AND RECOMMENDATION

5.1. Conclusions

The first finding concerns the decision-making architecture of the European Union. The analysis confirms the relevance of the concept of the "joint-decision trap," developed by Scharpf (1988, revised in 2006), for understanding the structural deadlocks of European governance. Whenever major reforms of the acquis or the EU's institutional architecture required the near-unanimous consent of member states, negotiations resulted in either prolonged deadlock or compromise solutions representing the lowest common denominator acceptable to all participants (Scharpf, 1988).

Contemporary European governance is characterized by constrained adaptive governance, that is, a clear tendency toward functional centralization in times of crisis, tempered by political, constitutional, and structural constraints that prevent deeper integration beyond sensitive political thresholds. The reforms Romania needs depend in part on the European system's ability to overcome the constraint of the common decision-making process, which requires building coalitions of interests with other national actors and supranational institutions.

The second observation—that Romania is caught in a situation of constrained differentiated integration—is illustrated by the Schengen case. Romania has technically met all accession criteria since 2011, as confirmed by Schengen evaluations by the EU Council, but full accession has been blocked until 2023–2025 by opposition from Austria and the Netherlands, which cited arguments regarding corruption and migration that went beyond the strictly agreed technical criteria.

The third finding concerns the degree of Romania's economic and institutional convergence with the EU-27 average and with the countries of Central and Eastern Europe. The empirical data reveal a two-sided picture: nominal economic convergence was real and accelerated, while institutional and qualitative convergence remained incomplete, uneven across sectors, and vulnerable to political reversals.

Table 5 presents the main indicators of economic convergence for Romania compared to the EU-27 average and to the Visegrad countries (Czech Republic, Poland, Slovakia, Hungary) and the Baltic states (Estonia, Latvia, Lithuania) for the years 2007, 2015, and 2022.

Romania's GDP per capita convergence between 2007 and 2022 increased from 40% to 74% of the EU-27 average. However, the gap relative to the Baltic states, which reached 90% of the EU-27 average in 2022, indicates that convergence trajectories differ qualitatively, not just quantitatively.

Table 5. Evolution of the budget deficit in Romania compared to the EU criterion on fiscal discipline

Indicator / Year	Romania	V4 Average*	Baltic Average**	EU-27 Average
GDP per capita, PPS (EU-27=100), 2007	40%	62%	60%	100%
GDP per capita, PPS (EU-27=100), 2015	56%	72%	74%	100%
GDP per capita, PPS (EU-27=100), 2022	74%	83%	90%	100%
Budget deficit (% of GDP), 2007	-2.90%	-2.10%	0.50%	-0.90%
Budget deficit (% of GDP), 2019	-4.30%	-1.80%	-0.40%	-0.60%
Budget deficit (% of GDP), 2022	-6.20%	-3.40%	-1.00%	-3.40%
Directive transposition rate, 2022	96.80%	97.90%	98.20%	97.40%
Control of corruption (percentile), 2022	55	62	76	72
Government effectiveness (percentile), 2022	57	70	80	74

Source: Eurostat (2023); European Commission (2022); World Bank Governance Indicators (Kaufmann, Kraay and Mastruzzi, 2010, updated 2022)

Furthermore, Romania's persistent fiscal imbalance constitutes a structural vulnerability that significantly distinguishes Romania from the other groups. The budget deficit of -6.2% of GDP recorded in 2022 places Romania among the most fiscally unbalanced EU member states, subject to the excessive deficit procedure and considerably behind the Baltic group average (-1.0%) and the EU-27 average (-3.4%). This situation limits the fiscal space for public investments necessary for convergence and delays the prospect of joining the eurozone.

Governance indicators (corruption control and government effectiveness from the World Bank Governance Indicators) place Romania significantly below the group averages and below the EU-27 average. The gap with the Baltic states is large. This difference reflects different post-communist institutional-building strategies. The Baltic states followed a model of accelerated and radical reform, while Romania combined partial reforms with reversals and political capture of institutions (Vachudova, 2005).

A comparative analysis, in the context of differentiated integration, of Romania relative to the countries of Central and Eastern Europe confirms that differentiation is not uniform and that the mechanisms driving it are diverse.

Table 6. Participation in deep integration projects: Romania and comparable states

Country	Eurozone	Schengen (full membership)	PESCO	EPPO	Schengen (air/sea)
Estonia	2011	2007	Yes	Yes	2007
Latvia	2014	2007	Yes	Yes	2007
Lithuania	2015	2007	Yes	Yes	2007
Czech Republic	No (target: 2030)	2007	Yes	No	2007
Poland	No	2007	Yes	No	2007
Hungary	No	2007	Yes	No	2007
Slovakia	2009	2007	Yes	Yes	2007
Bulgaria	No (target: 2026)	2025	Yes	Yes	2024
Croatia	2023	2023	Yes	Yes	2023
Romania	No (no official data)	2025	Yes	Yes	2024

Source: own compilation

Table 6 shows a clear division among Central and Eastern European countries based on their level of participation in deep integration. A first group (the Baltic states and Slovakia) achieved the maximum level of integration available—including the eurozone and the Schengen Area—within a relatively short time after joining the EU. A second group (the Czech Republic, Poland) has joined the Schengen Area but retains the option to delay joining the eurozone. A third group (Romania, Bulgaria, Hungary) has remained in areas of partial integration, for various reasons: in the case of Hungary, internal political factors; in the case of Romania and Bulgaria, failure to meet convergence criteria (eurozone).

Thus, the table shows that Romania confirms its constrained differentiated integration. Romania participates in projects that do not involve external veto power (PESCO, EPPO), but remains partially excluded from those that required the unanimous consent of participating states (the eurozone). This situation is not unique; Bulgaria follows an almost identical path, suggesting that the exclusion mechanism reflects structural perceptions regarding the governance capacity of the two states, rather than circumstantial factors (Leuffen et al., 2013, p. 178).

5.2. Recommendations

The first recommendation for Romania is to narrow the gap between the formal transposition and the substantive implementation of European

regulations. Comparative data show that Romania is close to the EU-27 average in terms of the formal transposition of directives (96.8% versus 97.4%), but significantly below average in terms of governance quality and effective implementation indicators.

In this regard, the focus should be on: accelerating the digitization of central and local public administration, with priority given to areas with a direct impact on the absorption of European funds (public procurement, permits, financial reporting); professionalizing the civil service through reform of the recruitment and promotion system, with the adoption of verifiable merit-based criteria; strengthening strategic planning capacity in ministries by introducing public policy analysis units funded by European funds (European Commission, 2023a).

The second recommendation aims to correct the structural fiscal imbalance, which constitutes the main obstacle to joining the euro area and Romania's primary macroeconomic vulnerability. The budget deficit of -6.2% of GDP recorded in 2022 and rising public debt reflect a combination of fiscal policies that exacerbate economic imbalances, rigid spending structures, and an underdeveloped tax base, with the lowest tax-to-GDP ratio in the EU (26.8% compared to the EU average of 41.7% in 2022, according to Eurostat, 2023)

In this regard, the focus should be on: developing and implementing a credible multi-year fiscal consolidation plan, negotiated with the European Commission under the Excessive Deficit Procedure, with verifiable annual targets; structural reform of the public pension system, which is placing increasing pressure on the budget in the absence of actuarial adjustments; and improving the efficiency of tax revenue collection. Romania effectively collects VAT at about 32% of its theoretical potential, compared to a European average of 60%, indicating significant room for consolidation without raising tax rates (European Commission, 2023b).

The third recommendation concerns the completion of judicial reform and the strengthening of institutional independence, with a view to overcoming the external constraints that limit Romania's deep integration. The Cooperation and Verification Mechanism (CVM), maintained for Romania (and Bulgaria) for 16 years after accession—a unique record in the history of European enlargement.

European governance represents a system in constant tension between the logic of functional integration (which pushes toward centralization, harmonization, and the sharing of sovereignty) and the logic of national resistance (which maintains fragmentation, differentiation, and the veto power of individual states).

Romania can overcome this dual constraint, but it requires a combination of internal institutional discipline, external credibility built over time, and active—rather than passive—participation in European decision-making processes.

The fundamental conclusion of this paper is that European integration does not end on the date of formal accession, but continues as a dynamic process of

adaptation, negotiation, and convergence. For Romania, the challenge is not merely to be present in the European Union, but to participate effectively in its governance, contributing to the reform of a system that, by its very nature, tends to perpetuate the advantages of those already integrated over those in the process of convergence.

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