JULY 2026

Rethink Analysis No. 2

Romania: Two Decades in the EU

A comparative benchmarking exercise between Romania and 5 other CEE countries

On 1 January 2007, Romania and Bulgaria became the newest members of a European Union that had reached 27 states. Accession was part of the bloc's largest wave of enlargement, in which 12 countries joined in less than three years. **At Rethink we are setting out to see what post-accession has meant for Romania's development**, where we gained the most and where we failed to use the opportunities opened up by membership of the European Union.

Why do we talk **about convergence?**

Although Romania has no clearly internalized national vision or cross-political country objective, convergence with the European average in terms of the economy, quality of life, social indicators and infrastructure has been a de facto target since accession. Moreover, this objective has deep historical roots: closing the gaps and catching up with the rest of Europe was a common theme in the interwar period and even before the First World War, as well as in the years immediately following the collapse of communism.

Under these circumstances, and against the backdrop of a slowdown or even partial reversal of the trend of convergence with European averages over the past 20 years, at Rethink we believe that any future development vision will have to take into account the successes and failures of the last two decades. Through this analysis we want to identify them and to focus on the areas in which Romania has been an outlier (positive or negative) at regional level.

How will we **approach the analysis?**

Because a discussion about the limits of convergence is distorted by dozens of factors, measurable or not (previous level of development, investment, institutions, laws, culture, etc.), we decided to approach it through a comparative benchmarking exercise. We prepared a side by side analysis of six post-communist states with a similar historical background (members of Comecon and of the Warsaw Pact, joined in the 2004-2007 wave) and, using a common reference year (2006), we measure the catch-up relative to the EU average across several areas. **The aim is to see who converged to EU averages faster and where the gaps persisted.** We do not attempt an explicit causal analysis but rather try to identify the areas of strong or weak convergence and regional patterns.

Our hypothesis is simple: where almost the entire group moves in the same direction, the outcome is more likely to reflect structural factors common to the post-communist legacy or the natural advantages of joining the European Union. Where one or two states clearly break away from the rest, the explanation is more likely local - policy decisions, reforms, the domestic context. Some of the factors also relate to each country's starting point: one can see, for example, how Czechia's level of development at the moment of accession made this small Central European state a „distinct case" in the regional landscape. It is still in first place in many areas, but overall, its relative growth is less impressive than Poland's, for example.
A common grouping used when discussing the region is the one between the Visegrad states (Poland, Czechia, Slovakia, Hungary) and the Danubian pair that joined 2 years and 8 months later (Romania and Bulgaria). It shows up, for example, when looking at trade and the structure of production: the first group integrated as a net exporter into Central European industrial chains and recorded years with a trade surplus, while Romania and Bulgaria were left with chronic deficits and an import-intensive production base.

Elsewhere, however, this grouping is not as clear, and several results even run against it. In the catch-up of individual consumption, the largest jumps over 2006 levels belong precisely to Romania and Bulgaria (both overtaking Hungary, for example). In demography, there is no clear grouping. In education the picture is mixed, and in the evolution of the modal shares of the different forms of transport the role of individual national policies and contexts (e.g. being landlocked) is plain to see.

To simplify the analysis,

we grouped the indicators into **two macro areas:**

Economy

probably the most important area of convergence. Here we looked at macro indicators (consumption, gross domestic product, productivity) but also at a series of symbolic indicators of more marginal global relevance yet popularly associated with post-accession progress.

Society

where we analyse how the people and populations of the countries under review have changed. We will look at general demography, migration, education and life expectancy, but also at economic inequality.

Key **findings**

Romanians' **real purchasing power** has grown

Romania has high consumption levels and real purchasing power has risen over the past two decades. The progress was fuelled by sustained growth in labour productivity but also by a spike in borrowing.

Education is the great failure of post-accession Romania

Against a background of insufficient investment and of political and social opposition to necessary reforms, the education system produces few graduates, with often low skills, and leaves behind children from vulnerable backgrounds.

Inequality has fallen in recent years

The share of people at risk of poverty has declined, as has inequality in the distribution of income. Life expectancy has seen notable progress over the past decades, when Romania was a continental laggard.

External trade has grown but is **unbalanced**

External borrowing, investment and consumption have fuelled a widening deficit in recent years. Exports covered 90% of imports in 2014, but only 73% in 2024 and 75% in 2025. The V4 countries have fared noticeably better.

Poland is the big **regional winner**

Poland has made remarkable progress on many indicators, both economic and social. The progress of the country on the Vistula places it, alongside Czechia, on the threshold of full convergence with the West. Its demographic situation, however, is the worse in the region, with fertility ranking last or 2nd last in the EU in recent years.

Hungary is the **big loser**

Decades of ***Orbanomics*** have brought no notable economic and social gains to our neighbours to the West, who have fallen behind on many indicators. In 2006, they were trailing only Czechia in terms of overall social and economic development.

Economy
In-Depth Analysis

GDP per capita[1]

If we look at per capita gross domestic product in euro (nominal chain-linked volumes, 2020), we see a relatively good trajectory in Romania. Even so, over 2006-2025 our country ranked below Poland (which doubled its GDP per capita) and Bulgaria. Still, the real laggards were Czechia and Hungary. And while in Czechia's case this was also influenced by its very good position at the start of the period (the speed of convergence falls as a country approaches the continental average), in Hungary's case the weak performance meant being overtaken by Poland and a narrowing gap separating it from Romania. **Romania went through a period of above-regional-average growth** between the end of the global financial crisis and the start of the pandemic, **but it faces a pronounced slowdown of the economy in recent years.**

	2006	2008	2014	2019	2025
European Union*	28,410	29,280	29,180	32,270	34,120
Bulgaria	6,220	7,110	7,770	9,650	11,710
Czechia	17,200	18,330	18,370	22,050	22,480
Poland	8,590	9,570	11,360	14,310	17,170
Romania	7,230	8,740	9,100	11,760	13,190
Slovakia	12,050	14,030	15,220	17,760	19,270
Hungary	11,500	11,690	12,040	14,980	16,370

**27 countries (from 2020)*

GDP per capita expressed in euro (chain-linked volumes, 2020). Data source: Eurostat

Individual **consumption**

One category in which Romania performed extremely well was the evolution of individual consumption, both in real terms and relative to the European average (EU=100). While the level of individual consumption in 2006 was below half of the EU average, it advanced non-stop regardless of the macro context: it rose during the global financial crisis (albeit slowly), before and also after the Covid-19 pandemic. The progress made in 2014-2019 stands out, with Romania being notable for the rapid growth of wages amid relatively low inflation.

[1]We opted not to use the more common PPS indicator due to its vulnerability to intra-regional price variations that are not properly accounted for by domestic stats institutes.

	2006	2008	2014	2019	2025	var 06-25
Bulgaria	41.4	46.2	53.8	60.0	76.7	1,85
Czechia	72.6	74.3	81.3	88.1	83.3	1,15
Poland	56.7	63.2	75.8	80.0	88.0	1,55
Romania	43.3	54.4	56.6	76.7	86.2	1,99
Slovakia	60.5	69.0	74.2	68.1	77.5	1,28
Hungary	63.7	61.4	63.2	66.2	72.4	1,14

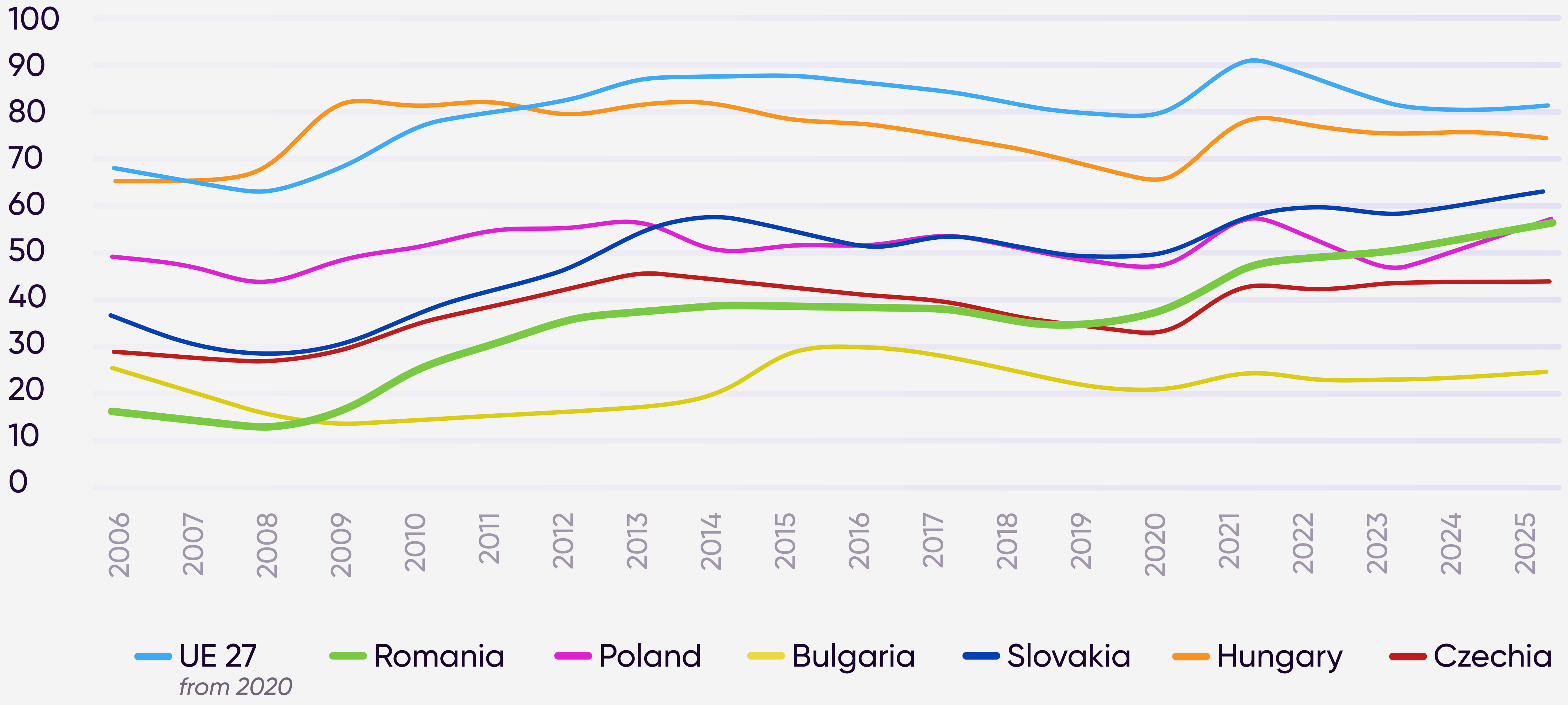
Individual consumption relative to the EU average (EU=100). Data source: Eurostat

Government **debt**

A less happy form of convergence is that of public debt. At the beginning of 2006, each of the six states analysed had government debt below the European Union average, with only Hungary exceeding the 60 percent of the Maastricht criteria. Moreover, **Romania had the lowest level of all 6 states**, managing to bring its public debt to just 11% of GDP by Q1 2008.

In recent years, however, Romania has stood out through an explosive increase in total public debt, competing today with Poland for the third largest public debt in the region, after Hungary and Slovakia.

Consolidated general government debt



Actual individual consumption (AIC) relative to the EU average (EU=100). Data source: Eurostat

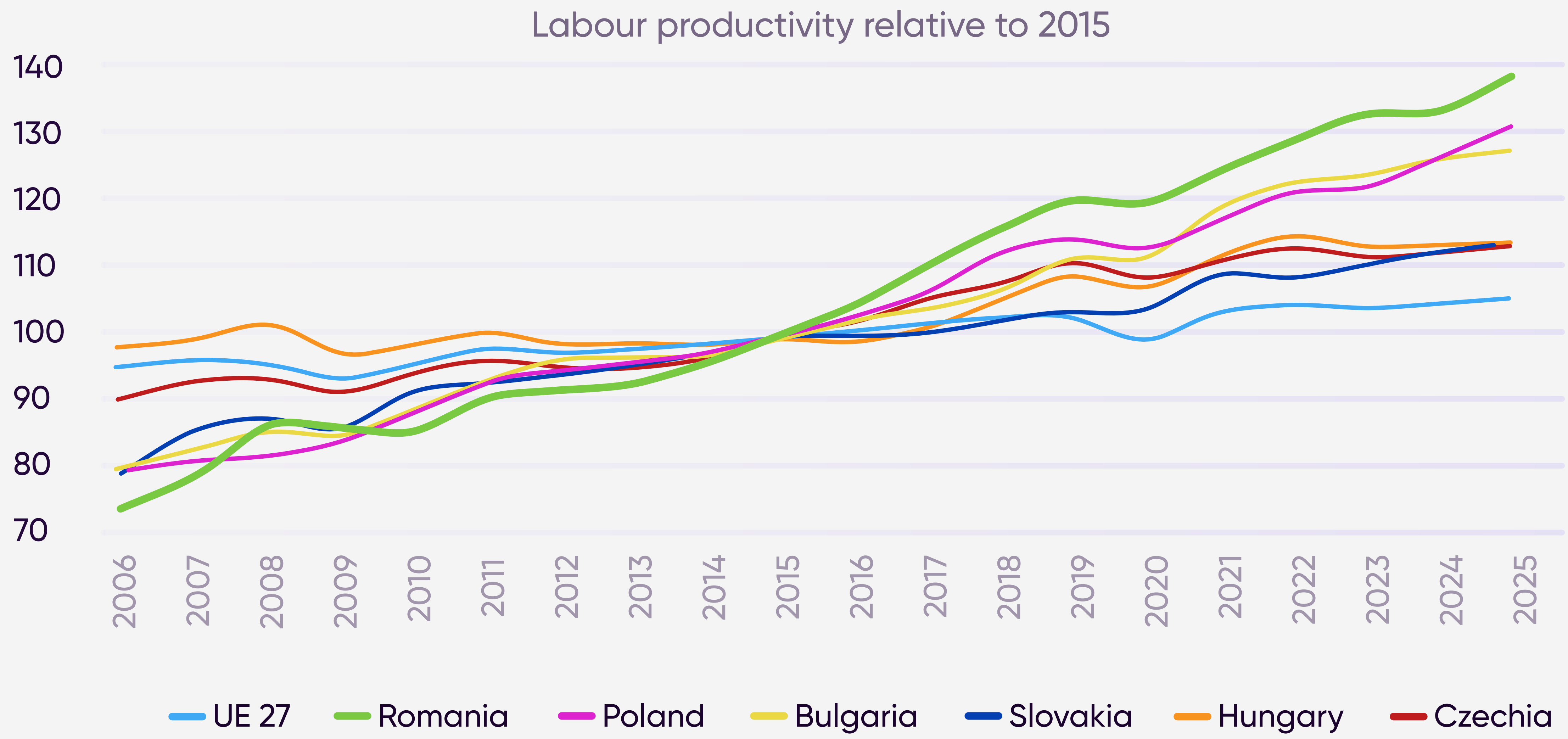
In the long run, the level of indebtedness risks rising further because of the large deficit, fuelled among other things by the ever-higher cost of interest on pre-existing debt.

Labour productivity trends

Real labour productivity per person measures the volume of economic output (real GDP, expressed in volume terms to remove the effect of prices) generated by one employed person[2]. Using 2015 as the reference year (as Eurostat does), one can track how output per worker has evolved over time for each country. The series relative to 2015 show growth trajectories, not who is more productive in absolute terms.

In all six states the common trajectory is sustained growth, but at different speeds. **Romania clearly leads, rising from around 75% of the 2015 level in 2006 to 138 in 2025, the fastest improvement in the group.** Poland (130) and Bulgaria (127) follow, both well above the EU27 average rate of productivity growth.

Two shocks are visible across the region: the 2009 financial crisis and the pandemic contraction of 2020, after which all countries recovered by 2021–2022. In general, the economies that started from a lower base (RO, BG, PL) grew the fastest. In this area, it seems we are dealing with real convergence both towards the EU averages and within the region.



Labour productivity relative to 2015, using Eurostat data.

[2] *With the caveat that not only formally employed people „captured" in the statistics generate measurable value in the economy. This is particularly true in Romania, where the share of self-employed and informally productive labour is high.*

External trade in goods

External trade is one of the areas in which **convergence succeeded, if we focus on volume growth, but failed structurally**, with Romania suffering from a persistent deficit, financed in part through external borrowing.

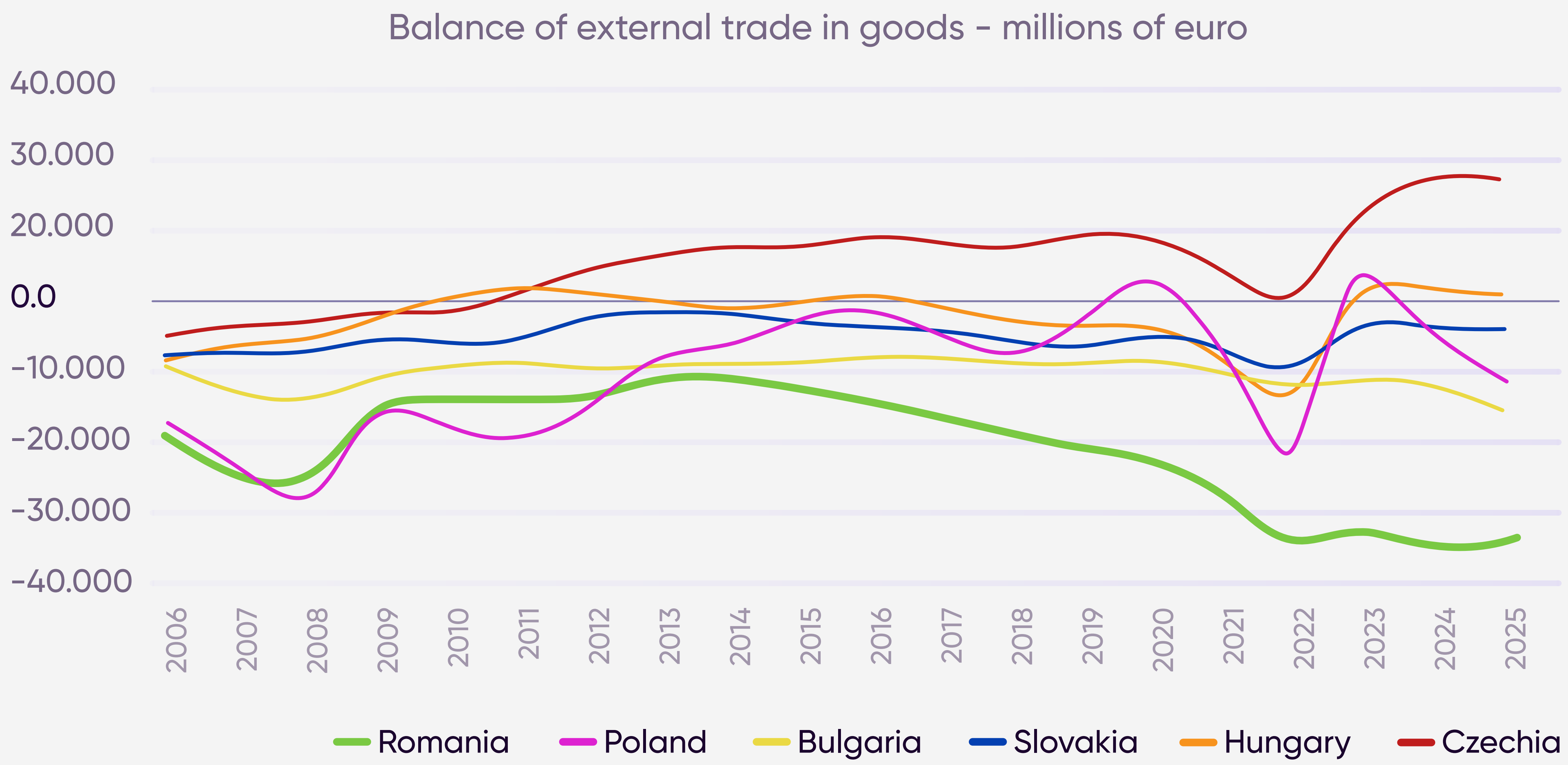
According to the Eurostat database for the trade balance in goods, between 2006 and 2025 four of the states analysed - **Czechia, Hungary, Poland and Slovakia - recorded a trade surplus in goods in several years**, consolidating their position as net exporters integrated into European value chains. Czechia remained the absolute champion, reaching surpluses of over 20 billion euro in the last 3 years. **Romania and Bulgaria remained the main exceptions in the group, with deficits throughout the period. In Romania's case**, the trade deficit in goods is chronic: it reached roughly 33.4 billion euro in 2024, up by about 15% on 2023, and accounted for around 4.8% of GDP that year. **There are, however, signs of a reduction in the current year.**

State	**No. years surplus**	**No. years deficit**	**Surplus[3] max-ratio**	**Deficit[4] max-ratio**
Bulgaria	0	20	2020	20
Czechia	20	0	2016	0
Poland	7	13	2020	13
Romania	0	20	2014	20
Slovakia	12	8	2014	8
Hungary	5	15	2012	15

Number of years with deficits/surpluses, years with the highest deficit/surplus in relative terms.

On the other hand, these figures were also the result of an increase in the intensity of external trade. The „weakest" years for external trade were, for 5 of the 6 states, those before the global financial crisis. The export/import cover ratio[5] peaked in 2014-2020 for 5 of the 6 states. In both cases the exception is Hungary, owing to large fluctuations (2023 and 2024 were relatively good for exports, but 2022 was the most problematic year in the whole series).

On the other hand, the total value of exports grew enormously in all member states, as a result of their economies opening up to the rest of the European Union and to the global economy. For Romania and Bulgaria, the expansion of exports was accompanied by even greater demand for intermediate and capital goods, without external rebalancing. Unlike its more western neighbours, Romania's trade integration remained asymmetric, dominated by an import-intensive production structure.



Trade balance in millions of euro. Data source: Eurostat.

Inland freight transport

Trade is aided by the fact that the infrastructure of the countries that joined in 2006 has seen dramatic improvements. The motorway network, for example, expanded by thousands of kilometres across the six states. **In freight transport, the region's common trend is the shift of volumes from rail to road** - the same direction as the Union average, where road has increased its share in recent decades. Even so, the volume of freight transport has not seen spectacular growth, a trend shared with Western Europe. This is probably influenced also by the change in the type of goods carried, with a falling share of materials sold in bulk as the economy has centred on services.

Rail, by contrast, lost ground in all six states. Even so, the region starts from a higher rail share than the European average. Being predominantly continental economies, **the states analysed move a larger part of their freight by rail than the EU aggregate shows**, where maritime transport plays a more important role. In 2024 the rail share stood at between roughly 17% and 30% in the six states, with the highest values in the 3 landlocked countries. Moving closer to the Union average means, for freight, shifting towards the Western road pattern and eroding an inherited rail advantage.

---

[3] *Or minimum deficit, for the states without a surplus*
[4] *Or minimum surplus, for Czechia*
[5] *Includes relative surplus*

Thousand tonnes of road freight

Thousand tonnes	2006	2008	2014	2019	2024
Bulgaria	150,672	175,484	153,077	114,574	148,097
Czechia	444,644	431,858	386,243	504,099	442,756
Hungary	250,989	258,475	193,112	202,631	176,932
Poland	897,414	1,093,406	1,300,382	1,506,450	1,528,435
Romania	335,578	364,952	190,938	256,641	322,610
Slovakia	181,521	199,429	142,608	187,184	149,121

Variation vs 2006	2006	2008	2014	2019	2024
Bulgaria	100.0	116.5	101.6	76.0	98.3
Czechia	100.0	97.1	86.9	113.4	99.6
Hungary	100.0	103.0	76.9	80.7	70.5
Poland	100.0	121.8	144.9	167.9	170.3
Romania	100.0	108.8	56.9	76.5	96.1
Slovakia	100.0	109.9	78.6	103.1	82.2

Road freight transport. Data source: Eurostat. Own calculations for variation.

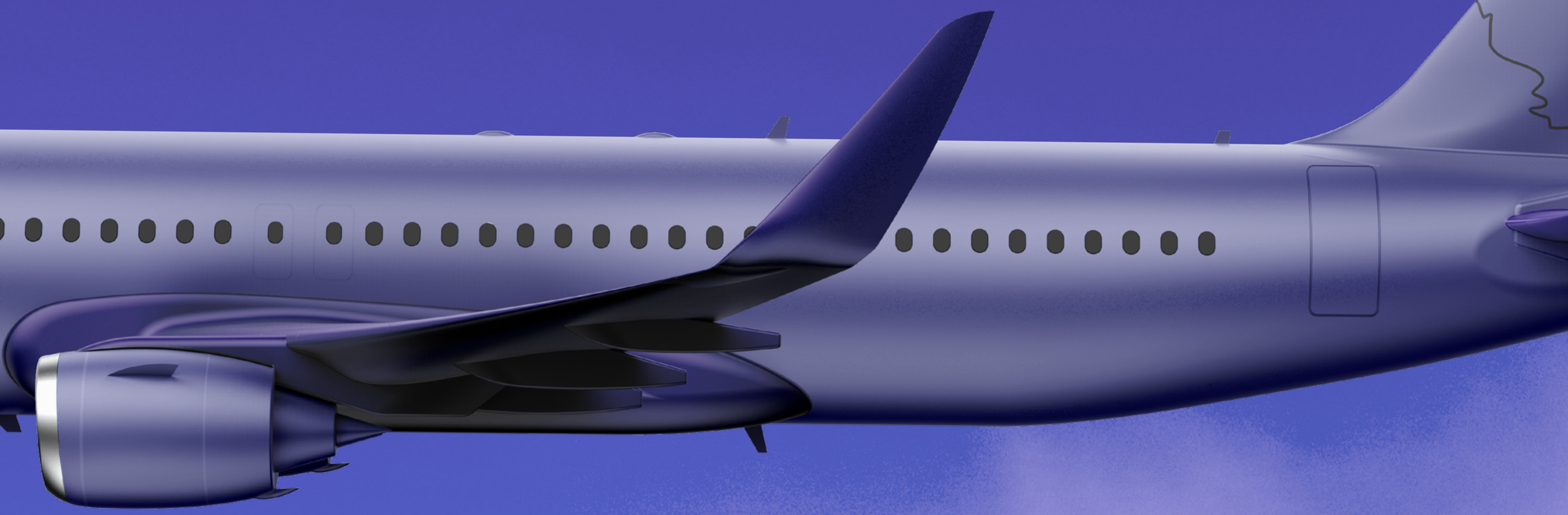
Rail freight

Thousand tonnes	2006	2008	2014	2019	2024
Bulgaria	21,881	19,716	13,691	14,948	15,643
Czechia	97,491	95,073	91,556	98,804	80,408
Hungary	54,705	51,543	50,593	52,270	45,708
Poland	291,394	248,860	227,820	233,744	222,725
Romania	68,312	66,711	50,739	58,808	43,025
Slovakia	52,449	47,910	50,997	46,413	44,282

Variation vs 2006	2006	2008	2014	2019	2024
Bulgaria	100.0	90.1	62.6	68.3	71.5
Czechia	100.0	97.5	93.9	101.3	82.5
Hungary	100.0	94.2	92.5	95.5	83.6
Poland	100.0	85.4	78.2	80.2	76.4
Romania	100.0	97.7	74.3	86.1	63.0
Slovakia	100.0	91.3	97.2	88.5	84.4

Rail transport. Data source: Eurostat. Own calculations for variation.

Combined land-based transport growth was positive for all states except Czechia, where a slight decline was recorded over the 2006-14 period. The variations were not spectacular, but the share of the CEE states in EU freight transport increased anyway, against the background of declines in other countries. In fact, inland freight transport at EU level was (in 2024) more than 10% below its pre-2008-crisis level and had been relatively stagnant for about a decade.



Air transport – mobility with prestige

Air transport was heavily restricted during the communist period, and accession to the European Union turned it not only into a practical mobility solution but also into a status symbol for the inhabitants of the Central and Eastern European states. We include it as it is probably the best proxy for growth in non-domestic passenger transport. **Europe as a whole experienced a boom in air transport because of the liberalisation of European airspace and of the low cost revolution.** The progress of Romania and Poland stands out, both recording growth of over 370% in passenger numbers between 2007 and 2025. Poles were also the only ones travelling by plane an average of 2+ times per resident per year. As a note, Slovakia shows a distorted intensity of use, owing to the proximity of Vienna airport.

Air transport	Pax 2025	Pax per capita	Change vs 2007
Bulgaria	12,014,406	1.87	197.9
Czechia	19,174,047	1.76	146.4
Hungary	19,755,328	2.07	230.2
Poland	64,039,983	1.75	374.1
Romania	26,174,751	1.38	378.9
Slovakia	3,236,570	0.60	145.0

Air transport, growth and relative rates. Eurostat data.

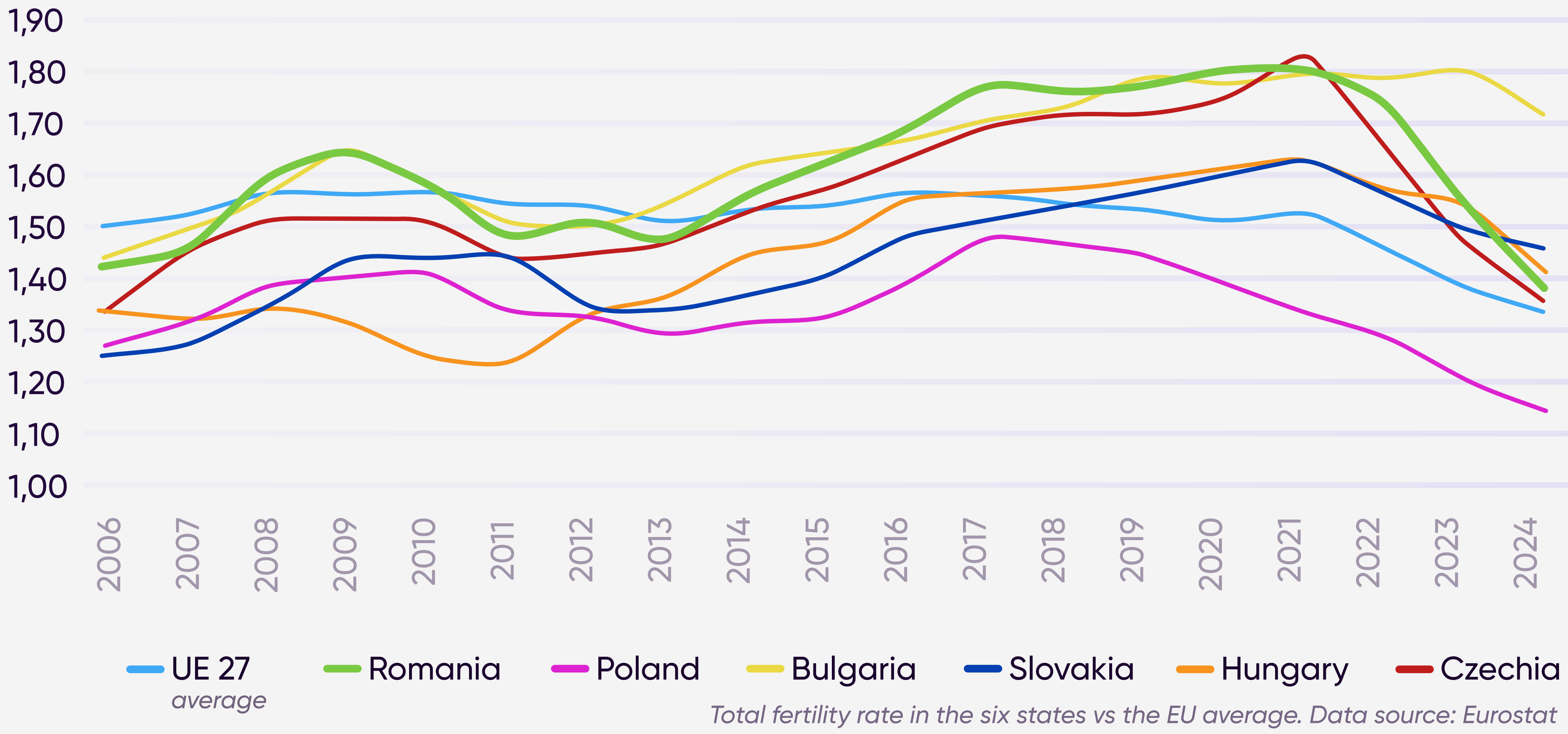
Society

In-Depth Analysis

Births and deaths

On the demographic front, convergence with Western Europe was already under way in the 1990s. **According to Eurostat, all six states have recorded negative natural change– more deaths than births – in recent years, aligning with the general EU trend.** Across the block, natural change has been uninterruptedly negative since 2012. The total fertility rate in the region stood above the EU average before the 2020 pandemic: in Romania it had reached 1.71 children per woman, in Bulgaria 1.65 and in Czechia 1.64 - among the largest improvements in the bloc over the low early 2000s levels. After the pandemic it began to fall sharply in all countries, including those with ambitious pro-natalist programmes such as Hungary and Poland. The deterioration of natural change is not only the effect of a recent collapse in births, but also of a worsening age pyramid and of the postponement of the age at first birth (rising in all states). Romania also remains among the states with the highest infant mortality in the EU (5.6 deaths per 1,000 newborns in 2023, alongside Slovakia). Convergence on this indicator is therefore only partial: fertility moved closer to the EU average and even exceeded it in many years, but overall mortality remains high.

Average fertility (generational replacement ≈ 2,08)



Total fertility rate in the six states vs the EU average. Data source: Eurostat

While it stood out positively in the economic area, in demography Poland's situation is the worst in the region. The number of births recorded annually has fallen by two thirds compared with the level of 40 years ago. Moreover, the fertility rate has approached 1.0, the lowest level in the European Union, which points to a halving of the population with each new generation.

As a note, external emigration, the age distribution of the population and differing life expectancy limit the direct translation of fertility into natural change. Bulgaria, the most „fertile" of the 6 countries, also has the largest relative difference between births and deaths.

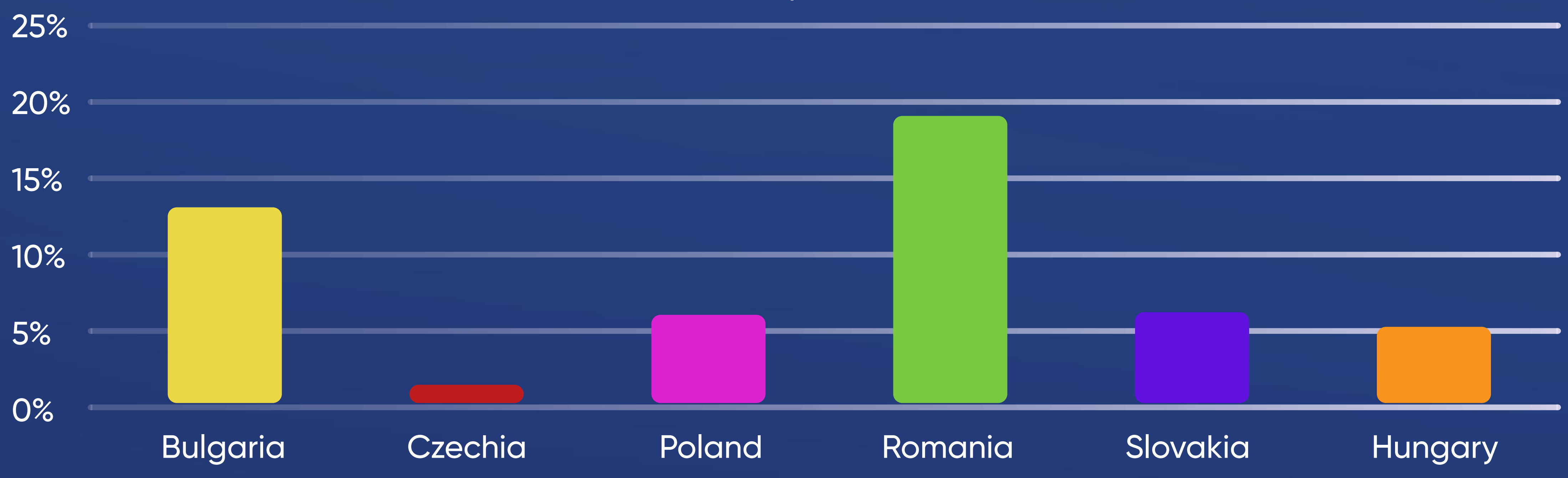
Emigration and the diaspora

Mass emigration and the formation of an economic diaspora in other European states is the most visible expression of the social cost of transition in the former communist countries. **Romania has the largest number of citizens living in another EU member state: according to Eurostat data, around 3.1 million people in 2023**, placing the country first in the Union. Broader estimates, which include residence outside the EU, are even higher: according to an earlier Rethink study[6], the diaspora in Europe (including the UK) is approaching 3.8 million. **Depending on the definition, the share of the diaspora ranges between roughly 16% and 20% of the population - the highest in the EU.**

A high level of emigration was also observed in Bulgaria, Poland, Hungary and Slovakia. Czechia, by contrast, did not see significant emigration, thanks in part to the level of economic development it had at the time of accession to the European Union. Indeed, it was even a destination for migrants. In general, emigration had mixed effects on individuals and on the countries of origin. In Romania's case **it eased the pressure to employ the 1960s baby boomers in the context of a fragile transition-era economy**, but it also led to extensive regional depopulation.

Size of the diaspora relative to the resident population

2025 (Eurostat data, ONS 2021 census+est.)



Population of citizens of the six states living in EU/EEA/UK countries. Includes only countries that collect such data.

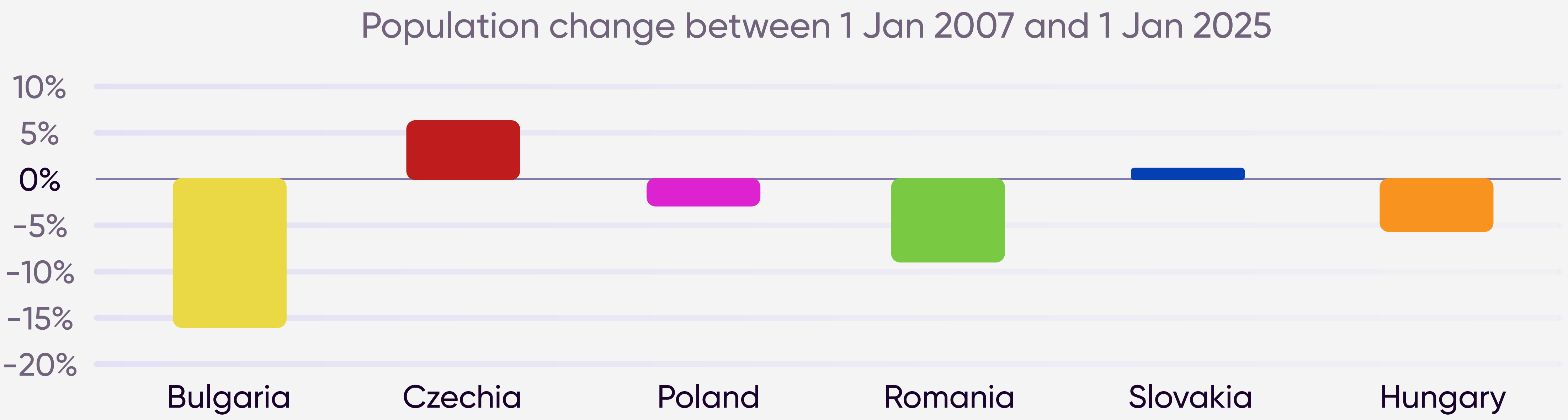
In recent years, Poland, **Romania and Bulgaria have recorded a slowdown in the pace of emigration and even a slight tendency for part of the diaspora to return.** This trend is also visible in other states in the region, such as Lithuania or Croatia. For now, the era of the great Central and Eastern European emigration appears to be over.

---

[6] *See Rethink at https://rethinkromania.ro/docs/studiu-panorama.pdf*

Resident population

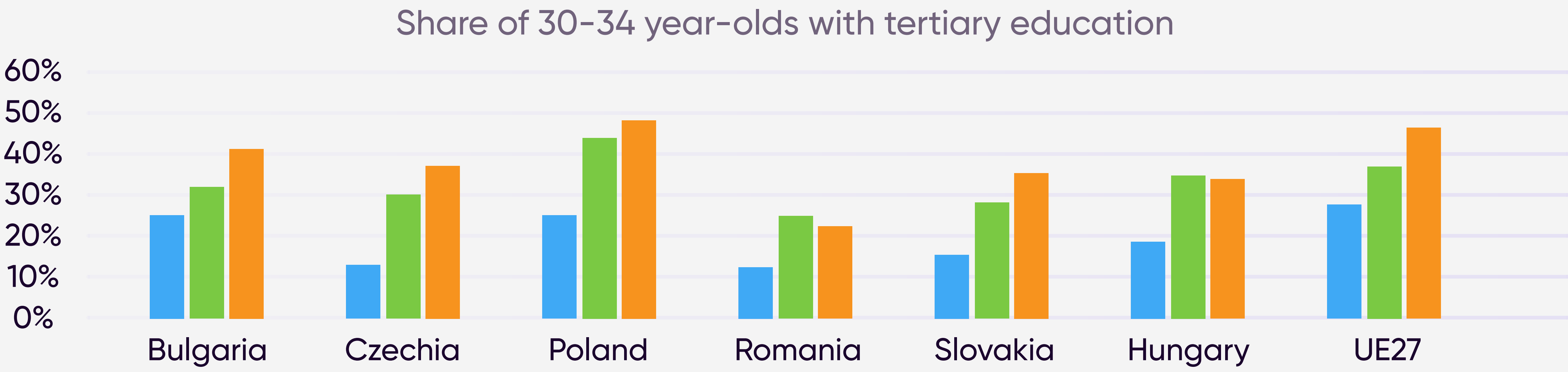
All the trends identified above contribute to a fairly negative portrait: most of the region has seen significant emigration, and natural change has turned negative in each of the six states. The resident population offers the clearest picture of the region's demographic decline, but also of the divergent trends that exist. **According to Eurostat (measuring population on 1 January each year), over 2006-2025 the EU population grew by more than 4%, while four of the new eastern members lost inhabitants.** Once again, the major exception is Czechia, which recorded population growth above the bloc's average, thanks to the large number of immigrants. In total, over 1 million foreigners live on Czech territory, most of them from the rest of Europe (Ukraine, Slovakia, etc.).



Data source: Eurostat, Lanzieri report, own calculations
(Lanzieri figures amended for emigration rates not calculated for RO and PL)

Share of **university graduates**

Access to university education was one of the two education objectives of the Europe 2020 strategy. **The eastern states of the Union joined with low rates of access to tertiary education, all of them below the EU average.** During the communist period there were serious regional divergences on this front, as well as different systems. Some countries, including parts of the USSR (Russia, the Baltics) or East Germany, ended up with a relatively high number of students. Romania, by contrast, had a restrictive numerus clausus system. The European Union promoted the widening of access to tertiary education as a potential source of competitive advantage for member states after 2000. Using the age band 30-34 as a reference point (the ages also used for measuring the old Europe 2020 indicators), we observe significant divergences in access across the region.



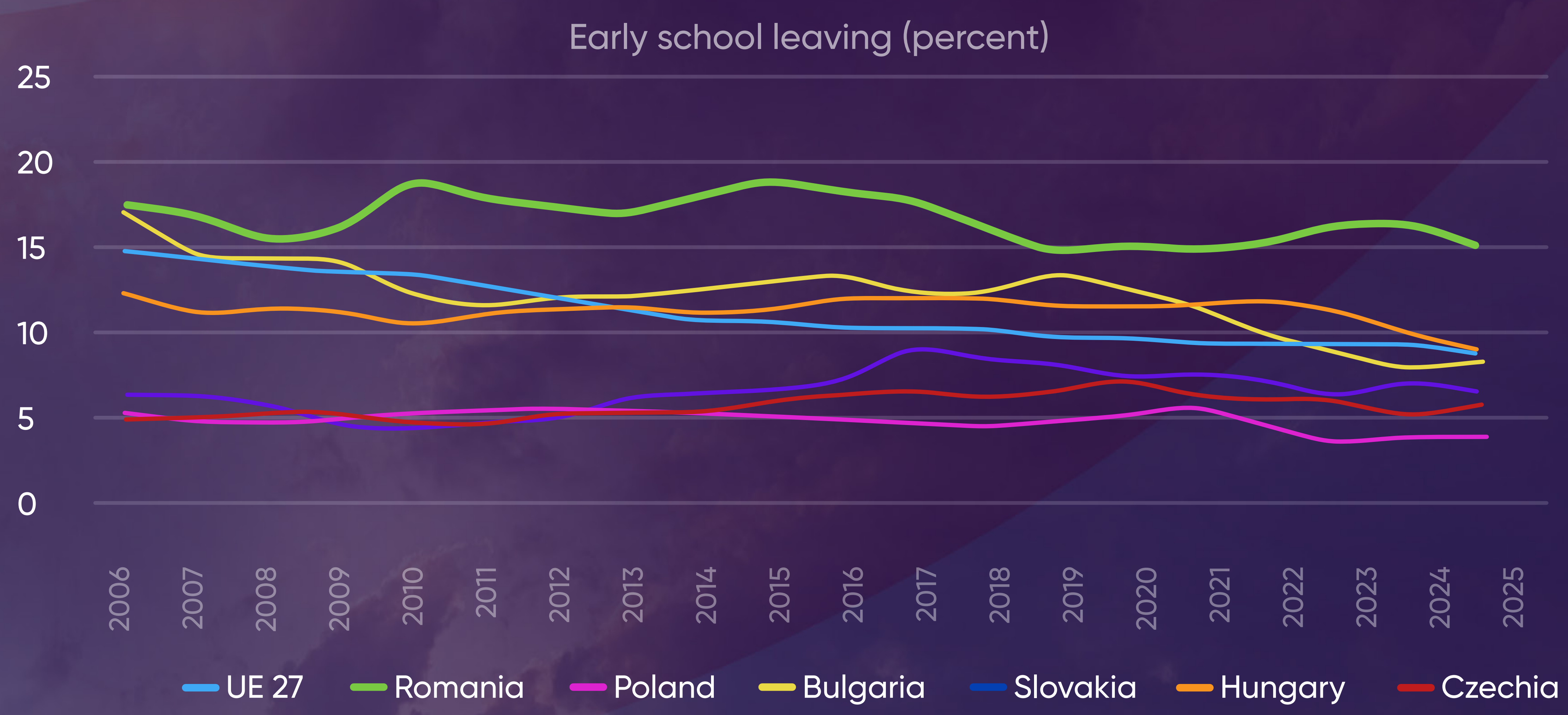
	Bulgaria	Czechia	Poland	Romania	Slovakia	Hungary	UE27
2006	25,3%	13,1%	24,7%	12,4%	14,4%	19,4%	28,0%
2015	32,1%	30,1%	43,4%	25,6%	28,4%	34,3%	37,3%
2025	42,4%	37,9%	48,3%	22,6%	35,6%	33,6%	45,6%

Share of 30-34 year-olds with tertiary education. Source: Eurostat edat_lfse

Romania ranks last in the Union and in the region, with a share of around 23% (2025), almost half the European average. The regional contrast is striking with Czechia (rapid progress) and Poland, which has already reached 48%, above the EU average. Romania, Slovakia and Hungary have stood out through a fall in the number of graduates in recent years, although a degree of stagnation has been observed in the other states as well. Since participation in university studies is **closely linked to the future capacity for productivity and wage growth**[7], the low access rate is a minus for Romania.

Early school leaving

Reducing the early school leaving rate was another key objective of the Europe 2020 strategy. Romania was among the few states that missed their national target of 11.3%, which was still not reached in 2025. According to Eurostat, **in 2025 Romania had the highest rate in the EU and had pulled away from the other post-communist states as well as from the bloc's average.** At the opposite end, Poland was in the group of states with the lowest values (below 5%). Bulgaria made notable progress, cutting the rate by more than 5 percentage points in a decade, even falling below the European average. Through its high early school leaving rate, the large number of young people who are neither working nor in education (NEETs) and its inability to follow the trajectory of the other countries in the region, Romania risks deepening and perpetuating inequalities in society. Together with the low share of higher education graduates, **this indicator also signals a structural risk for the future supply of skilled labour and for long-term economic convergence.**



Early school leaving in the region and the EU average. Data source: Eurostat edat_lfse

[7] *This is especially true in countries with poor VET education streams.*

School performance as **measured by the PISA tests**

Participation in education does not automatically mean high quality education. Allowing international comparisons of the practical ability to use the knowledge acquired in school, the OECD's PISA tests measure the competences of 15-year-old pupils in mathematics, reading and science. In the 2022 cycle (the most recent one published), **the average score across the three domains indicates major discrepancies between the countries in the region.** Poland (499 in mathematics) and Czechia (487) remain above the OECD average, Hungary (473) is close to it, while Slovakia (464), Romania (428) and Bulgaria (417) are visibly below the average. In Romania and Bulgaria we see a high share of pupils below the minimum proficiency threshold. The scores of the two also reflect notable equity problems: results are strongly correlated with socio-economic background and point to major urban/rural discrepancies. PISA thus complements the picture made evident by EU stocktaking data: **not only does Romania produce few higher education graduates and lose many pupils to dropout, but the basic competences of those still in the system at 15 are below those in other countries in the region.**

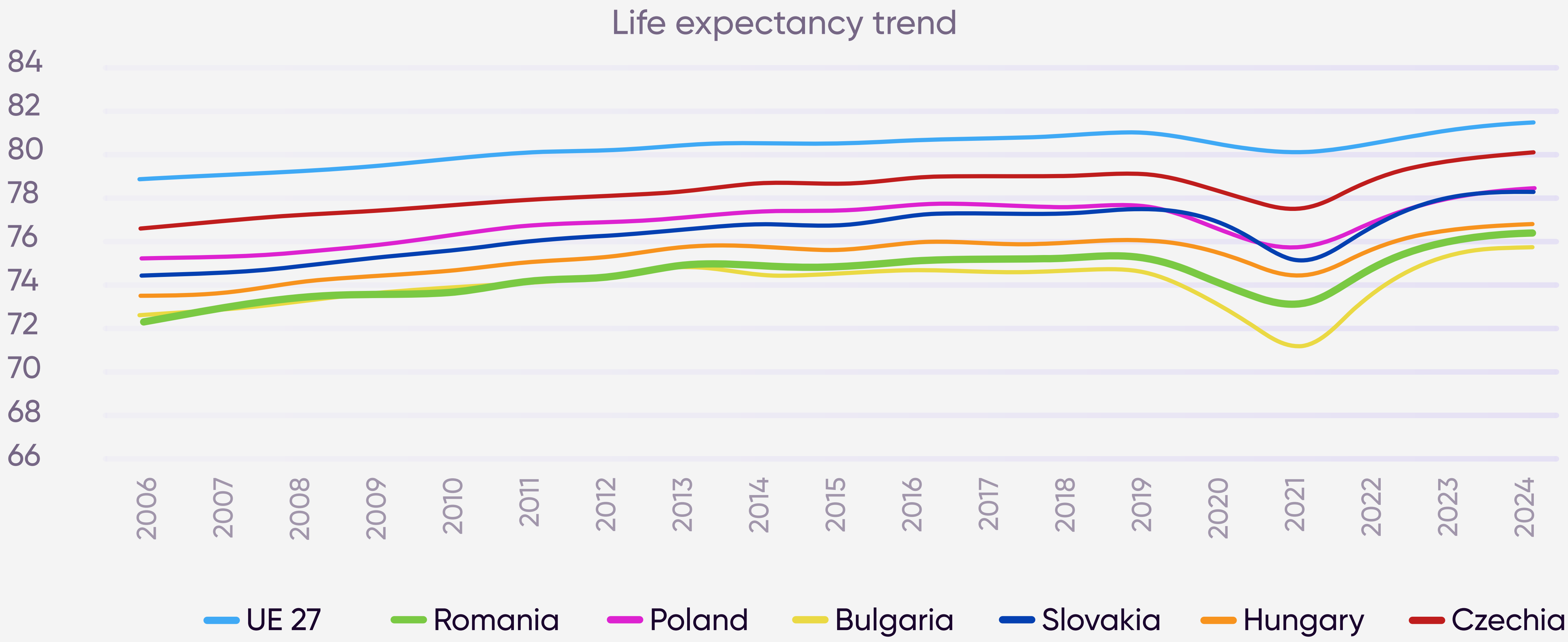
Although the OECD does not recommend comparing variations with small differences (for example, 5 points or less), a slight tendency towards improvement in Romania's results compared with 2006 and 2009 can be observed. By contrast, Poland has dominated the region's PISA rankings from 2006 to this day, followed closely by Czechia.

	Domain	2006	2009	2012	2015	2018	2022
Bulgaria	Mathematics	413	428	439	441	436	417
	Reading	402	429	436	432	420	404
	Science	434	439	446	446	424	421
Romania	Mathematics	415	427	445	444	430	428
	Reading	396	424	438	434	428	428
	Science	418	428	439	435	426	428
Hungary	Mathematics	491	490	477	477	481	473
	Reading	482	494	488	470	476	473
	Science	504	503	494	477	481	486
Czechia	Mathematics	510	493	499	492	499	487
	Reading	483	478	493	487	490	489
	Science	513	500	508	493	497	498
Poland	Mathematics	495	495	518	504	516	489
	Reading	508	500	518	506	512	489
	Science	498	508	526	501	511	499
Slovakia	Mathematics	492	497	482	475	486	464
	Reading	466	477	463	453	458	447
	Science	488	490	471	461	464	462

PISA results since 2006. Highest/lowest regional performances in green/red. Source: OECD PISA

Life expectancy

Although it is technically a demographic indicator, life expectancy at birth is a good proxy for the quality of health systems, for cultural and economic aspects of daily life, and also for various social problems (for example, alcohol abuse). In the mid-1990s several former communist states, for example Russia, Latvia or Romania, recorded a life expectancy of under 70 years, erasing decades of prior progress. Membership of the European Union led to an improvement in this indicator, but none of the six states has reached the bloc's average. In 2024, Romania and Bulgaria occupied the last places in the EU, alongside Latvia. The gap relative to the European average remains to this day around five years, though it is under 2 years in Czechia's case. Even so, **Romania's trajectory is a positive one: after the shock of the pandemic, Romania was among the states with the largest increases – roughly +1.3 years between 2022 and 2023 and +0.9 above the pre-pandemic level in 2024**. Romania also overtook Bulgaria and moved closer to Hungary, recording the largest total increase of the six states analysed relative to 2006.



Life expectancy, annual figures. Data source: demo_gind

Poverty and income inequality

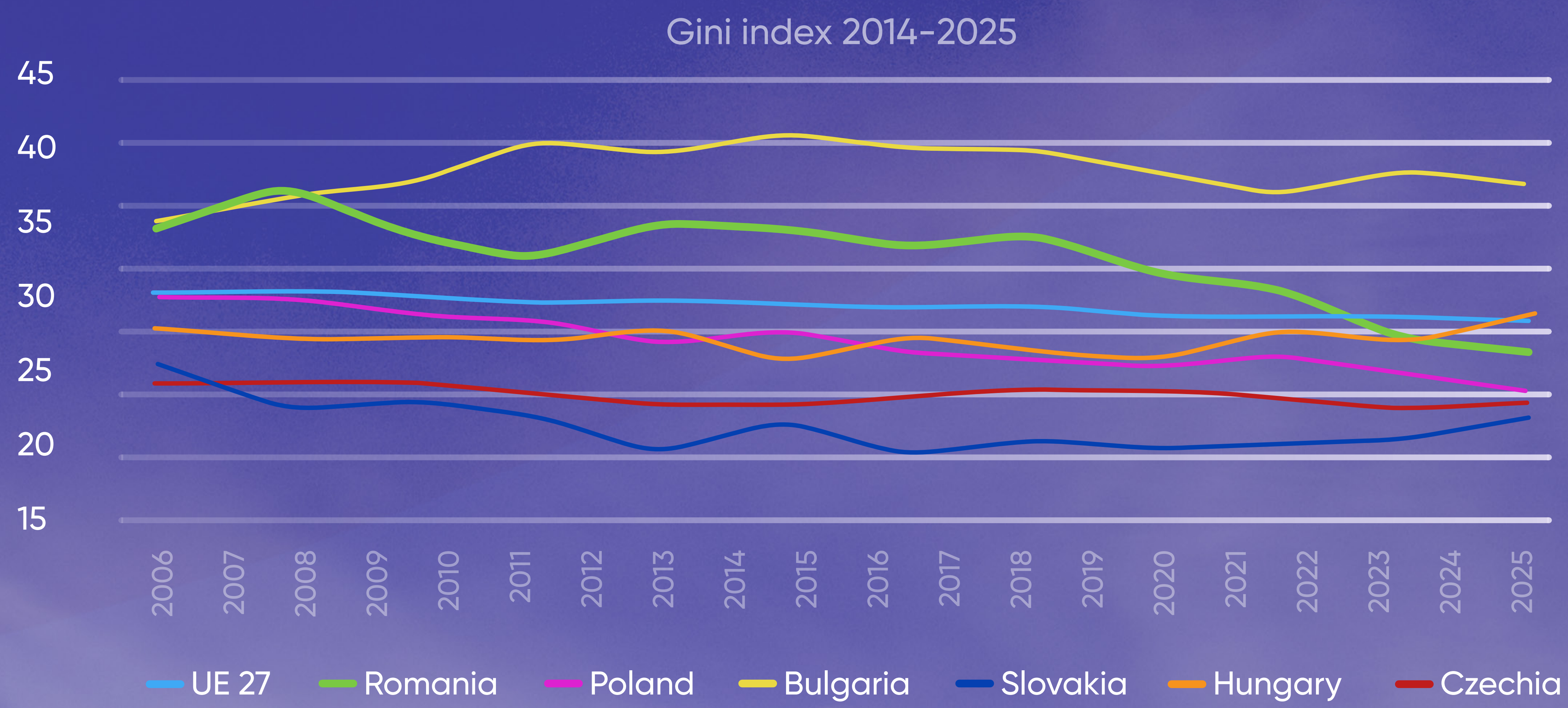
Beyond life expectancy, the fall in the share of people at risk of poverty or social exclusion (AROPE) shows one of the clearest successes of the convergence process . Over the past decade **the indicator has fallen almost without interruption across the whole region,** on the back of rising individual incomes. In 2025, Czechia (11.5%) and Poland (15.0%) stood well below the EU average (20.9%) and were now the EU states with the fewest people at risk of poverty and exclusion. Slovakia and Hungary were close to EU averages, while Romania (27.4%) and Bulgaria (29.0%) remained laggards, **though at levels far below their own starting point.**

[8]As a note, Czechia and Slovakia stood out from the very beginning through low inequality vs other European countries.

	AROPE 2015	AROPE 2019	AROPE 2025
Bulgaria	43,3%	33,2%	29,0%
Czechia	13,0%	12,1%	11,5%
Poland	22,5%	17,9%	15,0%
Romania	44,5%	36,1%	27,4%
Slovakia	17,3%	14,8%	16,7%
Hungary	30,6%	21,1%	19,5%
EU-27	24,0%	21,1%	20,9%

People at risk of poverty or social exclusion. Data source - Eurostat.

The distribution of income offers, however, a less uniform picture. On the Gini coefficient the region splits: Slovakia (23.0 in 2025) and Czechia (24.0) are among the most equal societies in the Union, below the EU average (29.2), while Bulgaria (37.7) has the highest inequality in the bloc. Romania has been - since 2023 - below the European average, overtaking Hungary in recent years. **Thus, on income distribution, trajectories remain different but Romania has made notable progress.**



Gini index. Data source: Eurostat tessi190

In the long run, reducing income inequality tends to facilitate improvement in other social indicators as well, but the continuation of this progress depends both on future economic developments and on other social factors such as access to quality education.

Summary

Looking at the data, the great success of the past 20 years - for Romania - **appears to be the rise in the population's average standard of living.** Individual consumption, for example, has grown dramatically, while in the social area the country stood out through rising life expectancy, a lower risk of poverty and an improvement in income inequality. Labour productivity also grew faster than anywhere else in the region.

On the other hand, **Romania ranked last or second to last in the region on no fewer than 14 indicators,** half of the total. Education stands out, where Romania was last or second to last on every indicator analysed. At the same time, **a worsening of the fiscal situation can be seen in recent years, with public debt growing explosively and undermining the country's future development perspectives.** Likewise, the absolute value of the trade deficit (despite its decline in relative terms) remains a source of concern.

There are many indicators on which Romania performed well but which are not included in the analysis, from the relative expansion of the motorway network to output growth in various branches of the economy (ranging from cereals to bicycles) and the boom of certain sectors such as ICT.

Unfortunately, the areas in which our country „has work to do" are among those that predict future development. With a population poorly educated by European standards, with rising debt and against the background of a slowdown in the economies of its main trading partners, **Romania has a rather shaky base for future development.**

Indicator	RO Position	First ranked	Last ranked
Nominal GDP per capita 2025	5/6	Czechia	Bulgaria
Nominal GDP change	3/6	Poland	Czechia
Individual consumption – 2025 value	2/6	Poland	Hungary
Individual consumption - change	1/6	**Romania**	Hungary
Consolidated public debt 2025	4/6	Bulgaria	Hungary
Public debt change vs 2025	6/6	Bulgaria	**Romania**
Labour productivity change 2006-2025	1/6	**Romania**	Hungary
Trade deficit value	6/6	Czechia	**Romania**
Trade deficit ratio	6/6	Czechia	**Romania**
Growth in export value	2/6	Poland	Hungary
Growth in import value	3/6	Poland	Hungary
Inland freight tonnes per capita	6/6	Czechia/Poland	**Romania**
Inland freight transport change 2006-2025	3/6	Bulgaria	Czechia
Air transport pax per capita	5/6	Poland	Slovakia
Air transport pax change 2007-2025	2/6	Poland	Slovakia
Fertility rate 2024	4/6	Bulgaria	Poland

Indicator	Position	First ranked	Last ranked
Relative natural change 2024	5/6	Slovakia	Bulgaria
Emigration/diaspora	6/6	Czechia	**Romania**
Population change	5/6	Czechia	Bulgaria
Tertiary education attainment 30-34	6/6	Poland	**Romania**
Early school leaving	6/6	Poland	**Romania**
Average PISA scores	5/6	Poland	Bulgaria
Life expectancy	5/6	Czechia	Bulgaria
Change in life expectancy	1/6	**Romania**	Bulgaria
AROPE poverty risk	5/6	Czechia	Bulgaria
Change in AROPE poverty risk	1/6	**Romania**	Slovakia
Gini inequality 2025	4/6	Slovakia	Bulgaria
Change in Gini inequality 2014-25	1/6	**Romania**	Hungary

On the other hand, **no state in the region managed to fully „win" the convergence race of the past 20 years.** Czechia does best on 6 of the 13 indicators expressed as a current value[9], but overall its advantage over the rest of the region is shrinking. Poland saw the most pronounced improvement on many indicators (7 of the 15 that measured relative progress), **but faces a more difficult demographic situation than the other states in the region.** It is currently ageing faster than Japan did even during the 1990s and 2000s.

The worst performance clearly belonged to Hungary, however. **It did not rank first on any indicator, but came last on no fewer than 7.** At the time of accession Hungary was in second place after Czechia in terms of general development, but it has had an inconsistent trajectory marked by crises over the past decade. Starting out with a high level of indebtedness and going through a prolonged suspension of European funds did not help our western neighbour maintain a sustained pace of development.

[9] *I.e. it ranked first in the latest year with available data*

What should we do in the future?

The challenge of the coming decade is not only one of pace, but of direction. Romania has shown that it can develop - sometimes spectacularly - but t**he growth achieved so far has rested on factors that are close to exhaustion.** Moreover, Romania has made particularly limited progress on some fronts, especially when it comes to access to quality education services or to stabilising the demographic situation.

The most visible obstacle in the short term remains, however, the fiscal one. Public debt and high borrowing costs will limit the state's room for manoeuvre and its capacity to invest in closing the remaining gaps. In practice, **the country is entering a stage in which every leu spent has to count for more than before, and the margin for error has narrowed considerably.** The retirement of the large generations born after 1967 will compound these challenges.

Beyond the budget constraint, the underlying problem is one of model. For two decades, development was predominantly ad hoc - driven by foreign investment, cheap labour and access to the single market, rather than by a deliberate strategy. This model has reached its limits. **Romania can no longer be competitive through the low cost of labour alone,** and European funds can no longer be channelled instinctively only into roads, unfinished digitalisation efforts or white elephants that are popular locally.

Hence the need for a change of logic: **a shift from development facilitated by a favourable external context to intentional development, which explicitly prioritises fixing vestigial weak points.** A national vision does not mean merely adding new ambitions on top of the existing ones, but the courage to tackle precisely the shortcomings left unresolved over the past decades. Education is the first candidate - not only because Romania is the weakest in the region, but because it remains a good predictor of tomorrow's prosperity. To it are added a fundamental demographic challenge, a chronic deficit in trade in goods and a lack of quality in public policy.

Intentionality is, in the end, the key word. The coming years will show whether the country manages to move from growth to construction: from accumulating, to deliberately laying the foundation of a development that no longer depends on circumstance. At the same time, stronger institutions with dedicated professionals are needed in order to drive through successful policy agendas, regain the trust of businesses and the populace at large and offer greater predictability in public governance.

Note: this is an English-language version of the original, **Romanian-language study available here**

rethink ROMÂNIA 2050

Text: Robert Santa | **Design:** Mihai Chirea

Ver. 4.0 | 11.08.2026