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Country Report

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Power Struggle with European Leverage

Timișoara Mayor Dominic Fritz at the Center of Political Manoeuvring

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770 million Euro from the EU-funded National Recovery and Resilience Plan (PNRR) are serving as leverage for the next political move by Romania's Social Democratic Party (PSD) and the right-wing populist Alliance for the Union of Romanians (AUR), as they seek to push an unwelcome political rival out of the way. Their target is Dominic Fritz, chairman of the liberal USR party and mayor of the city of Timișoara, who is likely to lose his position as mayor as a result of a newly adopted law. The apparent aim is not only to remove Fritz from office but also to weaken the cohesion of the current governing partners, USR and the National Liberal Party (PNL).

In a letter to Commission President Ursula von der Leyen, Manfred Weber, chairman of the EPP Group in the European Parliament, and Valérie Hayer, president of Renew Europe, have sought to prevent the misuse of European rules and deadlines in Romania. They argue that retroactive application of the law is unconstitutional and contradicts the fundamental principles of the European Union. President Nicușor Dan nevertheless signed the law on August 28; Fritz's only remaining recourse is now through the European justice system.

Deadlines for the Caretaker Government

Context: For the disbursement of the final tranche of PNRR funds, the EU requires, on the one hand, budgetary stability and, on the other hand, measures to prevent corruption and self-enrichment. The deadline for the entry into force of the corresponding regulations was August 31. Two laws have been the focus of attention in recent weeks: the salary law for public sector employees and the "Integrity Law," which provides for sanctions for illegitimate actions by public officials.

The salary law, backed by the caretaker government led by Ilie Bolojan (PNL), aims, among

other things, to standardize the public-sector pay system, reduce inequalities between different professional groups, and introduce a more transparent and predictable remuneration system. It also provides for a cap on personnel expenditure as a share of GDP, in line with the PNRR requirements. Social Democrats and trade unions are the main opponents of the law. An agreement is not currently in sight. Salary structures in Romania's public sector and state-owned companies are highly opaque and contain extreme income disparities depending on the sector.

Legal Dispute

The new "Integrity Law," ostensibly intended to combat corruption, raises a constitutional precedent. The legislative process is particularly noteworthy, as the PSD and AUR parties introduced a provision dubbed the "Fritz Rule" by critics, which allows for removal from office even in cases involving breaches of duty that have already been sanctioned and acts committed before the law entered into force. These provisions were added to the text of the law in early August during its passage through the Senate. Also new are transparency requirements for unmarried partners, a measure clearly aimed at President Nicușor Dan's partner.¹ Twenty-seven

PNL and USR senators subsequently challenged the provision before the Constitutional Court, primarily because of the "Fritz Rule." President Dan also filed his own challenge with the court. In a 5-3 vote on August 17, the court declared the "Fritz Clause" constitutional but rejected the transparency requirements. It issued its reasoning on August 21st.

Dilemma for Bolojan

The background to this is an official act by Dominic Fritz as mayor, in which he confirmed a zoning plan procedure initiated by his predecessor. The integrity authority ANI classified this act as a conflict of interest because the beneficiary of the decision had supported Fritz's election campaign with a loan – which has since been repaid.² Fritz unsuccessfully challenged the decision and was given a six-month salary reduction of ten percent, as well as a three-year ban on holding public office after the expiry of his mayoral term.

In the last parliamentary vote, acting Prime Minister and PNL leader Ilie Bolojan faced a double dilemma. If his party did not approve the law, he, as both party leader and Prime Minister, would be ignoring a Constitutional Court ruling and thus weakening two constitutional bodies – the Prime Minister's office and the court itself. As a proponent of a rigorous course of fiscal consolidation, he could hardly forgo the 770 million euros from Brussels without further alienating all those he had already imposed cuts on. The price: the sacrifice of Dominic Fritz, who had remained steadfastly loyal to Bolojan throughout the months-long government crisis. The PNL was forced to vote for the law, overcoming its own reservations.

No New Government In Sight Yet

The PSD and AUR have created a perfect dilemma for their political opponents. The cooperation between social democrats and right-wing populists has now become the norm. It remains to be seen how this will affect the attempts to form a new government. The Hungarian minority, which has historically sided with the PNL and USR but has participated in all Romanian governments, will also play a crucial role.

The power struggle solves none of Romania's problems – instead, the behavior of the PSD and AUR further undermines the trust of many Romanians in democratic institutions.

- The Constitutional Court reached its decision by a vote of 5-3, with the dissenting judges expressing clear doubts about the constitutionality of the decision. The judges who voted for the verdict are considered by political observers to be close to the PSD (Social Democratic Party). This fuels doubts about the court's independence in its decision-making. Critics are numerous – the decision is seen as undermining the foundations of democracy.³
- Despite the ongoing summer recess, the political dispute is preoccupying the parties more than the increasingly frequent drone incidents at the Romanian Ukrainian border region and in the area of the "Neptun Deep" gas field, under development in the Black Sea.
- The investigative website "Recorder.ro," which had already made headlines with its documentary "The Captive Justice," has now revealed that the current head of the Personal Protection Service (SPP), General Pahonțu, which, similar to the Secret Service in the US, is responsible for the president's security and also has an intelligence component, was present at both University Square and the so-called "Mineriades" in December 1989 as part of the state troops. These two incidents represent extremely violent actions against the democracy movement of 1989/90. At University Square, 48 people died, 150 were injured, and 1,245 were arrested.⁴ The term "Mineriade" refers to various riots committed by incited miners.⁵

It remains to be seen what the political situation in Romania will be like. There are initial reports predicting that a government could be formed in the second week of September, provided the PSD manages to gather enough votes for its own candidate.

The political future of Dominic Fritz and 55 other officials – including 10 mayors and 17 city and district councilors – affected by the change in the law is also uncertain. Fritz can challenge the „integrity law“ at the European level, but the proceedings would take considerable time. According to legal experts, the legal situation

contains another "twist": the breach of duty for which Dominic Fritz was held responsible is – in their view – no longer subject to sanctions under the new integrity law. If Fritz is retroactively removed from office by the new law for an incident that is no longer punishable under this very law, the proceedings would be even more

absurd than they already appear. The EU Commission, which is assessing the law's compatibility with the principles of European law and will decide on the disbursement of funding accordingly, has also demanded official clarification.

¹See: <https://adevarul.ro/politica/legea-integritatii-adoptata-de-senat-2547925.html>
(August 28, 2026, 1:15 PM)

²See: <https://hotnews.ro/de-ce-la-declarat-ani-in-conflict-de-interese-pe-dominic-fritz-cum-au-motivat-doua-instante-decizia-in-defavoarea-primarului-timisoarei-2326664> (August 28, 2026, 2:42 PM)

³For example, Laura Ștefan from ExpertForum:
https://youtu.be/CNnj_hf1muM?si=KcLRmwiUXXNSEfvz

⁴Data from: <https://buletin.de/bucuresti/fantomele-de-la-intercontinental-cum-a-aratat-noaptea-in-care-seful-spp-lucian-pahontu-ar-fi-luat-parte-la-uciderea-unor-civili/>
(Accessed on August 28, 12:00 PM)

⁵Source: <https://www.digi24.ro/stiri/actualitate/28-de-ani-de-la-mineriada-din-13-15-iunie-1990-iliescu-si-roman-trimisi-in-judecata-anul-trecut-946272>
(Accessed August 28 at 12:04 PM)