

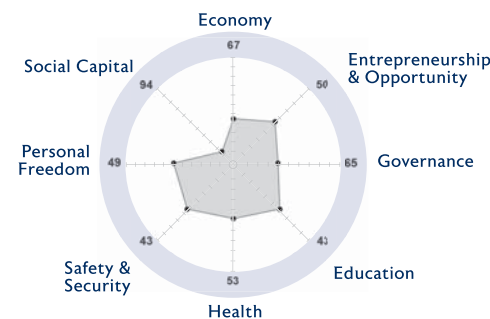


## Fast Facts

Average life satisfaction 5.4/10 (2009)  
Population 21.3 mn (2010 Est.)  
GDP per capita (PPP) \$12,131 (2010 Est.)  
GDP (PPP) \$258.9 bn (2010 Est.)  
Political System Republic  
Freedom House rating Free (2010)

Literacy rate (% of adult population) 98% (2008)  
Life Expectancy 73 years (2008)  
Business Start-up Costs (% of Gross National Income) 2.9% (2008)  
42.0% of people believe society is meritocratic\* (2009)  
52.9% of people feel personal safety\* (2009)  
15.7% of people find others trustworthy\* (2009)

## Sub-Index Rankings



## Index Comparisons (Rank/No of countries)

Legatum Prosperity Index 51/110  
Average Life Satisfaction Ranking 64/110  
Per Capita GDP Ranking 52/110  
WEF Global Competitiveness Index 67/139  
UN Human Development Index 63/182  
Heritage/WSJ Economic Freedom Index 63/179  
TI Corruption Perceptions Index 71/180  
Vision of Humanity Global Peace Index 45/149

## Economy

Despite high growth in recent years, Romanians worry about economic conditions

RANKED 67TH

Romania's overall macroeconomic position is not good. While the official unemployment rate of 4.4% ranks 29th in the Index, globally, only half\* of Romanians said they were in paid or unpaid work in 2009, placing Romania close to the international\*\* average on this variable. Inflation is nearly 8%, and gross domestic savings at around 21% of GDP place the country just 60th in the Index, overall. Citizens' ability to pay for adequate food and shelter is below the global average, leaving around six out of 10\* citizens dissatisfied with their overall standard of living, and an even greater proportion pessimistic about the future. Romania ranks 99th in the world both for its citizens' view of local job prospects and for their expectations of future growth. Annual GDP growth of 7.4% from 2004 to 2008 is very high but is also associated with short term instability and social stresses. While Romania ranks 15th in the world as a destination for foreign direct investment, it places closer to global averages on other measures of its foundation for growth. The country lies 57th in the world for physical capital available to workers, indicating that productivity is moderate, and 45th with respect to the proportion of its exports originating in high-tech sectors. The domestic market is of middling size, Romania placing 49th in the world on this variable. Of more concern is the banking system: 13.8% of its total loans are non-performing, and the country places 100th in the world for trust in its financial institutions.

## Entrepreneurship & Opportunity

Despite their entrepreneurial tendencies, Romanians feel poorly rewarded for their work

RANKED 50TH

Romania has a moderate level of innovation. The country places in the top third of the Index with respect to royalty receipts and the proportion of its exports that come from the ICT sector. R&D expenditure as a proportion of gross domestic product places 51st, internationally. However, the overall climate for entrepreneurship is relatively good. Business start-up costs are the 26th lowest, globally, and almost eight out of 10\* Romanians consider their local area a good place to start a business. Access to technology is also good overall, with 114 mobile phones per 100 people. The provision of internet bandwidth places the country in the top 20, although the number of secure internet servers per capita was less impressive, placing 52nd, overall, suggesting a moderate infrastructure for entrepreneurship. Romania places 36th in the Index with respect to economic development across different socio-economic groups, but this does not translate to mobility: the proportion of citizens who feel that hard work brings adequate rewards is the fifth lowest\* of any country.

## Governance

Romania's ineffective governance and mistrusted judges engender cynicism and apathy

RANKED 65TH

Romania places in the top third of countries with respect to its overall level of democracy. Checks and balances are relatively good; Romania places 25th with respect to the constraints that politicians face in attempting to influence policy. However, competition in the executive and legislative branches lies only around the international average, and the quality of government is poor. Romania ranks 65th in the world for government effectiveness, indicating relatively unstable government and poor implementation of policy. The short 12 year life of the current constitutional regime also points to instability. Romania places 101st\* for overall government approval. Citizen confidence in the government is low, placing the country in the bottom 10 countries in the world. Equally low, is approval of the country's efforts to address poverty and preserve the environment. Perceptions of corruption in government and business are also exceptionally high, placing Romania 93rd on this variable\*. The overall rule of law places the country around the international average, as does the extent of regulation of the business environment. However, while approximately four out of five Romanians have confidence in the military, fewer than three out of 10 people trust the judicial system\*. There is also widespread scepticism regarding the honesty of elections, with Romania placing 69th on this variable. While political rights rank in the top half of the Index, fewer than one in 10 Romanians had voiced concern to a public official in the year prior to the survey in 2009, indicating that people see little point in political participation.

## Education

Romanians are dissatisfied with a mediocre education system

RANKED 43TH

Access to education ranks around the international average in Romania. Enrolment rates at primary and secondary level place the country 51st and 53rd in the Index, respectively, and there is gender equality in primary and secondary education. In classrooms, there is a high ratio of 17 primary pupils per teacher. Access to tertiary education is somewhat better, placing the country 31st overall. Still, Romanians are relatively dissatisfied with the education available to them, placing 69th on this variable. Moreover, the proportion of Romanians who feel that children have the opportunity to learn and grow every day is below the international average, placing the country 74th, overall. The Romanian workforce has solid basic education, with an average of 3.3 years of secondary schooling each, but little specialised knowledge, with just 0.8 years of tertiary education on average.

## Health

Low expenditure and extreme dissatisfaction characterise the Romanian healthcare system

RANKED 53RD

Romania places around the international average with respect to basic health outcomes, including the infant mortality rate, the incidence of undernourishment, and health-adjusted life expectancy. The availability of hospital beds is high, at 654 per 100,000 people, and immunisation rates, including those for measles, are good. However, with health expenditure of just over \$500 (PPP) per capita, below the international average, this infrastructure may prove hard to maintain. Moreover, the country faces a number of public health challenges. Only around seven in 10\* Romanians have access to adequate sanitation facilities, and a similar proportion are dissatisfied with the quality of water where they live\*. Deaths from respiratory diseases are around the global average, but tuberculosis infections are high, putting the country in 77th place, globally. Moreover, judged subjectively, the Romanian populace is in very poor physical and mental health. Romania ranks near bottom in the Index for satisfaction with personal health. Almost three in 10\* Romanians report health problems preventing them from leading a normal life. The country also places in the bottom 20 on the Index with respect to how well-rested its population is, and what proportion of them were worried the day before they were surveyed. This is despite potentially restful surroundings: the country is in the upper third of the Index for citizens' satisfaction with the beauty of their physical surroundings.

## Safety & Security

Despite relatively good personal security, many Romanians feel afraid walking home at night

RANKED 43RD

Romania faces a number of national security challenges. While it is home to fewer refugees than the international average, and faces below average demographic instability resulting from border disputes, ownership or occupancy of land, access to transportation outlets, control of religious or historical sites, or proximity to environmental hazards, the number of groups holding communal grievances is somewhat high, and the degree of state-sponsored political violence places the country 63rd in the world, indicating a relatively repressed society. The country also suffers from above global average emigration of professionals and intellectuals: though economic and political frustration is as likely a cause as security concerns. Romania has relatively a low crime rate, at least by global standards: in 2008, 3.9%\* of Romanians surveyed had been assaulted in the previous year, and 8.8%\* had suffered a theft, placing the country 39th and 23rd in the world for these variables, respectively. Data on attitudes towards security are mixed: while the country ranked 21st for people's willingness to talk openly about their political views, barely more than half of Romanians felt safe walking home at night, placing the country 67th on this variable\*.

## Personal Freedom

Romanians are slightly more tolerant of ethnic and racial minorities than of newcomers

RANKED 49TH

Romanians have reasonably good levels of civil liberties, and the country places around the global average with respect to civic choice, indicating that freedom of expression and belief, rights of organisation and association, and personal autonomy are moderately well respected. However, the country lies in 87th\* place with respect to citizens' satisfaction with their freedom of choice. Evidence regarding perceptions of social tolerance is mixed: the six in 10\* Romanians who feel their local area is tolerant of immigrants places around average in the Index, but the seven in 10\* who regard it as tolerant of ethnic and racial minorities puts the country in a slightly better 39th place, worldwide.

## Social Capital

Romania has poor social cohesion and low rates of societal engagement

RANKED 94TH

Romania's overall level of social capital is very low, in global perspective. At 15.7%\* in 2008, the proportion of people who trusted others placed 70th, internationally. The country was 98th\* in the world for donations to charity and in the bottom 10\* countries of the Index both for helping strangers and for levels of volunteering. While roughly four out of five\* Romanians said they could count on a friend or relative for help in times of need, this ranked just 78th internationally. Rates of marriage are the 21st\* highest, globally, suggesting strong potential links to familial networks, but just 36%\* of people had attended a place of religious worship in the previous week, suggesting low potential access to religious networks, placing Romania 72nd on this variable.

\*Data taken from the Gallup World Poll \*\* The terms 'international', 'global', or 'world' are used to reference the 110 Prosperity Index countries, which represent approximately 93% of the world's population and 97% of global GDP.