

EDITORIAL EJAFB
**GOVERNING BY EXCEPTION: THE HIDDEN ECONOMIC COST OF
LEGISLATIVE INSTABILITY****PhD Professor Veronica GROSU**

No economy can afford to expect permanent emergency. In Romania, however, an often-used tactic in public policy is issuing emergency ordinances, consecutive delays and temporary restrictions that have been applied for a long time and have an impact on investment, employment and financing. Each individual measure can be justified and rational in its specific context. What is more serious though is the signal sent cumulatively to businesses and citizens: the rules can change quickly, implementation can be postponed, and exceptional instruments turn into normal means of governance. Thus, legislative instability works as an indirect economic cost, even if it does not get justified by any budget lines.

The legislative files providing details of fiscal and salary measures, property taxation, energy storage, and regulation of the oil-products market reveal the same institutional weakness from different perspectives. Rights and deadlines are being postponed; digital reforms are announced in advance of putting all systems in order; strategic energy action plans go with controversial definitions and technical inconsistencies; crisis interventions are prolonged beyond their original deadlines. All these are not simple drafting mistakes. They define cash-flow forecasts, contractual obligations, provisions, asset valuation and the cost of capital. For a business, on-duty indefinite rules place unnecessary risks.

The situation is particularly critical for domestic businesses that have less capability to absorb compliance costs or quickly restructure their activities. Delayed tax reform makes local authorities and taxpayers plan utilizing unreliable parameters. Ambiguous energy regulation can hamper projects involving expensive irreversible investment. On one side, the frozen commercial margin can generate some benefits for consumers in the short run, but also weaken incentives of suppliers if unrelated to actual costs and transparent market information. In the public sector, the repeated delay of salary rights transfers the problem of financing to future budgets and courts, instead of settling it in an honest medium-term plan.

Nevertheless, there is a valid counter-argument which suggests that governments have an obligation

to react to the geopolitical shocks, unstable prices of energy, supply threats, and budget constraints. Acting responsibly would mean denying intervention solely for the sake of preserving the rule-of law principles. However, urgency should rather increase the speed of reaction than the legal standards. A credible emergency measure calls for having a clear trigger, an adequate means of intervention, a definite deadline, and exit rules based on verifiable criteria.

It is important to make the distinction here, because predictability does not necessarily mean a lack of regulatory flexibility. Good governance allows rules to adapt while giving the parties affected an opportunity to have the necessary certainty for calculations. When an advisory body consults about a confusing term, questionable effect assessments, distortions, and conflicts with existing laws, its correction made before adopting legislation is less expensive than litigation and administrative improvisation or another emergency amendment. Therefore, the level of legislative preparation becomes a part of an economy's infrastructure in company with energy, digital technologies, and financial institutions. Such a discipline should be instituted for laws with significant fiscal or business implications within Romania: realistic impact assessments, operational digital preparedness, consolidated implementation programs, appropriate consultation, and obligatory review of exceptional situations before their prolongation. In this order, the Parliament and Government should treat all deferrals as a result of failures in implementation deserving of explanation, rather than as a habitual technical adjustment. The essential question is no longer whether the state needs to take action but rather whether the state has the capacity subject to the coherent, appropriate and temporary rules. People will stop believing in promises, the only way to restore trust is to show stability through how laws are written, implemented, or repealed.