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## POSITION PAPER

# Public Sector Salary Reform: Necessary, but Not at the Expense of Citizens and Not Amid the Rising Cost of the Basic Consumption Basket

### Position of the Civic Movement “Building Trust”

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## Context

The Government is promoting the reform of the unified salary system in the budgetary sector — Law No. 270/2018 — a reform undertaken as a benchmark in the process of accession to the European Union. At the same time, through the 2027 Fiscal Policy, the same Government proposes tax increases, including VAT increases on essential goods — food and agricultural products — as well as on products for infants and children.

These two decisions are being taken at the same time and must be viewed together: who pays and who benefits.

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## The reform is necessary — and we say this honestly

The current salary system has real imbalances, which the reform is rightly trying to address: a compression ratio that has in practice reached 1:26, compared to the legal threshold of 1:15; dozens of positions with a basic salary below the minimum wage, dependent on compensatory payments — around 19.7% of employees in 2026; specific allowances inflated from 10% up to 120%; and a “performance” allowance granted in practice to around 99% of staff, thereby losing its meaning.

The principles of the reform — fairness (“equal pay for work of equal value”), transparency, capping allowances from 10–120% to a maximum of 30%, granting the performance allowance selectively — from 99% to a maximum of 45%, and gradually raising low salaries to the level of the minimum wage through the basic salary — are correct, and we support them.

The problem is not whether the reform should be carried out, but when it is carried out, how it is financed, and who benefits the most.

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## The problem: timing, financing, and who benefits the most

According to the parameters of the draft, the largest increases in basic salary go to the highest-ranking state positions. For the President of the Republic, the Speaker of Parliament, and the Prime Minister, the reference value increases from 1,400 to 6,200 lei (+343%), while the basic salary increases from 21,000 to 65,100 lei (+210%). This means an estimated monthly salary of over 78,000 lei (+238%).

By contrast, the median increase in the basic salary across approximately 500 analyzed positions is around 5,347 lei — about eight times lower in absolute terms.

Position	Basic salary — current → proposed	Increase
<b>President · Speaker of Parliament · Prime Minister</b>	21,000 → 65,100 lei	+44,100 / +210%
<b>Deputy Speaker of Parliament</b>	20,342 → 54,961 lei	+34,619 / +170%
<b>Member of Parliament</b>	19,516 → 45,966 lei	+26,450 / +135%
<b>Median increase — approx. 500 positions</b>	≈ +5,347 lei	benchmark

The monthly amounts are simulation estimates — basic salary plus a hypothetical percentage component — not guaranteed salaries. They are used to compare the current system with the proposed one.

At the aggregate level, the reform increases personnel expenditure by approximately 4.84 billion lei in 2027 — from 32.79 to 37.63 billion lei — financed from the budget. And this effort overlaps exactly with the proposal to make the basic consumption basket of families more expensive through VAT, including food and products for infants and children.

## First, order in one's own house: auditing institutions and unjustified salaries

This reform is not taking place on clean ground. In some state-owned enterprises and public institutions, salaries and benefits that exceed the limits of common sense persist — remuneration that, in certain entities, reaches 100,000–120,000 lei per month — alongside parasite positions paid from public money, without clear justification in terms of workload, competence, or results.

Importantly, these very cases largely escape the reform. The unified salary system — Law No. 270/2018 — covers the budgetary sector, while a significant part of excessive remuneration is found in state-owned enterprises and derogatory regimes, outside the unified salary grid, and therefore is not addressed by this reform. The draft rightly caps inflated allowances within the grid — from 120% to 30% — but it does not resolve unjustified salaries outside it.

That is why the natural order should be the reverse of what is currently on the table: first, the Government must clean up where waste is most visible — through an audit of state-owned enterprises and public institutions, the elimination of parasite positions and remuneration that cannot be publicly justified — and only then proceed to increase the salaries of high-ranking dignitaries.

Otherwise, the state increases spending at the top while waste at the bottom persists, and citizens are asked to cover both through higher taxes. This is exactly what the initiative “Shameless Salaries — Under Control” calls for: to verify who receives how much and why, before adding new costs.

## The essential question

Are the salary increases of top-ranking dignitaries covered, directly or indirectly, by higher taxes on bread, baby formula, and children's food?

We do not contest the right to fair pay in the public sector. We contest the idea that it should be paid for through the rising cost of families' basic consumption basket, and that the largest beneficiaries in absolute terms should be precisely the highest-ranking state positions — in a year when citizens are being asked for new fiscal sacrifices.

EU accession also means social fairness — the European Pillar of Social Rights — not increasing remuneration at the top while taxing essential goods.

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## Requests

**1. Decouple the two measures in time.** No VAT increase on essential goods, food, and products for infants and children in the same budgetary year in which the state's personnel expenditure increases.

**2. Audits must precede increases at the top.** A broad and independent audit of state-owned enterprises and public institutions must be carried out, identifying and eliminating parasite positions and unjustified remuneration — including cases of 100,000–120,000 lei per month outside the unified salary grid. Only after order is restored there can salary increases for top-ranking public dignitaries be discussed.

**3. Reform from the bottom up, not from the top.** Absolute priority must be given to raising low salaries to the level of the minimum wage through the basic salary. Increases for top-ranking public dignitaries — the President, the Speaker of Parliament, the Prime Minister, and Members of Parliament — should be phased in or postponed until the fiscal burden on citizens no longer increases.

**4. The state must start saving with itself.** The reform should be financed primarily from internal savings generated by the reform itself: absorption of allowances, selective granting of performance payments, reduction of waste and vacant positions — not from new taxes on families' consumption basket.

**5. Full transparency of the simulation.** The full impact assessment must be published — who receives an increase and by how much, for each group of positions — together with the multiannual budgetary impact note, so that citizens can clearly see who benefits and how it is paid for.

**6. Guarantees for the many, not only for those at the top.** Real compensatory measures must be introduced for low-income households if indirect taxes are nevertheless increased, so that the salary reform does not turn into a transfer from vulnerable families to the highest-paid positions.

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*“A state that asks citizens for sacrifices must be the first to set an example of discipline and respect for public money. First, order must be restored where money is spent unjustifiably — only then can increases at the top be discussed. Salary reform is necessary, but not now, not in this way, and not from the citizen upwards.”*