

# Romania at the Gate of the Third Millenium: Integration or Isolation?

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## *Contents*

Abstract

Setting the scene

From communism to endless transition

Cons integration in the European Union

Pro integration in the European Union

Helsinki, December 1999 – new commitments, new hopes

EU requirements and progress within the Romanian side

Final word

- *Abstract*

The present paper will try to analyze the impact of the “EU integration phenomenon” on the processing of domestic policy in Eastern Europe, focusing on Romania in particular. Most of these states are former Soviet Union satellites that found themselves at the beginning of the third millenium both under the influence of the communist ideology traces and of their true European identity. The decision of the European Union to open its gates for potential new members from this forgotten part of Europe is the main factor to encourage and help these states to regain their lost European identity. The phenomenon was referred to as “the returning home [of Europe] to its history and geography”, by the former president Mitterand in his 1990 New Year’s Speech.

The effect of international politics on internal policy-making is recognized as a functional mechanism in the global policy-making procedures. The contextual paper will argue that for most Eastern European states in general and for Romania in particular, the mechanism of international pressure determining national policy is the only driving force that can redirect these nations towards democracy, towards Europe, towards their own wider identity. Both the pros and the cons for integration in the European Union are strongly enforced by political, economical and social reality within Eastern Europe. Therefore international pressure over domestic matters is the only real factor that could set a time dimension to an infinite and confuse transition stage from communism to liberal democracy. Or in the worse case, it is the only factor that could end a non-justified choice for these states of isolation outside the European common values.

- *Setting the scene*

The end of the millenium found the former communist countries in Central and Eastern Europe struggling to get rid of any trace of authoritarian approaches and trying to implement as soon as possible the Western European principles. The “integration process”, as the alignment to the existing European Union standards was called, became in the last years the first priority of the governmental programs in these states aspiring to a “European condition “. In the light of international requirements strategic bargaining and functional adaptation were processes to be included in the future plans of each govern in Eastern and Central Europe.

As soon as the European Union turned on the green light for addition of new potential members, the “integration process” became a competition between the targeted states, a race to reach the standards imposed by EU. Naturally, these states knew different patterns of adaptation and evolution in the integration process as they were and are influenced by many specific factors, internal as well as external ones. As western journals rushed to announce, the first evaluation (first wave selection) of December 1995 resulted in “winners” and “losers”. Among the winners were Czech Republic, Poland and Hungary, while among the big losers were counted Romania, Slovakia and Bulgaria. The last year of this millenium brought a new chance for these latter mentioned countries and others in

the same category. Mid-December 1999 meant the admission for the negotiations with the European Union of several Eastern and Central European countries among which Romania. Hence, an opportunity to catch up with the states already included in the integration process was given to these nations which had much more difficulties to adapt to the EU required standards.

- *From communism to endless transition*

It is worth questioning and analyzing why in some of the Eastern and Central European countries the democratization and the modernization process are so difficult to promote and why the effective results regarding the conversion to EU requirements are relatively or totally irrelevant. One of the main reasons is proven to be the troublesome adaptability of the targeted society to the very hard conditions necessary for a fundamental change in regime. Informal mass resistance and disapproval of the shock therapy arouse even if this seems the one and only inexorable way of breaking through in the new democratic setting.

In Eastern Europe the old communist regime's support among the people was mainly its commitment to ensure and maintain the general welfare. The communist welfare system [Esping Andersen, 1996] was characterized by three basic pillars: full and quasi-obligatory employment; broad and universalistic social insurance; and a highly developed, typically company-based system of services and fringe benefits. It is self-explanatory that the whole system equilibrium was ensured by the employment-maximization strategy. The post-democracy reforms induced mass unemployment and the privatization of the state enterprises, thus stopping the accustomed state services. Implicitly these basic pillars were tremendously eroded and welfare was completely lost.

If we were to summarize in a few words the economical situation in Romania in 1999 we would find a more than somber reality. Compared to the situation in 1998 the industrial production decayed with 8% as a whole, with dramatic decreases in specific branches (for instance -36.5% in the metallurgical industry, -23.9% in the textile industry). The imports decreased in one year with 13.1%, while the exports have risen with an almost irrelevant 0.7%; the number of registered unemployed people was of 1.1130, 3 thousand, thus an increase of 10% compared to 1998. The consumer confidence and the consumption as a whole were dramatically affected accordingly. A decrease of 11.2% in the sales of non-alimentary products as a whole, with peaks of -18.7% for the medical and cosmetic products and -15.7% for the clothing articles. Paradoxically, the so-called democratization started with an alarming rise in pessimism, poverty and mortality. It is to be expected that the social mass would not be very enthusiastic about continuing on the same way and any government continuing on the same trend will have a very hard time trying to convince the people to suffer for a better future.

The second main reason that led to stagnation if not at all regression is that not all political leaders were dedicated to the same goal, to the same aim. While the center-right coalition (the Democratic Convention, as it is called) was committed to achieve a market

economy and an alignment to Western European standards, the social-democrat block in Romania and in a few other Eastern and Central European states was more moderate in this ambition and seemed to be willing to gain temporary public support by counteracting the shock therapy with social security and social internal measures in principle. By the time society had realized that there was no step forward and no positive shift in economy, it was even more difficult to reach a certain stage in due time. Thus, the shock was bigger every time. And the story repeated itself, because the social mentality would have eventually involuntarily required and unknowingly accepted again a moderate policy-making. These back and forth movements had a negative effect on the economy as main affected area and both directly and implicitly on the society. All in all it seems that Romania was divided in its direction among the policy-makers themselves. On the one hand the social democrats, socialists and former communists were arguing for a moderate approach that unavoidably seemed to prolong confusion and to isolate the state (as an alliance with Russia would be both futile and dangerous nowadays). On the other hand the liberals and right-wing democrats were pulling the other end of the rope, trying to integrate, to be accepted in the European lines at the cost of social regression. While the former block can be accused of lack of vision and fragmented plans for the short run, the latter is in danger of being accused of poverty and inhuman living conditions propagation.

• *Cons integration in the European Union*

Does Romania actually want to slide in through the door than the European Union is opening? Even if it might not like or believe in what it will find inside? What is European Union after all? A scandal of illegal financing in Germany, the terrorist movement ETA in Spain, a congress that will not be held in Versailles, a national-fascist wave augmenting in Austria. This is one problem that certain intellectuals in Romania, and not only Romania but also other Eastern European countries, are asking themselves. A nationalistic current in Romanian culture is characterizing the trend and the reasons for integration as simply historically conjuncture and economic need.

Having as base the existing political dimension and a positive experience in accomplishing major projects such as a common market and a common currency, the European Union seems to consider plans that for Romanians might seem too idealistic. For instance, an overview of the principal actions within the EU by the end of 2001 comprises activities that seem ambitious if not fantastic for the poor Romanian struggling to ensure his daily survival. Among these project are the European youth in the digital era; the acceleration of the electronic commerce; guaranteed access to know-how by the means of electronic cards; risk capacity for the artificial intelligence in the peak technologies; intelligent transports; online public administration. If we were to discuss only the details of the first point, by the end of 2001 the following are foreseen: all the schools in EU should have Internet and multimedia resources access; there would be pedagogical services on the Internet accessible to all didactical personal and students; all teenagers should have Internet access in public centers; all academics should have a personal computer connected to Internet. How fantastic does this look through the eyes of

a Romanian? After 10 years of stepping on the same spot or even going one step forward and two backward, the European Union opened us a door. A door to all this technology that in particular seems of science fiction for the usual Romanian. Does Romania really want to produce such a reform in order to enter EU? If it does not want to, what are the alternatives?

After all, what would the Romanians want by integration in the European Union? In the last instance, they want to live like the Western Europeans; they want to enjoy the same life standards. In other words they want money, as much as the Western Europeans want, with all the material comfort as a consequence, with all their prosperity. Is the simple integration, the simple alignment to European Union legislation, to the rules of the Occident, sufficient for reaching these objectives? If we take a look to the NBA, the famous basketball American league, black people dominate it. They give the performance and the artistical perfection. With all their effort the white players cannot reach the same efficiency, the same elegance. Nevertheless the white players play upon the same rules, train upon the same rules and take usually the same amount of money. Can the Romanians play as well as the born-Western people in this league called European Union? Can they completely adopt the occidental European values and behave like West-Europeans by mere integration?

There is a trend in Romanian nationalist culture to suppose that Romanians are different, are another culture, a culture that has too few Western values, a culture that will be always dominated by authentic and singular Romanian norms. If this were true, why should Romania want to join European Union? Moreover, there is a propagating image within the West itself about Romania as a “ torn-country “, i.e. Romania is not entirely belonging to Western culture and civilization and that at most the North-Western part, namely Transylvania, is entitled to be a part of the Occidental Europe as such [Huntington, 1993]. All in all, these critics say, even if the eventual marriage with the European Union might be not the best marriage ever, Romania has no other present alternatives but joining European Union and hence the justification of the compromise. Nevertheless this association is neither appropriate, nor desirable.

• *Pro integration in the European Union*

The hypothesis of this paper is that Romania is a part of Europe; that it belongs to the Western civilization with all its positive and negative aspects; that it cannot be outside a block that culturally and historically shared with it the same values. The image of European Union in Romania is that it has all the attributes of a global leader despite its temporary problems. Even if it is affected by high unemployment, EU has a political majority, a unique currency and a constant and powerful economic increase. It has anything it wanted with the exception of a vision upon itself, upon its own identity. And this exception is to be repaired exactly by the insertion of new members such as Romania and all other countries in Eastern and Central Europe. It is high time Europe regained its identity by uniting East and West.

Eastern and Central Europe were politically disintegrated from the big European block for the period of Soviet Union dominance, but nevertheless they kept the same values and the hope that East and West in Europe will become one again. A great example in this sense was the reunification of East and West Germany and the destruction of the Berlin wall [Steiner, 1991]. Certain political leaders of the actual member states in the European Union had a premonition and anticipated the EU expansion towards East immediately after the fall of the communism in most of the former Soviet-Union satellites in Eastern and Central Europe. The French president of that time, Francois Mitterand, was declaring in the 1990 New Year's speech that finally "Europe is returning home to its history and geography". The one European identity knew a revival in the last decade of the present millenium. Theoretically there were no West and East any longer since 1990. Unfortunately practically the discrepancy still exists, but there is an increasing struggle from both sides to achieve as soon as possible a unique identity in a wide Europe.

Romania has been a "Red satellite" for more than 40 years, period during which communist ideology and foreign values have been tried to be inoculated to the Romanians. Nevertheless, it is the aim of this paper to support the European common identity of the Romanians. It is true that many aspects have to be corrected and renewed, adapted to the current conditions. It is true that the process of adaptation is extremely difficult due to so many years of impersonality. But it is also true that with all the difficulties the popular support of the majority of people for integration is open and sincere. The rejection of Romania as candidate for negotiations in the first wave, December 16, 1995, was a bitter realization of the long lasting effects of communism in Romania and at the same time a new commitment to achieve the negotiations terms for the "second wave" evaluation. Unavoidably, the economic situation became alarmingly unstable in these four years, with an uncontrolled rate of inflation and a raising unemployment having as consequences, as said before, a dangerous rate of poverty and mortality. However the support of the population for the integration in the European Union did not diminish. Romanians want to become Europeans and they like to believe that Europe has mutual feelings.

Given the current economical situation it seems impossible for Romania to redress itself without major help from the developed democracies within European Union. It is a pragmatic and more than reasonable motive for Romania to desire a European Union membership. Nevertheless, one has to be careful in drawing hasty conclusions. The economic need is not and it could never be the only reason that would drive Romania towards an eventual unwanted relationship. The cultural and historical links are much stronger. In an Eastern Europe dominated by extremely powerful nationalistic feelings and traditions it would be almost impossible to obtain the agreement of the whole nation for an alliance with European Union only because egoistic economic interests. The ties between Romania and European Union have to be much stronger for the majority to be pro integration.

Naturally, commitment in ensuring the harmonizing process is necessary from both sides. If the states aspiring to enter European Union have to prove that they are interested in becoming a EU member and that they can meet certain limitations that were set, the

European Union has to do everything possible to help them. The implication should be double, hence based both on sufficiency and necessity. While to be integrated it is sufficient for the Eastern and Central European states to fulfill the integration terms, it is necessary for EU to provide assistance to these states, manifested in advice and help.

• *Helsinki, December 1999 – new commitments, new hopes*

Four years after Romania having been rejected from the first-wave negotiations with European Union, a new chance has been offered to Romanian, in particular and other Eastern and Central European nations, to enter in the second wave negotiations. Everybody received the news with great enthusiasm and the general impression was that “both Europe and Romania are on the right side of the history”. There were certain opinions to assess that the decision of the European Union to include Romania on the list with the states negotiating the entrance in EU was exclusively based on Romania’s attitude and behavior concerning the war in Kosovo. In particular critical opinions assumed that the Romanian commitment to respect the embargo imposed to Serbia by the European Union was the main factor in adding Romania to the list of the “chosen ones”. But in general nobody thought about the reasons any longer, but rather focused on the next steps.

The decision met with absolute mobilization on the Romanian side. The declared number one goal in the external policy of all state institutions in Romania was unanimous: anything for the faster integration. At least theoretically, the governmental coalition as a whole and the main parties in the opposition agreed that the major goal for the next years is going to be integration in the European Union, with all its stages.

Practically speaking, the situation at the political level in Romania did not progress immediately. It even regressed when the coalition withdraw its support for the Prime Minister, Radu Vasile, and the whole govern entered a crisis. The opposition was jubilating because the coalition was fighting within itself and a possibility of premature general elections was not completely idealistic. President Constantinescu had to intervene and propose a new Prime Minister that had to be validated by the Parliament. The choice was Mugur Isarescu, the actual Prime Minister and the former governor of the Central Bank, an economist by excellence. At least for now the measures taken and the development strategies proposed by this Head of the Executive seem to be in coherence with the EU conditions and acknowledgement from this side has been received.

For the first time after the dominance of the politics made at Moscow over Romania, the Romanian government is again subjected to international pressure and political control from exterior. The great difference is that this time the subjection of the Romanian government is voluntary and actually it seems benefic. Adopting for instance the budget level for 2000 shows how efficient the mechanism of political control exercised by the European Union over Bucharest is. It is the first time that such a mechanism seems to function concretely for the Romanians. At the same time, it is the first time that the moral and political author of the Romanian budget is from outside the Romanian borders.

Europe gave clear signs of encouraging and supporting Romania in its way towards liberal democracy. Romania received declared open support for the integration process in the European Union from leaders of EU states such as Jacques Chirac, the President of France or Tony Blair, the British Prime Minister as soon as the European Union decided, as a whole, that Romania should be admitted for the negotiations. This represented a very important and decisive step for the Romanian government in particular and for the Romanian national spirit and public opinion in general.

- *EU requirements and progress within the Romanian side*

The entrance in the European Union is conditioned by the satisfaction of certain requirements and standards imposed by the European Union itself or by other global actors working in conjunction with the EU, such as the International Monetary Fund or the World Bank. In particular Romania has to reach certain set standards in social and economic levels in order to be able to candidate for the admission in the European Union.

Among the social requested measures, Romania has to show considerable efforts and to finally solve the situation of the orphan children, the “ kids of the street” as they have been called by the mass media. In this respect measures have been taken in the last two years and they are still in progress now; in principal specialized institutions to educate and to take care of this children from destabilized families have been and are on the way to be created. International community has acknowledged the efforts of the Romanian authorities and furthermore various international organizations such as UNICEFF or UNESCO had offered their open support as well.

A social and cultural problem highly debated has been and still is the problem of the minority rights in Romania, in particular the rights of the Hungarian minority concentrated mostly in Transylvania. In the last two years internationally acknowledged progress has been made especially in the educational and civic sectors with respect to this problem. A Hungarian University at Cluj-Napoca is still under discussion and its relevance and importance is being investigated. The tensioned relations between the Romanian majority and the minorities have been very much relaxed and presently it can be estimated that the situation is relatively coordinated and in the process of harmonizing.

Apart from the social prerequisites, Romania has to fulfill very ambitious economic standards. These seem to be the most difficult to accomplish. EU has incorporated the financial and economic requests of the World Bank and the IMF in a common packet. In big lines the requirements were a stabilization of the inflation at a “ reasonable level” and this was considered for 2000 of 25%. At the same time the budget deficit had to remain fewer than 5% for the current year. The privatization of the public enterprises and public sectors in general should continue in an accelerated rhythm. By conditioning the transfer of its own funds on the successful development of the programs with the World Bank and the IMF, the European Union imposed a normative program on the government program that affected in consequence the Strategy for Medium-Run Development elaborated



recently by the government. Surprisingly, the leaders of the coalition parties as well as the leaders of the main opposition parties having a large number of seats in the Parliament signed together this Medium Run Development Strategy which is characterized by a severe austerity.

A great realization within the government itself is that all the ministers of the coalition in power managed to dominate their instincts and interests and gave up a total of 16.000 billion ROL (Romanian currency) initially included in the government spending plans in order to permit the budget to be constructed on 3% budget deficit and 27% inflation. Furthermore the Strategy predicts a medium annual rate increase of 6%-7% for the internal production and an increase of 1, 3% in the GDP for 2000. It is one of the most ambitious projects, governed this time by external dominating rationality. By giving up the drug of the increased budget deficit and of the inflation (as trade for reducing unemployment), the Romanian government has shown, at least theoretically, that it is committed to integration.

The beginning of March represented the official start of the negotiations for the integration in EU at the Intergovernmental Conference of the European Union Expansion from Brussels. In a very ambitious trend, Romania has announced that its intention is to become member of EU on the 1<sup>st</sup> of January 2007. In the same positive trend, the European Commissioner for Expansion, Gunther Verheugen, presented a positive evaluation of the situation of the institutionalized children and the macro-economic stabilization of Romania. EU elaborated a “ Marshall Plan” of its own for Romania in particular and for the Eastern and Central European states in the negotiation list, in principle. Thus, Romania is going to receive every year 600 million EURO comprised mostly in the programs PHARE, ISPA and SAPARD. The funds are thus primarily addressed to the institutional development and the investments in the economic and social cohesion; investments in the public transports and the protection of the environment; agriculture and rural development. It has been appreciated that until now Romania had an absorption rate of the European Union funds of 98%, which shows the necessity and adequacy of these funds.

All in all, Romania has formally decided to enter European Union in the near future and to do anything possible in this respect, while European Union acknowledged the commitment and actively decided to support the incentives. It remains to be seen whether practice is in agreement with the ambitious theoretical plans.

• *Final word*

That Romania will enter EU on the first January 2007 as Petre Roman, the Romanian Foreign Affairs Minister officially declared very recently in Brussels or that “ 2010 is a premature and uncertain date for Romania to enter EU” as Hans van den Broek, one of the European Commissioners unofficially declared in an informal lecture in Utrecht, is not extremely important. That Europe rejected Romania the first time it tried to join in or that the reason for Romania to be accepted for negotiations at the Helsinki summit could

have been only its behavior regarding the Kosovo situation is not any longer relevant. What is essential and much more important is that both Romania and the European Union committed themselves to achieve a harmonized relation so that a future fusion of Romania with the rest of the Europe is possible. Social, economic and political incentives exist from both sides; the next stage is to use the chance effectively.

For a very long time already Eastern and Central Europe has been labeled as the “ Second World”, distinct from the real Europe, the West, the European Union. History has finally shown its good face and it seems that mutual recognition from both sides emerged. A new approach has risen, a perspective of a united and unique Europe. West and East should not label different worlds but rather geographical dimensions of one and the same identity. It is high time Balkanization and Westernization were replaced by the one and only process that can underlie a common history, culture and tradition, Europeanization.

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