

THE INTEGRATION PROCESS OF ROMANIA INTO THE EU:  
1989 - 2007

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## **ABSTRACT**

### **THE INTEGRATION PROCESS OF ROMANIA INTO THE EU: 1989 – 2007**

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This thesis examines the political and socio-economic transformation of Romania during its integration process into the European Union (EU) between 1989-2007. The thesis also explores the impact of the communist heritage on Romania's relations with the EU in the post-Communist period. The main objective of the thesis is to examine why EU rushed to accept Romania as a full member although Romania did not fulfil all of the membership requirements of the EU until 2007. The main argument of this thesis is that the EU accepted Romania as a full member despite Romania's inability to meet all of the membership requirements of the EU can be explained EU's expectation that it would be easier to eradicate Romania's Communist heritage after Romania's EU membership.

The thesis has six chapters, including Introduction and Conclusion chapters. The second chapter explores the historical background of Romania. The third chapter examines Romania's EU integration process between 1989 and 1999. The fourth chapter analyzes Romania's negotiation process with the EU between 2000 and 2004. The fifth chapter discusses the EU's evaluation of the Romania's progress after the completion of Romania's negotiations with the EU.

**Keywords:** Romania, EU, Conditionality, Negotiation, Post-Communist Transition

## ÖZ

### ROMANYA'NIN AVRUPA BİRLİĞİ'NE ENTEGRASYON SÜRECİ: 1989 - 2007

Dođan, Başak

Yüksek Lisans, Avrupa Çalışmaları Bölümü

Tez Yöneticisi : Yard. Doç. Dr. Oktay F. Tanrısever

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Bu tez, 1989 - 2007 tarihleri arasında Romanya'nın Avrupa Birliği'ne (AB) entegrasyon sürecinde yaşadığı siyasal ve sosyo-ekonomik dönüşümü incelemektedir. Tez, aynı zamanda, Komünist mirasın Komünizm sonrası dönemde Romanya'nın AB ile olan ilişkileri üzerindeki etkisini araştırmaktadır. Tezin temel amacı, Romanya'nın 2007 yılına kadar üyelik gerekliliklerini yerine getirememiş olmasına rağmen AB'nin Romanya'yı üye yapmak konusunda neden acele ettiğini ortaya koyabilmektir. Tezin temel argümanı, AB'nin üyelik koşullarını yerine getiremeyen Romanya'yı tam üye olarak kabul etmesi, Romanya'da var olan Komünist mirası kendi içinde daha rahat ortadan kaldırabileceğine duyduğu inançtır.

Giriş ve sonuç bölümleride dahil olmak üzere tez altı bölümden oluşmaktadır. İkinci bölüm, Romanya tarihini incelemektedir. Üçüncü bölüm, 1989 – 1999 yılları arasında Romanya'nın AB'ye entegrasyon süreci üzerinde durmaktadır. Dördüncü bölüm, 2000 – 2004 yılları arasında Romanya'nın AB ile olan müzakere sürecininin analizini yapmaktadır. Beşinci bölüm ise, Romanya'nın AB ile olan müzakere sürecinin bitiminin ardından Romanya'da yaşanan ilerlemenin AB tarafından nasıl değerlendirildiğini tartışmaktadır.

**Anahtar Kelimeler:** Romanya, AB, Koşulluluk, Müzakere, Komünizm Sonrası Geçiş

To My Parent  
And  
To My Love Mert

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## **LIST OF ABBREVIATIONS**

BSEC	Black Sea Economic Cooperation
CDR	Romanian Democratic Convention
CEEC	Central and Eastern European Countries
COMECON	Council for Mutual Economic Assistance
DA	Justice and Truth Alliance
EEC	European Economic Community
EP	European Parliament
EU	European Union
IMF	International Monetary Fund
ISPA	Instrument of Structural Policies for Pre-Accession
LDC	Less Developed Countries
NATO	North Atlantic Treaty Organisation
NGO	Nongovernmental Organization
NPP	National Peasant Party
NSF	National Salvation Front
PDSR	Romanian Social Democratic Party
PfP	Nato's Partnership for Peace Programme
PHARE	Poland and Hungary Assistance to Economic Restructuring
PRM	Greater Romania Party
PSM	Socialist Labour Party
QMV	Qualified Majority Voting
RCP	Romanian Communist Party

SAPARD	Special Accession Programme for Agricultural and Rural Development
UDMR	Hungarian Democratic Union of Romania
UN	United Nation
USD	Union of Social Democracy

## **CHAPTER 1**

### **INTRODUCTION**

#### **Objective and the Scope of the Thesis**

The main objective of this thesis is to analyse why EU decided to involve Romania as a member even though Romania has not overcome the effects of the forty five years Communist regime on its political, social and economic conditions. In this respect, the thesis examines the impact of communist heritage on the Europeanization process of Romania. It tries to find the answer of the question why Romania has been a more laggard country than the other Central and Eastern European Countries (CEEC). The thesis makes an analysis of the EU strategy towards the Europeanization process of Romania and of the scope of conditionality imposed on Romania. It concerns with the progress made by Romania during its transition. The thesis focuses on the safeguard measures taken by the EU to protect itself from the consequences of the Romanian membership. Finally, the thesis intends to analyse the envisaged impact of Romanian membership on both the EU and Romania.

#### **Literature Review**

In the post communist period, Romania has progressed from a nationalist communist country to a state which became a member of the EU. The Europeanization process has been very crucial to ensure the smooth transformation of Romania into a stable and democratic political entity. In this sense, the European agenda has been still an essential element of the Romanian institutional stability in the post-Communist era. Nevertheless, the European Commission has questioned the Romanian authorities' ability to fulfill the obligations of the EU membership during its transition process. In fact, Romania still has unresolved problems and difficulties in establishing clear reforms, not only because of its internal economic and political difficulties derived from its former Communist system, but also inappropriate and unclear EU conditions. However, EU decided to involve Romania into the EU with

certain conditions because the EU conditionality was not able to dissolve the effects of the Communist regime. According to the EU, it is better to continue the Europeanization process of Romania within the EU rather than out of the EU.

The Cold War ended in 1989 which brought many new problems for the Western Europe such as illegal migration, economic crisis and impoverishment of most people in former communist countries. Although West European countries are mostly prosperous, they also need security and stability in their boundaries and neighbourhood. Therefore, the CEEC need to be integrated into the European democratic model whose main components are the rule of law, free elections, freedom of speech and market economy. European leaders define the integration of the CEEC to the EU as a strategy of ending the division of Europe and a contribution to the peaceful unification of the continent. However, as Adrian Severin points out, the integration really means for the EU, which expects to become a global player on the one hand and political and regional power in its neighbourhood on the other, to take the advantage of Europe's human and natural resources, to overcome its demographic problems, to cope with its structural weakness and to compete with the other powers in multipolar globalized world.<sup>1</sup>

Besides the EU, the CEEC were also in a process of change after the collapse of Soviet domination. They assumed the commitments to democratic values, social progress and freedoms. Additionally, they saw the EU as a security alliance and prosperous market so they declared their foreign policy priority to return to Europe.

Romania's foreign policy had been dominated by a policy of neutrality and isolation in its relations with Western Europe during the Cold War. After the disintegration of the Soviet Union, the collapse of communist regime and the execution of Ceausescu, Romania started to look for a new positioning for itself in Europe. Romania emphasized its orientation towards the EU particularly due to its security concern.

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<sup>1</sup> Adrian Severin, "Romania and the Future of the European Union", in *The EU and Romania: Accession and Beyond*, edited by David Phinnemore, (London: Federal Trust, 2006), p.110

The major sources of instability such as Yugoslavia War and the negative impact of Serbia's economic sanctions on Romania, as well as Romania's disagreement with Hungary and Russia over the Transnistria conflict in Moldova pushed Romania towards the West. This indicates that security became the most important problem of Romania in the 1990s. Therefore, Romania's new foreign policy has aimed at integration with Europe. Romania signed bilateral agreements about minority problems and territorial integrity to establish a security and cooperation field in Europe. The collapse of communism in Romania has opened the path to democracy and market economy.

However, Romania's desire to become a European country has not been too easy because Romania has been a more problematic country than the other ex-communist countries. Years of continuous economic decline after 1989, the fully totalitarian nature of the political system, a more hesitant and gradual approach in early transition reforms and deficiencies in capacity and an inability to perform routine functions have made the Romanian Europeanization process difficult.

The case of Romania is also characterized by the legacy of one of the toughest national communist dictatorships, Ceausescu's dictatorships, in Europe which made impossible any attempt of pre-1989 marketisation or democratisation. There was no period of liberalization or gradual return to the market economy in Romania, unlike the other ex-Soviet satellite states. There was not any previous knowledge or experience of how a democratic society functions or how a market-driven economy operates. After forty-five years of the communist period, Romanian authorities and people had no understanding of the significance of political parties, free elections or business entrepreneurial skills.<sup>2</sup> Therefore, after the fall of the most totalitarian system in Communist Eastern Europe, Romania found itself with an obsolete industrial base, a small consumer goods sector, a large and impoverished rural population and a society that had been wounded and demoralized by the Communist oppression.

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<sup>2</sup> Nicole Klepper, *An Illustrated History*, (New York: Hippocrene Book, 2002), p.253

Besides that, Romania's nationalism becomes the most consistent political culture alternative to the Communism. This new culture has been an obstacle in front of the Europeanization process in Romania because Romanian leaders used the nationalist elements to perpetuate the Romania's independence from Europe like in Ceausescu period and to maintain the Communist regime in Romania. Although Romania was the first country in CEEC which established official relations with the European Community, it was not included to the enlargement of EU in 2004 due to its aspiration to the Communist system.

Actually, the involvement process of Romania began with the worst security crisis in NATO's history in the Kosovo War. Ex-Prime Minister of Great Britain Tony Blair decided to promise Romania and Bulgaria an early membership in return for their support in this high-risk conflict. Michael A. Weinstein claims that Romania's chances of joining to the EU were also aided by security concerns in 2001. The terrorist attacks on 11 September 2001 convinced the EU that it must project its influence to the borders of the Middle East and stop to treat to the Balkans as its peripheral territory.<sup>3</sup> Moreover, EU became aware of the reality that it should not exclude Romania in this process because Romania is crucial to ensure peace and security within the Union. Most importantly, Romania is a key regional actor for the EU which wants to become a political and regional power in its neighbourhood. Thus, first of all, the EU needs to get Romania to accept the EU's norms and rules.

In the Europeanization process, European economic and political dynamics become part of the national politics and policy-making. EU is seen as a guide to provide the democratisation, marketisation and stabilisation in the countries. In this sense, especially in the case of post-communist EU candidates, the concept of European conditionality becomes the explicit requirement of the EU. According to the European conditionality, only democracies and functioning market economies are eligible for membership.

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<sup>3</sup> Michael A. Weinstein, "Romania: Europe's New Sick Man", *Power and Interest News Report*, 2004, p.2

The Europeanization process works more slowly and less effectively in Romania compared to the other CEE countries. The main reason of slow and difficult pace of the accession of Romania to the EU has been that, as Adrian Nastase argues, the EU conditionality is sometimes arbitrary and difficult to fulfill.<sup>4</sup> Although the EU has always pointed out the bad political and economic conditions in Romania, its conditionality has not been able to cope with the Communist heritage in Romania.

The reports which have evaluated the Romanian progress in transition have referred to political and economic criteria and the obligations of *Acquis Communautaire*. As regards the political criteria, according to the all reports written by the European Commission which were released from 1997 to 2004, the main issues in Romania have been the weakness of rule of law seriously affected by the pervasive corruption, the weakness of central institutions mainly the judiciary and the difficulties in instituting transparent, independent and functional democratic norms. Minority rights, human rights and anti-discrimination measures are also problematic issues in these reports. As regards the economic criteria, the reports persistently referred to the macroeconomic instability, the slowness of privatization, the fragility of the legislative and institutional system, the lack of economic competitiveness and the existence of a viable market economy. Although, most of these issues were not settled during the negotiation process, the EU concluded the accession negotiation in 2004. EU understood that the Europeanization process of Romania did not progress outside the EU. The Romanian political, economic and social conditions which took their roots from the Communist period have been the biggest handicaps for this process.

After the negotiation had ended, certain members of the EU expressed that they would give a conditional yes to the Romania's Accession Treaty. The condition was that the EU needed to continue to closely monitor Romania after the Accession Treaty was signed. The EU has aimed with this condition to guide Romania in completing its preparations for membership after its accession. It has also aimed to protect the member states if the country is insufficiently prepared. The EU has also

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<sup>4</sup>Adrian Nastase, *Battle for Future*, (New York: East European Monographs, 2001), p.209

used the monitoring process to prevent or remedy possible problems that may affect the functioning of the EU.

In this sense, the Commission could recommend the Council to postpone the accession of Romania by one year if specific requirements in the areas of Competition Policy and Justice and Home Affairs were not met.<sup>5</sup> Commission also created three safeguard clauses- a general economic safeguard clause, an internal market safeguard clause and a justice and home affairs safeguard clause- which allow measures to be taken by the Commission until three years after Romanian accession. If Romania fails to implement the reforms adequately, the Commission will apply the safeguard measures of the Accession Treaty.<sup>6</sup> The EU needs such measures to complete the Romanian transition process within the EU and to protect itself from the consequences of this process.

The Europeanization process of Romania has been a difficult process. As Silviu Jora discussed, on the one hand, most of the Romanian public officials or politicians have been unwilling or unable to adopt EU standards due to their beliefs about the communist heritage. On the other hand, EU never produced a coherent set of plans based on the Romania's problems to enable Romania to successfully overcome this heritage. The absence of a uniform EU model and the lack of a consistent scheme of evaluation of the performance have caused the problems in the Romanian Europeanization process.<sup>7</sup>

Romania has not been ready to take the membership responsibilities because it has not fulfilled the necessary conditions of the membership due to the inadequate EU conditionality. The political conditionality proved to be totally superficial while the economic liberalisation was ruthlessly pursued in Romanian experience. As Tom

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<sup>5</sup> Commission of the European Communities, *Comprehensive Monitoring Report on the State of Preparedness for EU membership of Bulgaria and Romania*, Brussels, COM(2005) 534 final

<sup>6</sup> Commission of the European Communities, *Monitoring Report on the State of Preparedness for EU membership of Bulgaria and Romania*, Brussels, COM(2006) 214 final

<sup>7</sup> Silviu Jora, "International Organizations and Democratization Models: The Case of EU Accession Of Romania", *CDAMS Discussion Paper*, 2006, p.19

Gallagher claims that the limited nature of the EU's reforms both strengthens the rampant economic inequality and reinforces an unreformed political system in Romania.<sup>8</sup> From this perspective, although Romania became a member of the EU on 1 January 2007, it still has to make more efforts to meet the obligations of the EU membership. Besides Romania, EU should clarify its requests to properly guide Romania in its transition process after its accession. It should also need some institutional and policy reforms to create an efficient framework for twenty-seven member states and to protect the stability of the Union.<sup>9</sup>

Although Romania succeeded in becoming a member of the EU in January 2007, its membership will not be an easy ride for Romania because it did not complete its preparations due to Romania's though communist heritage and the inability of EU's arbitrary and difficult conditionality to guide Romania properly. Romania still needs to catch up with EU's reforms even after its accession but under though conditions. Therefore, this membership may be costly for both Romania and the EU in the years ahead.

### **Argument of the Thesis**

The main argument of the thesis is that the EU which was not able to abolish the effects of communist regime in Romania decided to perpetuate the Europeanization process of Romania within the EU framework.

The argument of the thesis is in line with neoliberal institutionalism. According to the neoliberal institutionalists, states are still the central and rational actors in international system which seeks to advance their security, wealth and power. They pursue maximum utility in any action or interaction. However, they are not the only important actor in the new international system. States try to maximize their interests

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<sup>8</sup> Tom Gallagher, Gallagher, "*The EU and Romania: Consolidating Backwardness*", 2006 [http://www.opendemocracy.net/democracy-europefuture/EU\\_romania\\_3943.jsp](http://www.opendemocracy.net/democracy-europefuture/EU_romania_3943.jsp), accessed on 9 January 2007

<sup>9</sup> Felicia Alexandru, "Romania on the Way Towards EU Membership", *Center For EU Enlargement Studies*, 2006, p.30

through cooperation. In this sense, international institutions which facilitate cooperation are another actor of the international system. According to Robert O. Keohane, institutions have persistent and connected set of rules that prescribe and proscribe behavioral roles, constrain activities and shape expectations.<sup>10</sup> The states can develop a common understanding through the institutions so when they come across with a problem, they do not firstly use the power.

However, cooperation has not been usually easy. The national interests of the states are always changing over time and this situation complicates the cooperation. Moreover, the main problems for the international cooperation are uncertainty, the difficulty of making credible commitments and cheating. I think that all of these problems have been also experienced between Romania and the EU. The EU's conditions are not clear so the Europeanization process of Romania have become a process of copying.

However, it is impossible to ignore the EU's role in the transition process of Romania. It has actively involved to the reform process of Romania. The EU's norms and rules have become crucial for Romanian politics during its Europeanization. The EU limits and shapes the policy choices and the actions of the Romanian domestic policy-making. However, it has usually ignored the historical conditions of Romania which shape the path of transformation and development and the character of the new order. The EU has disregarded the impact of the Communist heritage on Romanian economic, political and social conditions. Moreover, it has not achieved consensus, consistency and credibility of reform policies among the political authorities and the Romanian people. They perceive the EU's norms and rules as pressure so transition process in Romania has become a process of copying of these norms and rules. Therefore, the EU has failed to guide Romania properly and to eradicate the Communist elements in Romania.

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<sup>10</sup> Robert O. Keohane, "International Institutions: Two Approaches", *International Studies Quarterly*, Vol.32, No.4, 1988, pp.382,

## Chapters

The developments of the communist period have influenced the whole process of the Europeanization of Romania. Nicolae Ceausescu as one of the toughest leader in CEE countries isolated Romania from the world. He used violence and the oppression to strengthen his power. Romania had many economic crisis due to the centralised and rigidly planned economy of Nicolae Ceausescu regime. The ruins of the fully totalitarian dictatorship have still influenced the post-Communist Romania in its Europeanization process. In this respect, the first chapter intends to analyse the Communist period in Romania.

After the execution of Ceausescu and the collapse of Communism, Romania entered a new era in the different international system. In this sense, the second chapter firstly concerns with the political and economic transformation in Romania. Then, it focuses on the evolution of the relationship between Romania and the EU. Finally, it interrogates the appropriateness and the effectiveness of the EU conditionality to eliminate the effects of the Communist period.

The EU has had many expectations from Romania during its accession process. Romania should meet all these expectations during its negotiation process to become a member of the EU. However, Romania has not fulfilled the membership conditions of the EU. In this respect, the third chapter initially intends to analyse the Romanian political and economic situation during its accession negotiation. Then, it focuses on the expectations of the EU from Romania. Lastly, it makes an analysis of the negotiation process between Romania and the EU.

The EU ended the accession negotiation of Romania in 2004. However, Romania has still been unready to take the responsibilities of the EU membership because the EU has failed to eradicate the communist heritage in Romania. The EU noticed that it should not exclude Romania from the EU so it decided to continue this process within the EU. In this respect, firstly, the fourth chapter concerns with the monitoring process of the EU to follow up the progress made by Romania and to decide any

measures to protect itself from the consequences of Romanian membership. Secondly, it makes an analysis of the impact of the Romanian membership on both the EU and Romania.

## **CHAPTER 2**

### **HISTORICAL BACKGROUND (1945-1989)**

To understand the transformation process of Romania, first of all, it is needed to perceive the internal and external situation of Romania during the Communist period. In this respect, this chapter firstly intends to provide a general framework to understand the possible effects of communism after the World War II. Most importantly, the intention of this chapter is to identify the reasons why Romanian situation has been more different than the other CEEC. Within such a context, this chapter secondly focuses on the Nicolae Ceausescu's period as the most totalitarian regime in CEEC.

#### **2.1 Communist Romania between 1945-1965**

After the World War II, Romania fell behind the iron curtain and became a Soviet satellite. Romanian Communist Party (RCP) emerged as a dominant party which tried to expand Stalin Policies and Moscow decisions in Romania. In Stalin period, Romania was completely dependent on the Soviet Union for both its internal and for its external policies. Nationalism got strong day by day with the Communist party rule in Romania and it was used to achieve national independence, social development and Stalinist transformation of the economy. Any challenges to the Communist Party as a central power in Romania was eliminated.

After Stalin's death in 1953, Khrushchev came to power in the Soviet Union. He began a process of de-Stalinisation both in the Soviet Union and Eastern Europe. However, Gheorge Gheorghiu-Dej, Romania's unchallenged Stalinist leader, decided to act independently from Soviet Union. He was able to pursue Stalinist policies by a slight moderation because he thought Stalinist policies improved industrialisation, urbanisation and modernisation in Romania. Khrushchev and Gheorghiu-Dej's policies were different from each other particularly on the economic issues. Khrushchev began to support economic specialisation and a division of labour

between Council for Mutual Economic Assistance (Comecon) countries. However, Gheorghiu-Dej opposed to this new policy because this policy would have made Romania a supplier of the agricultural produce for much of the rest of the bloc. Gheorghiu-Dej tried to protect Romania from becoming an underdeveloped agrarian country. Therefore, he preferred to continue the industrialisation process extensively because he believed that industrialisation provided an important base for greater political and economic independence of the country. Gheorghiu-Dej showed that he defied Soviet economic plans and this deteriorated the Romania-Soviet relations from mid-1950s onwards. Instead of de-Stalinizing Romania, he merely de-Sovietized it.<sup>11</sup>

Moreover, in Gheorghiu-Dej period, nationalism took an anti- Russian attitude. He gradually eliminated Russian influence over cultural life, education and other aspects of the life in Romania. Moreover, military cooperation and ties with Warsaw Pact weakened. Romania did not let Soviet Union to hold its soldiers in Romania. In sum, Gheorghiu-Dej as an important leader of Romania was able to strengthen his control over the communist party, to increase the popular support of the party in Romania and to develop independent policies within the Soviet bloc. In his period, as Tom Gallagher discussed, Romania demonstrated to the world that it was possible to attain substantial independence in spite of its difficult geopolitical conditions.<sup>12</sup>

Romania figured out some long term interests arising from the division between China and Russia in the communist world. China always supported the independent style of Romania. Mao, the Communist leader of the China, suggested to Romania that China could accept the sovereignty rights of Romania. According to him, It should determine its will and its own socialist way without any external interference. Although Romania tried to be neutral in the struggle between Soviet Union and China, it accepted the Moscow Report in 1963 because there was also a disagreement

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<sup>11</sup> Matei Calinescu, and Vlademir Tismeneanu, Calinescu, Matei and Vlademir Tismeneanu, "The 1989 Revolution and Romania's Future" in *Romania After Tyranny*, edited by Daniel N. Nelson, (New York : Wesview Press, 1992), p. 10

<sup>12</sup>Tom Gallagher, *Theft of a Nation: Romania since Communism*, (London: Hurst&Company, 2005), p.54

between Romania and Soviet Union in the matter of self-determination and sovereignty rights.<sup>13</sup> Romania was also able to build safeguards to continue its rapid industrialisation with the help of struggle between China and Soviet Union.

Despite all the independence efforts of Romania, Khrushchev still tried to get Romania under the Soviet centralism. Therefore, Gheorghiu-Dej passed a resolution known as the Romanian Declaration of Independence. This declaration emphasized that all Communist and worker's parties had the right to determine its own socialist way and no party had the privilege to impose its policies on others. With the declaration, Gheorghiu-Dej was able to strengthen its independence from Soviet Union. He also established friendly relations with other countries.

While Romania was continuing the trade with Comecon countries, it also established trade relations with the countries outside the Eastern bloc. Gheorghiu-Dej aimed to decrease Romania's dependence on the Comecon countries for the industrialisation process. In this sense, Romania became the first Soviet bloc country establishing independent trade relations with the West. Gheorghiu-Dej tried to show to the West that he aimed to shape Romania's economic policy around national concerns and not follow Comecon orders. He expected to get the economic and technological assistance and the capital support from the West for industrial expansion. The relation between Romania and the West was not perceived as a threat by the Soviet Union because it obtained valuable intelligence and economic advantages from Romania's close relations with Western countries.<sup>14</sup> Even though the flourishing relationship between Romania and the West in Gheorghiu-Dej's period had also progressed in Nicolae Ceausescu's rule for a while, the changing structure of the Ceausescu's regime isolated Romania from Europe. In this respect, the next section focuses on the developments of Nicolae Ceausescu period.

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<sup>13</sup> Mihai Manea, "Soğuk Savaştan Günümüze Romanya Diplomasisi" in *Balkan Diplomasisi*, edited by Birgül Demirtaş Coşkun and Ömer E. Lutem, (Ankara: Asam Yayınları, 2001), p.254-255

<sup>14</sup> Gallagher, *Theft of a Nation*, p.55

## 2.2 Romania under Nicolae Ceausescu (1965-1989)

After the death of Gheorghiu-Dej in March 1965, Nicolae Ceausescu became the head of the state whose power lasted until 1989. A period of twenty four-years has been known as “Age of Ceausescu” or “ Golden Age”. He climbed the career ladder with RCP, renamed the Romanian Worker’s Party in 1965, under the protection of Gheorghiu-Dej. Ceausescu was the member of Communist party since 1930s. He was the Party’s General Secretary from 1944 until Dej death in 1965. After the World War II, he had served as head of the Union of the Communist Youth, later as the chief of political directorate of armed forces. He was a full member of the Politburo by 1955 when he was aged thirty-seven. Ceausescu always took his part in the communist political culture of Gheorghiu-Dej’s period.<sup>15</sup> He was an implacably nationalist and distrustful of the Soviets like Gheorghiu-Dej. His enthusiasm for Gheorghiu-Dej’s autonomist stance guaranteed his rise in the Communist party. This rise resulted in becoming an absolute leader of Romania after the death of Gheorghiu-Dej.

When Ceausescu came to the power, he changed the country’s name from “Romanian People’s Republic” to “Socialist Republic of Romania”. Then, he replaced the 1952 constitution with the 1965 constitution. The new constitution reflected Romania as an independent and sovereign state. It eliminated all implications to dependence on the Soviet Union and it included declarations related to the importance of national sovereign rights. He clearly announced his primary objectives as

“the unification of a diverse population into one working people, the reduction and elimination of disparities in economic development between the various regions, the elimination of differences in living standards and life-style between city and country side, and achievement of equal occupational opportunity.”<sup>16</sup>

In this constitution, he introduced himself as the greatest Romanian leader of all time, the defender of the people’s interests and a genuine nationalist. In this era,

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<sup>15</sup> Calinescu and Tismeneanu, *op. cit.*, p.18

<sup>16</sup>Tom Gallagher, *Romania after Ceausescu*, (Edinburgh: Edinburgh University Press,1995), p.61

Ceausescu not only monopolised power but also dynasticized the Romanian party by appointing members of his family to top party and government positions. He aimed to consolidate his control over the party and the powers of government. He achieved this aim at the Eleventh Party Congress in November 1974 by becoming the absolute leader of Romania.

Ceausescu continued to follow the Gheorghiu-Dej's autonomous policy in the foreign matters despite of the Soviet Union's unpredictable reactions. He saw himself as the defender of the Romania's national interests so he tried to prevent the interference of Soviet Union in its internal affairs. Ceausescu's foreign policy advocated the maintenance of peaceful relations among all sovereign states regardless of their social and political orientation. In this respect, Romania was the first Soviet block country to establish diplomatic relations with West Germany. He maintained diplomatic relations with Israel after 1967 while other Warsaw Pact members froze their diplomatic relations with Israel after Six Day War.

Besides these, he condemned the Soviet invasion of Czechoslovakia in 1968. Romania was the only Warsaw Pact country to refuse to participate in this intervention. Ceausescu depicted his opposition to the Soviet expansionism as a heroic stance. He declared that this occupation was a grave error and constituted a serious danger to the peace in Europe and for the prospects of the world socialism.<sup>17</sup> The Czechoslovak invasion caused further split between Romania and the Soviet bloc. No Warsaw Pact exercises were allowed to take place in Romania. Ceausescu mobilized the Romanian militia in response to reported Soviet troop movements on Romania's border. In April 1968, Charles De Gaulle visited Romania and congratulated Ceausescu for his decision about the Czechoslovak invasion. Then, in 1969, Richard Nixon became the first U.S. president to visit Romania. I think that all the events mentioned above showed that Romania became an independent political actor in the international relations in Ceausescu's regime but this independence lasted until the end of 1970s when the serious economic crisis emerged.

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<sup>17</sup> Klepper, *op. cit.*, p.225

Although the Soviet countries began to use a division of labour after the death of Stalin, Ceausescu tried to achieve the heavy industry within a Stalinist development strategy like Gheorghiu-Dej. He believed that Stalinist style of socio-economic developments could make Romania safe from the external pressures especially exerted by Comecon. Ceausescu opposed the actions of Warsaw Pact and Comecon which were harmful for the national interests of Romania. In this sense, in the 1970s, Romania increasingly turned to the West to finance its economic policies. It became a member of GATT in 1971 and World Bank and IMF in 1972. A commercial agreement between the U.S and Romania was signed in Buchrest in 1975. Romania was the first Soviet block country which took “The Most Favoured Nation State” status from U.S congress in 1975. European Economic Community signed a trade agreement with Romania in 1976.

The West became a crucial source of equipment needed for industrialisation. Romania made around 45% of total import of the necessary machines and materials from the West. Ceausescu also enhanced the relations with the Middle East and less developed countries (LDCs). Middle East served as a supplier of oil and LDCs served as an important market for the Romanian products. As Tom Gallagher points out, the relation with the West, Middle East and LDCs enabled Ceausescu to strengthen his position in the international environment.<sup>18</sup>

Romania was the first country in the CEEC which established official relations with the European Economic Community (EEC). By concluding several technical accords in 1969, Romania had developed a legal framework in its relations with the EEC. In 1974, Romania was integrated in the EEC’s Generalized System of Prefences. This was about customs arrangements on wide range of goods. A commercial agreement between EEC and Romania was established as early as 1980 but it was cancelled because of the Romanian communist regime behaviour concerning human rights. In January 1981, Romania signed an accord with the EEC on trading industrial goods (other than textile and steel) and had become the first East European country on this issue. This accord established a Joint Commission

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<sup>18</sup> Gallagher, *Romania after Ceauşescu*, p.234-235

between Romania and EEC. Romania was therefore the first CEE country to recognize de facto the EEC.<sup>19</sup> However, Romania's relations with EEC slowed down in the 1980s due to the oppressive character of Ceausescu's regime. Therefore, EEC decided to freeze its relations with this country for a period of time because of his isolationist and self-sufficiency policies and human rights violations in the country.

Romania was one of the most centralised and rigidly planned economies in Eastern Europe. Ceausescu desired to realize Stalinist economic policies and it necessitated the dominance of RCP over the state and the economy. He invested in heavy industry, particularly steel, machine, tools, chemicals and refining. A huge oil refining industry was created even though Romania lacked the capacity to make this industry profitable. Far more steel plants were created than the country needed. Although Ceausescu's economic policy increased economic growth rates in the first half of the 1970s, the building of expensive steel plants and oil refineries caused a substantial rise of foreign debt of Romania which rose from \$3,6 billion to \$10,2 billion between 1977 and 1981.<sup>20</sup>

In the 1980s, selling Romania's low quality steel on the world market became increasingly difficult.<sup>21</sup> Therefore, Romania experienced an economic crisis during the 1980s because of the rapid development of large-scale heavy industry at all costs, the extremely centralised economic system and a failure to revitalise the agricultural sector. Moreover, Romania's dependence on expensive foreign oil and iron ore raised the level of country's foreign debt. At the end of 1982, Ceausescu declared that the foreign debt was to be paid back by 1990. In order to pay off the debt, the large export surplus was necessary. In this respect, Romania increased its exports 26.8 percent more per year than its imports. It decreased its imports from the West for food and medicine while its food exports to the Soviet Union were boosted. In the 1980s, Ceausescu perceived the West as a threat to the Romanian autonomy because

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<sup>19</sup> Alexandru, *op. cit.*, p.13

<sup>20</sup> Gallagher, *Theft of a Nation*, p.63

<sup>21</sup> *Ibid.*,

of the debt and deficit incurred from trade with the West.<sup>22</sup> In this respect, Romania once more started to get close to be close to the Eastern bloc countries and to import oil from the Soviet Union.

Romania's relations with the West were damaged not only for economic reasons but also for political reasons. In the U.S congress, Ceausescu's civil rights practices, the treatment of religious and ethnic minorities and the goal of national and social harmonisation were condemned and criticized. When other Eastern European Countries were signing trade agreements with the countries of the West in 1987, Romania was unilaterally renounced MFS status with the U.S.<sup>23</sup>

Actually, Ceausescu wanted Romania to be a self-sufficient country and an industrial nation. He majored on fulfilling the unrealistic goals of highly personalized command economy while paying less attention to the real problems facing Romania. Therefore, not only the majority of Romanian people but also some party members and the West opposed Ceausescu and his policies. Ceausescu dictatorship entered an irrational and fully totalitarian phase in 1980s. He used the violence and even tighter measures to control the opposition.

The Ceausescu regime was the most totalitarian system in the Communist Eastern Europe. Ceausescuism was a form of national and personal communism. The only criterion for the political success in Ceausescu's Romania was the unconditional loyalty to the president. He had isolated himself from Romanian people. His most crucial aim was to leave his imprint on the Romanian soul. Ceausescu saw himself as the supreme leader, the supreme military commander, the supreme hero of the working class, the supreme builder and the supreme theoretician. He treated the state

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<sup>22</sup> Per Romas, "The Economic Legacy of Ceausescu" in *Economic Change in the Balkan States: Albania, Bulgaria, Romania and Yugoslavia*, edited by Örjan Stöberg and Michael L. Wyzan, (New York: St Martin Press, 1991), p.51-52

<sup>23</sup> Ronald H. Linden, "After the Revolution: Foreign Policy of Bounded Change" in *Romania After Tyranny*, edited by Daniel N. Nelson, (New York: Wesview Press, 1992), p.204-205

as his private domain so he was not able to communicate with the masses in a meaningful manner.<sup>24</sup>

He stressed organic government in which the leader and the people live in a harmonious and fundamentally necessary relationship; one in which the leader is indispensable but the masses are not. This was clearly a vision of direct rule over the masses. All sources of an independent social life were suppressed and Romania's civil society was almost completely paralyzed.<sup>25</sup> All the protests against Ceausescu's anachronistic policies were suppressed violently. When the street demonstrations took place, the *Securitate* (it is the secret police force of Communist Romania which is still active, acts independently from the EU and has relations with the U.S.) intervened, order was restored and the organizers vanished. It means the police, the paramilitary security force and the *Securitate* became the regime's most powerful organizations. Exercising individual abilities and taking public actions which were not approved by the state could be extremely costly. Therefore, political repression in Romania would probably prevent political activism and weaken civil society.

Moreover, in Ceausescu period, there was nationalism which got strongly day by day. Belief in the necessity of strong centralized power was widespread. There was a widespread acceptance of the state as a supervisor of individual behaviour. The rejection of the individualism and pluralism as political and moral guidelines shows that Romania had a pre-democratic political culture. The problems were also tried to be explained with the nationalist terms and it caused policy failures both in political and economic issues. Nationalism prevented the state from serving the needs of citizens.<sup>26</sup>

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<sup>24</sup> Paul Broker, *20th Century Dictatorships- The ideological One-Party State*, (New York: New York University Press, 1995), p.90

<sup>25</sup> Calinescu and Tismeneanu, *op. cit.*, p.20-21

<sup>26</sup> Tom Gallagher, "Nationalism and Romanian Political Culture in the 1990s" in *Post- Communist Romania*, edited by Duncan Light and David Phinnemore, (London: Palgrave, 2001), p.10

Until the end of the 1970s, Romania was perhaps the most independent member of Warsaw Pact, enjoying a relatively stable geostrategic position and having an extensive relationship with the developing countries. However, during the last years before the December 1989 Revolution, Romania became almost completely isolated internationally. The country found itself with an obsolete industrial base, a small consumer goods sector, a large and impoverished rural population and a society that had been wounded and demoralized by oppression. Years of economic privation, incarceration, intellectual abuse and isolation from the outside world had brutalized the population. It became increasingly evident that the longer Ceausescu stayed in power, the higher the cost would be to cover.

The situation in Romania was explosive and the wave of popular anger was increasing day by day. In this respect, on December 16-17, popular uprising was initiated by anti-regime demonstrators including students and massive groups of workers in Timișoara. Ceausescu believed that his military forces would be able to quell these demonstrations. The Securitate made an effort to stop the demonstrators in Timișoara but the armed forces were unwilling to prevent these demonstrations and to catch the Romanian demonstrators. Therefore, the actions began to spread to the other cities. The West supported these actions by stating their opposition to the repression in Romania. Many other governments cut all ties with the Romanian government. Hence, his most trusted element, the armed forces joined the masses on December 22 so Nicolae and Elena Ceausescu escaped from the country on the same day. A few hours later, the National Salvation Front (NSF) filled the vacuum of power and assumed all governmental responsibilities. Ion Iliescu became the interim President of the Republic and Petre Roman became the Prime Minister of the interim government.<sup>27</sup> The Ceausescus were captured and sentenced to death by Secret Military Tribunal.

More than four decades of harsh communist rule in Romania came to an end on December 22, 1989. Such a popular uprising would have been unthinkable a few months or even a few weeks before. Therefore, many Romanians regarded the events

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<sup>27</sup> Linden, *op. cit.*, p. 209-212

as “the miracle of December”.<sup>28</sup> However, the intense repression, international isolation and cultural decline identified with the Ceausescu regime could not be erased overnight. Nevertheless, the end of the regime and the establishment of the new government were congratulated by both internal and external actors. The U.S and the EEC stated their support for a democratic change and the Soviet Union promised to continue economic and humanitarian aid. In this respect, a new era began in Romania after the fall of Ceausescu. In this respect, the following chapter particularly focuses on the internal and external situation, conditions and relations of Romania after the Revolution in 1989.

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<sup>28</sup> Calinescu and Tismeneanu, *op. cit.*, p.11

## CHAPTER 3

### ROMANIA'S EU INTEGRATION PROCESS (1990-1999)

Romania experienced difficult times after the execution of Ceausescu. In this respect, firstly, this chapter intends to clarify the political and economic situation of Romania after the bloody fall of Ceausescu. It also focuses on the different governments within the period 1990-1999 to understand their various approaches towards the transition process of Romania. Secondly, this chapter makes an analysis of the evolution of the relationship between the EU and Romania until the beginning of the accession negotiations. In this sense, thirdly, this chapter aims to especially analyse the conditionality imposed on Romania by the EU during its Europeanization process. It tries to interrogate the appropriateness and the effectiveness of the European conditionality over Romanian particular problems.

#### 3.1 Romania's Domestic Politics

The bloody fall of Nicolae Ceausescu in 1989 left unfinished power struggle between elements of the former communist establishment led by Ion Iliescu and the unorganized street rioters who had contributed to the end of the regime. However, Iliescu fulfilled the vacuum of power by turning the ad hoc committees of the Romanian revolution into a mega party called NSF. The army and the securitate strongly supported the NSF because they needed to find a moderate leader to channel the popular anger directed against them.<sup>29</sup> In this sense, all resources were concentrated in the hands of NSF members. The NSF formed a Provisional Council to take control of the country. It prepared for the elections. After the election, Iliescu became the President of the Provisional Council.

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<sup>29</sup> Alina Mungiu Pippidi, "The Unbearable Lightness of Democracy: Poland and Romania after Communism", *Current History*, 2004, p.384

Subsequently, he signed a decree for the reestablishment of the political parties on January 3, 1990.<sup>30</sup> Within such a context, Corneliu Coposu, Luliu Maniu's former political secretary and deputy general secretary of the National Peasant Party (NPP) announced the return of his party to the public life. Coposu claimed that NPP had been the exponent of democracy in pre-authorization and pre-communist Romania. Coposu had spent seventeen years in prison and an other twenty-five years under observation, subjected to repeated house searches and harassment by the *Securitate*. He was one of the few political leaders to survive in the communist jails.<sup>31</sup>

Radu Compeanu and Ion Ratiu, the leaders in exile of the National Peasant and National Liberal parties, respectively, also returned to Romania before the 1990 elections as presidential candidates. Their political ideology was anti-communism and their tactic was to identify the NSF with the anti-democratic interests and policies. They were committed to the principles of Western democracy. They found some exponents into the intellectual circles opposed to communism and Iliescu. They were genuinely in favour of the democratic reforms. They also succeeded in winning substantial number of students attracted by promises of a better life, opportunities for travelling abroad and active participation in public and political affairs. However, as Stephen Fischer Galati claims, most of the population identified themselves with the NSF than with the emigré politicians who had not lived in Romania during Ceausescu's "Golden Age".<sup>32</sup>

The NSF won the parliamentary elections on May 20, 1990 with 66 percent of the votes. Iliescu was elected as the first post-communist president with 85.31 percent of the votes. This electoral victory initiated a new era in Romania. The NSF committed to move away from the system which was created under Ceausescu and it wanted to join the movement "return to Europe".

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<sup>30</sup> Klepper, *op.cit.*, p.249

<sup>31</sup> *Ibid.*, p.250-253

<sup>32</sup> Stephen Fischer Galati, *20th Century Romania*, (New York: Colombia University Press, 1991) p.210

In this sense, the NSF issued a ten-point programme which ensured the introduction of a democratic, pluralist form of government and the abolition of the leading role of a single party. Key elements of this programme were: the holding of free elections, the separation of powers, the elimination of centralised economic management, the restructuring of agriculture and the promotion of small scale producers, the reorganization of education, the observance of the rights and freedom of ethnic minorities and the reorganisation of trade and the conduct of the foreign policy in the interest of the people.<sup>33</sup> In this sense, the NSF tried to show both the domestic and the international audience that this regime did not persecute people for their political beliefs. It also demonstrated the regime's distance from the economically repressive policies of the old regime. It also supported the idea that minorities would be treated equally.

The NSF aimed to achieve political and civil rights especially for the Hungarian minority. However, as Tom Gallagher argues that Iliescu and other leaders of the NSF had been Communists and they were either unwilling to pursue or incapable of implementing genuinely democratic course in Romania.<sup>34</sup> Neither politicians nor general public had any previous knowledge or experience how a democratic society functions or how a market driven economy operates. In sum, I believe that after forty-five years of a brutal type of communism, communist heritage did not allow anybody to understand the significance of the political parties or free elections to become a democratic country.

The legitimacy of the Iliescu regime, while generally unquestioned by the masses, was challenged by both internal and external forces. The NSF's commitment to democratization was not a commitment to sudden and radical elimination of anti-democratic elements in the Romanian body politic. Within such a context, Iliescu started to revive the conservative elements of the former Romanian communist party. He pushed out the reformers. Dozens of Nongovernmental Organizations (NGO) and EU delegations had arrived in Romania since 1989 to promote aspects of the West

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<sup>33</sup> Gallagher, *Romania After Ceausescu*, p.74

<sup>34</sup> *Ibid.*, p.208-209

European Governance However, Romania was not moving in the direction of West European political system which includes rule of law, civil society, individual and minority rights.<sup>35</sup> In this respect, Alina Mungui Pippidi believes that nationalist tendency and reluctance to reform was considered as a way of limiting the political and socio-economic reform process and as a continuation of the Romania's Communist past.<sup>36</sup>

The misbalance of power among parties was the most powerful explanation why Iliescu could afford to be so authoritarian. The opposition was weak and divided. The politics was highly partisan due to the absence of mechanism for regulating conflict and sharing power. The communist elements were also strengthened by the absence of checks and balances, intense competition for limited state resources and strongly nationalist political culture which was encouraged by the fear of the "otherness".<sup>37</sup> The armed forces and most of the members of the securitate were also supportive of the NSF because Iliescu and many of his team were known as communists and therefore they were acceptable alternative to the Ceausescu's regime.

After the election in 1990, The NSF government found itself facing a very different world, especially in its own neighbourhood. The "socialist commonwealth" of the one-party communist-dominated neighbouring states had disappeared. They established institutions and processes based on pluralism and political competition. Parliamentary elections were held and popularly elected governments were installed throughout the region.

In East Germany, Czechoslovakia and Hungary, the elections produced the right of center coalition governments and demonstrated the weak hold of communist

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<sup>35</sup> Mungiu Pippidi, "The Unbearable Lightness of Democracy: Poland and Romania after Communism", p.388

<sup>36</sup> Alina Mungiu Pippidi, "Europeanization without Decommunization: A Case of Elite Conversion", in *The EU and Romania: Accession and Beyond*, edited by David Phinnemore, (London: Federal Trust, 2006), p.21

<sup>37</sup> Mungiu Pippidi, "The Unbearable Lightness of Democracy: Poland and Romania after Communism", p.388

parties. They wanted an end to the Soviet dominated alliance systems. They made overtures to the Western alliance systems and moved to create their own. Poland, Hungary and Czechoslovakia in particular began to search for new form of cooperation with each other and the West, which seemed to have no place for Romania. Hungary was able to enter the Council of Europe in October 1990. Czechoslovakia did so in February 1991. Poland and Bulgaria had submitted an application for membership. However, Romania was only granted guest status and it was still warned by the Council to avoid repeats of the use of force.<sup>38</sup>

Between 1990-1992, on the one hand, Euro-Atlantic organizations regarded Romania as too distant to serious consideration because the West saw Romania in the Soviet sphere of influence, initially at least. On the other hand, Romania was not seriously interested in integration with the Western organizations. Disinterest was also evident with regard to Romania.

Romania's early post-1989 foreign policy focused on combating perceived threats from the Romania's immediate neighbours than promoting any form of cooperation.<sup>39</sup> In this sense, Iliescu and Foreign Prime Minister Adrian Nastase supported Milosevic regime in Yugoslavia and they were reluctant to condemn human rights violations in Yugoslavia. Romania also signed a treaty with the Soviet Union. According to this treaty, it refrained from joining any alliance seen as hostile to the Soviet Union. Actually, integration was not seen as a domestic and social process by the NSF in the early 1990s. According to Steven D. Roper, Romania saw integration as an institutionally-driven process so it did not give the required importance to democracy, economic reform, ethnic diversity, expression of opposition in the media, etc.<sup>40</sup> Romania was still feeling the impact of the

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<sup>38</sup> Linden, *op. cit.*, p.217-218

<sup>39</sup>David Phinnemore, "Romania and Euro- Atlantic Integration since 1989: A Decade of Frustration?" in *Post- Communist Romania*, edited by Duncan Light and David Phinnemore, (London: Palgrave, 2001), p.253

<sup>40</sup> Steven D.Roper, *Romania: Unfinished Revolution*, (New Jersey: Harwood Academic Publishers, 2000), p.110

Communist elements even though the Communism would be ended with the 1989 Revolution.

The end of communism did not mean the end of discrimination in Romania. After communism, nationalists reorganized discrimination along cultural lines. Nationalism established new sources of legitimation while keeping on discrimination and increasing conflict. It was manipulated to slow down the democratization of Romania, to defame the opposition, to attack ethnic minorities and to object to the foreign interference.<sup>41</sup> Nationalism became the most consistent political culture alternative to the Communism. This is not only because both share the same attitude towards politics but also both have an antagonistic approach to the “otherness”.<sup>42</sup>

The NSF became increasingly tolerant of the nationalist manifestations. It encouraged violent actions against its political opponents and the Hungarian minority. The support of Hungary during the Revolution of Romania and first government actions seemed to offer a chance for full cooperative relations. However, the regime did not support the minority policy reforms. Close relationship between the regime and some members of Vatra Romenesca (a nationalist organization) set the Romanian-Hungarian relationship back to a point where it had been the case under Ceausescu’s regime.<sup>43</sup> This organization was deeply suspicious of the motivation of the country’s Hungarian minority. It opposed to any concessions in the areas of language and cultural policy. The Iliescu’s government had shown itself highly sensitive to the views expressed by Vatra on the Hungarian issue. He had not criticized its movements or its positions.

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<sup>41</sup> Tom Gallagher, “Romania’s Desire to be Normal”, *Contemporary Politics*, Vol 4, No 2, 1998, p.113

<sup>42</sup>Stefano Bianchini, “Political Culture and Democratization in the Balkans” in *Experimenting with Democracy: Regime Change in the Balkans*, edited by Geoffrey Pridham and Tom Gallagher, (London: Routledge, 2000), p.73-74

<sup>43</sup> Linden, *op. cit.*, p.215

The relationship between Hungary and Romania got worse with the conflicts in Targu Mureş in March 1990. The Hungarian government view the violence in Targu Mureş as a continuation of the Ceausescu's policy of forced ethnic assimilation. While the NSF officially abandoned the Ceausescu's policy that minority relations were an internal matter, Iliescu defended Ceausescu's minority policy against attacks from the outside interference. However, despite the Iliescu's efforts, the dispute between Hungary and Romania was more internationalized after 1990. To become a member of the Euro-Atlantic organizations, the international community put pressure on both sides to find a compromise.<sup>44</sup> Iliescu began to understand that if he wanted to make Romania a part of Europe, he would have to listen to the demands of the West

In the early 1990s, Iliescu believed that he could pursue an independent path while establishing good relations with the West. He thought that Romania could be a part of the new capitalist order by its own rules. However, Romania faced many economic problems. While export, GDP and industrial output were decreasing, inflation increased mainly because of the heavy industry, manual labour and cessation of its foreign trade. Therefore, living conditions got worse in Romania in the early 1990s.

In this respect, Petre Roman, the Prime Minister declared that he aimed to turn Romania into a market economy and to apply the Western rules. However, this decision created a friction between Iliescu and Roman over the pace and substance of economic reform. Roman preferred a faster pace of economic reform whereas Iliescu did not understand why Roman was in a such hurry. He showed unhappiness with the privatisation as a whole in the commercial and agricultural branches of the economy. Iliescu encouraged the miners to protest the government measures which speeded up economic reform process. Therefore, the miners violently protested the government and attacked the government buildings in 1991. Then, Iliescu dismissed the Roman government and he appointed a new government.<sup>45</sup> However, the popular anger towards Iliescu and the NSF increased day by day.

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<sup>44</sup> Roper, *op. cit.*, p.113

<sup>45</sup> Gallagher, *Theft of a Nation*, p.98-99

There were lots of demonstrations in Romania to protest the NSF for its neo-communism. Demonstrators demanded the resignation of former communists. Demonstrations were continued especially by the university students and by the supporters of opposition parties. Rioters attacked government buildings including police headquarters, offices of state-run television and the Foreign Ministry. Iliescu appealed to miners to disband the demonstrators by force. The miners left behind at least seven dead and many injured. Romania's image abroad was tarnished by this undemocratic event. The NSF was accused of using Ceausescu-like methods.<sup>46</sup> This event caused an escalation of internal political confrontations and condemnation of the NSF by the EC and the U.S. The EC believed that acts of violence constituted a major obstacle on the road to the democratic change. These actions slowed improvement of relations with numerous Western countries and put the question of membership in such organizations such as the Council of Europe to indefinite future.

The internal and external support for the Iliescu's regime disappeared because of the authoritarian rule in Romania. The government monopoly increased day by day. Limited reforms were pursued. The regime satisfied neither the Western countries nor the public. Iliescu and his party were blamed for missing the opportunities of transformation and for failing to place Romania among the first group of countries which integrated into the EU. Therefore, the protests and demonstrations weakened the regime and Iliescu.

In this sense, Iliescu made some policy changes to gain the internal and external support and not to lose the power. His party was renamed the Romanian Social Democratic Party (PDSR). A new government was formed on October 1 under an independent Prime Minister, Teodor Stolojan. The government continued efforts to reform the economy and undertook the task of writing a new constitution which was adopted by a referendum in December 1992. Under the new constitution, Romania became a parliamentary democracy. The constitution established a semi-presidential system giving the president the power to nominate and to dismiss the Prime Minister.

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<sup>46</sup> Galati, *20th Century Romania*, p.213

It also granted the president with the right to consult with the government and participate in the government meetings.

The first national election after Parliament adopted the new constitution took place on September 27, 1992. Iliescu's PDSR won the elections with 21.71 percent of the votes. He was reelected as President receiving 61 percent of the votes. A new government under Nicolae Vacaroiu was formed as a coalition with the Greater Romania Party (PRM) and Socialist Labour Party (PSM)<sup>47</sup> After this new election, Iliescu aimed to get close to the West to receive the economic and political support from it.

Iliescu desired a normalization of relations with the West to provide the legitimacy of his regime. He also expected to get financial support from the West to improve the Romanian economy. He understood that he could not continue the authoritarian values in political and economic life because Romania was gradually entering into the liberal international system. Therefore, the international bodies were monitoring the Romania's effort about human rights and governmental practices. However, international bodies could not understand why Iliescu was still reelected as President despite his advocacy of the Communist Regime.

The victory of Iliescu as president showed that the voters feared the opposition's commitments to radical free market ideas. They supported Iliescu due to his promise of social protection. Iliescu was still hesitant about speeding up the economic reform. Like Iliescu, Prime Minister Vacaroiu invested much efforts in maintaining state monopolies and state planning. Moreover, he supported to realign the Romanian economy with Russian economy because he saw Western economic support insufficient.<sup>48</sup> However, as a foreign policy, Romania had an increased interest in establishing closer ties with the West.

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<sup>47</sup> Klepper, *op.cit.*, p.255

<sup>48</sup> Gallagher, *Theft of a Nation*, p. 114-115

Iliescu understood that he needed to fix Romania's tarnished image abroad because he was aware of the developing ties of other CEEC with the Euro-Atlantic organizations and he had no desire to see the door shut on future integration. In this respect, Teodor Meleşcanu, new Foreign Minister who replaced Nastase in November 1992, established a new policy to make ties with the West closer. Various elements of this new policy were:<sup>49</sup>

- Presenting Romania as a Central European country close to the Balkans but not as a Balkan state to remove the stigma associated with the term "Balkan". The term "Balkan" is associated with instability by some observers especially after the disintegration of Romania's Western neighbour, Yugoslavia.
- Preventing Romania to be forgotten part of Europe
- Implementing more sanctions against Yugoslavia to show its cooperative attitude.
- Participating to the Black Sea Economic Cooperation (BSEC) to prove its ability to cooperate.
- Establishing good relations with Hungary. Meleşcanu saw that Romania's admission to the new Europe depended on the friendly relations with Hungary.

Some progress began to be felt after 1992. After concluding its Europe Agreements with the EU on 1 February 1993, Romania became a member of the Council of Europe in the same year. In 1994, Romania became the first East European country to sign NATO's Partnership for Peace Programme (PfP). US also granted Romania "Most Favored Nation State" status. Romania began to be part of the West with these new policy changes. Besides these external developments, an important internal development was realized in 1996 election. The supporters of the West won the power for the first time.

Until 1996 election, the Romanian anti-communists would have never managed to win. According to the Alina Mungui Pippidi, they could have not got more than a

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<sup>49</sup> Phinnemore, "Romania and Euro- Atlantic Integration since 1989: A Decade of Frustration?", p.255-256

third of the vote mainly because of their incapacity to penetrate rural areas and their lack of credible and effective leaders.<sup>50</sup> However, on 17 November 1996, Iliescu was replaced by Emil Constantinescu as president by 54.1 % of the votes and during the period 1996-2000, Romanian Democratic Convention (CDR), Union of Social Democracy (USD) and the Hungarian Democratic Union of Romania (UDMR) formed three different coalition governments. I think with 1996 election, the voters showed their support for change and reform by giving a clear parliamentary majority to the reform oriented parties.

Constantinescu decided to choose someone as Prime Minister who could pursue radical reforms to move Romania from centralised and collectivist path to liberal international system. In this respect, Victor Ciorbea, former mayor of Bucharest, became the Prime Minister. During his government, Ciorbea introduced drastic economic reforms to prevent any kind of economic crisis. In this sense, he aimed to accelerate privatisation, agricultural and structural reforms; to decrease inflation; to liberalise energy and fuel prices; to control budget deficit and to pursue a tight monetary and fiscal policy. Ciorbea hoped to attract foreign investment into Romania and to receive financial support from the International Monetary Fund (IMF) and the EU. IMF officials visited Romania in the first months of the new government. They extended the loans for the industrial and agricultural restructuring and social protection because they were impressed by the stability of the Ciorbea government.<sup>51</sup>

The new government introduced North Atlantic Treaty Organisation (NATO) membership as a short-term foreign policy priority. The government pointed the several factors in its favour. Firstly, the calm and free election campaign and the peaceful change of government in November showed that the country was fully committed to democratic principles. Secondly, the participation of the UDMR in the coalition government proved the country's commitment to minority rights. Thirdly, Romania actively participated in and supported the PFP program. Finally, the

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<sup>50</sup> Mungiu Pippidi, "Europeanization without Decommunization: A Case of Elite Conversion", p.25

<sup>51</sup> Gallagher, "Romania's Desire to be Normal", p.118

government claimed that the NATO membership of Romania was critical due to the country's geographical location.<sup>52</sup>

In this respect, Romania became an active international peace-keeper. It participated in United Nation (UN) and NATO peace-keeping efforts in Bosnia, Albania, the Gulf, Angola and Somalia. Contantinescu and Ciorbea also got away from the Milosevic-led regime in Yugoslavia. These developments improved Romania's image abroad and facilitated its eligibility for membership. Its membership was also crucial to increase the credibility of the country in the eyes of foreign investors. However, neither NATO nor the EU included Romania among the first group of CEEC which were invited to start the negotiations for membership. Both organizations believed that Romania still needed to time to improve its democracy and free market economy.<sup>53</sup> Therefore, the new government needed to properly determine its policy priorities to satisfy the NATO's and EU's expectations.

Among the priorities of the incoming Ciorbea government was the position of Romania's ethnic minorities. There was an immense shock in Romania when Ciorbea appointed ministers to his new government from the Hungarian minority. Nationalists thought that they were outraged. The new government also granted the right to be schooled in the Hungarian and use Hungarian in education, courts of law and the administration. Many Romanians supported the government's liberal minority policy to end the international isolation of Romania because the protection of minority rights was a fundamental condition of membership into the EU.

UDMR as a coalition party played an active role in the negotiations between Hungary and Romania. UDMR always stated that the ethnic Hungarian community possessed the right of self-determination. It claimed that this right did not violate territorial integrity of Romania. However, especially nationalists always feared that ethnic Hungarians could claim for territorial autonomy. Despite this, Hungary and

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<sup>52</sup> Roper, op.cit., p.121

<sup>53</sup> David Phinnemore, "Romania and Euro- Atlantic Integration", in *The EU and Romania: Accession and Beyond*, edited by David Phinnemore, (London: Federal Trust, 2006), p.40

Romania achieved to sign a basic treaty which satisfied both Hungarian and Romanian governments. Hungary recognised Romania's territorial integrity with this treaty and Romania accepted Recommendation 1201 which expanded ethnic minority rights in the area of local public administrative procedures and guaranteed the collective rights for ethnic Hungarians<sup>54</sup> This victory of CDR sent a signal to the EU and NATO that the country was willing to address reform. However, the period of CDR also showed that the reform process would not be an easy ride for Romania .

The reform process was very difficult in the period of 1996-2000. The coalition government did not have talented people who were in touch with the immense problems of Romanian society. Furthermore, CDR and the other parties in coalition had difficulties in attaining consensus and coordination for the reform of national institutions and the economy.

Like Ciorbea government, Radu Vasile government was not able to overcome the different interests and approaches within the government. Additionally, economic conditions got worse day by day. Therefore public support to the government had seriously been affected due to an increase in unemployment and prices, a widening of income differentials and a decline in living standards. The governments always put their more energy into explaining their plans abroad than in establishing a meaningful dialogue with the Romanian people about the possible consequences of the reform process. Romanian government pursued hard economic policies by the pressure of the IMF and the EU.

These policies led Romania into an economic crisis in 1999. Miners and workers demanded wage increases. They feared the job losses due to restructuring especially in the coal and steel industries. Thus, they began to strike in Jiu Valley so the government retreated to restructure state-owned enterprises. This situation showed that Romania clearly failed to meet the economic criteria necessary for entry into both NATO and the EU. However, as Tom Gallagher claims, although Constantinescu and the coalitions during the period of 1996-2000 were seen as a

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<sup>54</sup> Roper, *op.cit.*, p.118-119

disappointment to voters, they put Romania back on the EU's path and this was not a small achievement.<sup>55</sup> The next section is concerned with the scope of the relations between the EU and Romania.

### **3.2 EU-Romania Relations in the 1990s**

After the revolution and the execution of Ceausescu, some Romanians were concerned with the rapid improvement of dire economic conditions and securing freedom from fear, freedom of association, speech and religion. They wanted to pursue democracy as a free-market economy, political pluralism, toleration of ethnic, racial and religious diversity which were regarded as prerequisites for a new political and social order. Hence, these people wanted to integrate Romania into the EU. Other Romanians wanted to establish communist system again to protect themselves against the disadvantages of the new regime, especially the disadvantages of market economy. This was why these people preferred former communists as leaders and they got away Romania from the European system in the initial years of the Romanian transition. Although the members of the NSF and Iliescu supported the Communist understanding of these people, they indicated their priority to be close to the West.

After the revolution in 1989, the NSF showed one of its major aims to integrate Romania into the family of civilized European states. In this sense, the immediate international effect of the revolution was positive. Humanitarian aid was sent to the country and some direct bilateral aid continued after the installation of NSF government. However, the country was excluded from the numerous bilateral programs under the support of the EEC because of the uncertainty of the NSF and Romania's new president, Iliescu, to democracy, to the rule of law and to human and minority rights.

The violent suppression of the anti-government demonstrations by government was condemned by the EC, NATO and the Council of Europe. Therefore, Western

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<sup>55</sup> Gallagher, "Romania's Desire to be Normal", p.122

policy went from cool to cold toward Romania. The EC delayed both Romania's inclusion in the Poland and Hungary Assistance to Economic Restructuring (PHARE) programme and the conclusion of an agreement on trade and commercial and economic cooperation until later in 1990. It also excluded Romania from the first group of the CEEC which began to negotiate the Europe Agreements. Actually the West European states were more eager to support the new Polish, Hungarian, Czechoslovak governments than the Romanian one. Western institutions began to indicate a willingness to develop institutional links with some of the new democracies, such as "associate membership" status in the EC for Poland and Czech Republic. However, this was not a consideration for Romania.<sup>56</sup>

On 22 October 1990, the fluctuations in the relations between the EC and Romania came to an end with the Trade and Cooperation Agreement. This agreement entered into force on 1 May 1991 and Romania became the last Warsaw Pact country to sign this accord. According to Felicia Alexandru, these agreements were important because the norms of conditionality developed and the EU gained new competences externally.<sup>57</sup> Moreover, Romania became the third CEE country after Hungary and Poland to sign the Association Agreement called "Europe Agreement" whose entry into force was on 1 February 1995.

The EC's decision in 1992 to open negotiations with Romania for Europe Agreements was influenced by a series of factors completely unrelated to Romania. These factors were mostly related to wider security and logistical factors. Firstly, EU believed that its relation with Romania should be strengthened to ensure the stability of the South-East Europe after the disintegration of Yugoslavia. Secondly, disintegration of the USSR also threatened the security of EEC states so EU needed to deepen its ties with the CEEC. Thirdly, EU should ensure sufficient support for the reforms in all CEEC. Finally, for logistical reasons, EU should improve its ties

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<sup>56</sup> Linden, *op. cit.*, p.220

<sup>57</sup> Alexandru, *op. cit.*, p.13

with Romania alongside Bulgaria.<sup>58</sup> These factors which were independent from the Romania's own efforts accelerated the accession process of Romania to the EU. The real accession process of Romania began with the signing of the Europe Agreement.

The Europe Agreement was a key stage on Romania's road to accession. It included setting up a political dialogue, establishing a business relation particularly within a free trade area, developing economic, cultural, social and financial cooperation and aligning national legislation with the Community legislation. Romania's agreement also had some specific conditions related to the general principles of conditionality. These were transition to the democracy and free market economy, existence of institutions guaranteeing human rights and protection of minority rights. Leonard Orban claims that "The implementation of the Europe Agreement as well as "structural dialogue" with the EU contributed to a gradual rapprochement with and integration into the EU as a community of values and interests."<sup>59</sup>

This agreement established the legal and institutional framework for Romania-EU relations with the essential purpose of preparing Romania's accession. Anti-Communists saw the Europe Agreement as a crucial act in the country's foreign policy and a new beginning in Romania-EU relations. This agreement helped Romania to remove the political isolation coming from its communist past. However, the pro-Communists opposed this agreement.

In this respect, the Europe Agreement caused some disagreements among public and politicians. On the one hand, some people believed that the agreement made easier the Romania's access to the single European market by eliminating trade barriers between Romania and the EU. In this framework, Romania could enter the world's largest market which had free movement of goods, labour, capital and

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<sup>58</sup> Phinnemore, "Romania and Euro- Atlantic Integration since 1989: A Decade of Frustration?", p.256-257

<sup>59</sup> Leonard Orban, "Romania's Accession Negotiations with the EU: A Chief Negotiator's Perspective", in *The EU and Romania: Accession and Beyond*, edited by David Phinnemore, (London: Federal Trust, 2006), p.79

services. They saw the agreement as an advantage to pass from an over-centralized economy to liberal one. According to them, increasing foreign investment and export could help Romania to overcome the economic crisis in the medium term.

On the other hand, some people believed that Romania was not ready to compete in such a big market because of the insufficiency of domestic companies and industrial branches. Especially the nationalist forces, which continued to support Ceausescu's policy of self-sufficiency, emphasized these negative opinions.<sup>60</sup> These people were scared of the market economy and competition. They understood democracy as unemployment, poverty and chaos. Moreover, they believed that the EU preferred to be cautious in its future relations with Romania so it would not support Romania sufficiently even in the future. The Europe Agreement indicated that every Romanian had different point of views about the relationship between Romania and the EU. It also pointed out that providing a consensus between Romanian people on this issue would not be easy. However, the Europe Agreement was the first and the important step to develop the relations between the EU and Romania.

Relations were soon developed beyond the Europe Agreement. In June 1993, a "structured relationship" and "reinforced and extended multilateral dialogue" were released by European Council in the Copenhagen Summit. Hence, Romanian ministers and officials began to participate in the regular meetings so Romania began to integrate into the EU. Subsequently, it submitted its application for EU membership in June 1995, a few months after the Europe Agreement had entered into force. It became the third CEE country to apply for EU membership.

The primary objectives for Romania's application were "the return to Europe" and the becoming "the part of the European family". Romania was seeing Europe as an only area of peace, stability and prosperity. Although the enlargement decision was taken at Copenhagen Council in 1993, the precise geographical scope of this enlargement was not clear. Therefore, Romania tries to prove to the EU that it is

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<sup>60</sup> Don Ionescu, "Romania Signs Association Accord with the EC" *RFE/RL Research Report* 2, No. 10, 1993, p.34

geographically situated in the centre of Europe. It also tried to show the EU should involve Romania in its future Eastern borders because Romania offered an implicit security guarantee for the EU as EU did for Romania.<sup>61</sup> However, Romania was still impatient about the scope of the EU enlargement.

The Commission published Agenda 2000 in July 1997. It identified a natural differentiation among the applicant countries for a variety of historical, political and economic reasons. In this respect, five CEEC were ready to start negotiation. However, while Romania had made substantial political progress since 1996 national elections, it would face serious difficulties to cope with the competitive pressure and market forces within the Union. Therefore, Commission recommended that Romania not to be included in the first round of integration. The response of the Romanian government was to embark an intensive lobbying in the hope that EU governments would ignore the Commission's recommendation. While EU Council agreed with Commission recommendation, it not only agreed to open negotiations with five CEEC but also emphasized the need for a consistent, inclusive view towards the accession process of all ten CEE countries. It meant Romania would not be left out of the EU's enlargement plans.<sup>62</sup>

Luxembourg Summit introduced the Accession Partnership as an element of the pre-accession strategy. This provided a unique framework for the EU assistance to these countries. The first accession partnership for Romania was adopted in 1998. This was followed by the first version of the National Program for the adoption of the *Acquis*. It was released by the Romanian authorities in March 1998 in response to the Accession Partnership. The same year, the screening process started and the Commission released the first Regular Report on Romania's progress towards accession.

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<sup>61</sup> Lazar Comanescu, "The European Union and Romania: Interests and Aspirations", in *The EU and Romania: Accession and Beyond*, edited by David Phinnemore, (London: Federal Trust, 2006), p.97

<sup>62</sup> Phinnemore, "Romania and Euro- Atlantic Integration", p.41

In November 1998, the first regular report listed several reasons why the country was not named a “fast-track” applicant.<sup>63</sup> In this first report, the Commission concluded that Romania generally fulfilled the political criteria for obtaining the official candidate status and entering the actual process of accession even though it still needed reforms on public administration, judiciary and fight against corruption. However, the economic conditions were disturbing and the economic situation in Romania was very serious. Limited structural reforms, limited restructuring and privatisation of state enterprises and banks, limited foreign direct investment and lack of financial discipline in the public sector were some of the encountered problems in Romania. Therefore, the government needed to give the priority to improve macroeconomic stability and to ensure credibility in international financial markets.<sup>64</sup> I think that the first report was the first signal which indicated that EU gave more importance to the economic situation in Romania than the political one particularly because of the influence of economic lobbies in Brussels. Although Romania was not ready for accession and it did not also expect membership anytime soon, EU invited Romania to the accession negotiations at Helsinki Summit in December 1999. This was an important political message that Romania was not left outside.

Commission declared second critical report in autumn 1999. As regards the political criteria, Commission concluded that Romania had no serious problems in terms of fulfilling the political criteria except dealing with child care, situation of minorities and corruption. However, Commission was not optimistic in drawing the economic picture in Romania. It stated that Romania could not be considered as functioning market economy and it was not able to cope with competitive pressures and market forces within the Union. Furthermore, there was no sufficient privatisation to solve the financial problems in the country. There was no sufficient

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<sup>63</sup> Roper, *op. cit.*, p.116

<sup>64</sup> Commission of the European Communities, “*Regular Report on Romania’s Progress Towards Accession*”, Brussels, 1998

foreign investment to modernize the economy. Commission required more transparent and disciplined business environment from Romanian government.<sup>65</sup>

Although the second regular report would have detrimental impact on Romania's membership prospects, the Kosovo crisis in Spring 1999 appeared to guarantee Romania's continued inclusion in the accession process. In April 1999, the EU Council appreciated Romania's support for the Western position in Kosovo. Subsequently, Commission recommended to open the accession negotiations in the early 2000 with Romania despite insufficient economic reforms. If there had been no Kosovo war, Romania might not have opened accession negotiations in the early 2000.

After the Kosovo War, it was also granted access to the funds released under Special Accession Programme for Agricultural and Rural Development (SAPARD) (agricultural aid) and Instrument of Structural Policies for Pre-Accession (ISPA) (regional aid) programmes, in addition to the PHARE. Actually, the EU understood with the Kosovo war that long-term interests of the European continent required an European structure of defence and foreign affairs. In this respect, the EU saw as a priority the establishment of its own defence capacity without relying on the American leadership. Therefore, no CEE countries would be left outside of the EU if EU wanted to increase its own power.<sup>66</sup> The next section intends to analyse the Europeanization process of Romania in the light of the EU guidance.

### **3.3 The Transition Period in Romania**

The combination of foreign and domestic pressures played a crucial role in the Romanian transition. In the Romanian transition process, the EU as a key foreign actor could influence the nation's policies. It determined the Romania's path of

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<sup>65</sup> Commission of the European Communities, "*Regular Report*", Brussels, 1999

<sup>66</sup> Nastase, *op. cit.*, p.212

development by communicating its norms and rules to domestic decision makers.<sup>67</sup> These norms and rules were incorporated into domestic debates.

Within such a context, most importantly, the concept of Europeanization must be defined to understand the national level of transition. The process of Europeanization is seen as two way of interaction between national and European level. During this process, European political and economic dynamics became part of the national politics and policy making. EU provides a blueprint for modernization of the political, economic, and social systems of candidate countries. It becomes a series of operations leading to systematic convergence through the processes of democratization, marketisation, stabilisation and institutional inclusion.<sup>68</sup> There has to be a “goodness of fit” between the European and domestic level which could generate the pressure for adaptation from the EU towards the member states.<sup>69</sup>

In the case of post communist EU candidates, the concept of European conditionality became crucial to complete the Europeanization process. According to Aneta Borislavova Spendzharova conditionality refers to “the use of fulfillment of stipulated political and economic obligations as a prerequisite for obtaining economic aid, debt, most favoured nation treatment or membership in a regional or global organization”.<sup>70</sup> In this sense, conditionality becomes the main pillar of the EU enlargement and the most powerful tool of the EU foreign policy. Actually, conditionality has always been part of the EC/EU policies directed towards the member states, candidate states and third countries. However, its significance particularly rose in the 1990s when the CEEC became the first target of a very

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<sup>67</sup> Anette Freyberg- Inan, “Which Way to Progress? Impact of International Organizations in Romania” in *The Impact of International Organizations on the Central and East European States*, edited by Ronald H. Linden, (London: Rowman & Littlefield, 2002), p.130

<sup>68</sup> Aneta Borislavova Spendzharova, “Bringing Europe in? The Impact of EU Conditionality on Bulgarian and Romanian Politics”, *Southeast European Politics*, Vol.4, No 2-3, 2003, p.144

<sup>69</sup> Ana – Maria Dobre, “EU Conditionality Building and Romania Minority Rights: Towards the Europeanization of the Candidate Countries”, *Perspectives on European Politics & Society*, Vol.4, No.1, 2003, p.58

<sup>70</sup> Borislavova Spendzharova, *op. cit.*, p.145

demanding political, economic and social conditionality. In other words, the conditionality policies have become the explicit requirement of the EU that only democracies and functioning market economies are eligible for the membership of the EU. In the case of the candidate countries, conditionality and accession are two sides of the same coin.<sup>71</sup> If a country wants to become an EU member, it has to perform all the political and economic conditions of the EU.

The European Council took two important decisions at the 1993 Copenhagen Summit. First, CEE countries might join the EU. Second, they had to meet the Copenhagen Criteria before their accession. Copenhagen Criteria covered the stability of institutions guaranteeing democracy, the rule of law, human and minority rights, the existence of functioning market economy, the capacity to cope with competitive pressure and market forces. Additionally, in the case of post communist transitional countries, EU conditionality comes to specify the strengthening of administrative capacity and pursuit of anti-corruption measures.<sup>72</sup> The success of transition in the CEEC, particularly in Romania, completely depended on the implementation of the criteria as the content of conditionality.

The EU conditionality helped Romania step up its transition process and prompt reforms. In this respect, Romania has experienced sustainable economic growth in recent years. It has made some progress in the field of justice and home affairs too. Furthermore, Romanian authorities improved passport and visa standards and policies for visa-free travel in the Schengen space. The conditionality which was strengthened by an attainable carrot of accession has a catalytic role for reforms and progress towards EU membership.

However, despite the progress made by Romania in recent years, EU did not achieve to form a coherent long-term strategy not only for Romania but also for the

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<sup>71</sup> Othon Anastakis, and Dimitar Bechev, Anastakis, Othon and Dimitar Bechev, "EU Conditionality in South East Europe: Bringing Commitment to the Process", *South East European Studies Programme*, 2003, p.5

<sup>72</sup> Jora, *op. cit.*, p.6

CEEC. Moreover, the EU conditionality is defined exclusively by the EU and its member states. The candidate countries must accept it unconditionally. The EU overlooks the difference between the needs and the priorities of the EU and the needs and the priorities of the candidate countries.

Dimitar Bechev and Othon Anastakis believe that the EU should establish two-sided and well-defined relationship. It should also establish clear links between the reform process and its outcome. However, as they claim, the EU's priorities and conditionality instruments are not necessarily relevant to the needs of the people in the candidate countries.<sup>73</sup> This problem results in wavering attitudes towards reformist leaders and the non-sustainability of the reform-agenda. Therefore, the EU should invest in people. They have to feel that they are part of the integration process and that the EU cares well-being and prosperity of them as much as it cares for institution building and rule of law. If the EU expects to increase its leverage power with conditionality instruments, it needs broad consensus among the political, economic and social elites and the citizens. If citizens do not support the transition process, this attitude will erode the efficiency of EU conditionality.<sup>74</sup>

The EU always stressed that Romania needed much reforms as a laggard country of the Eastern enlargement. Therefore, its Europeanization process worked more slowly and less efficiently in Romania. The significant ethnic struggle, lack of strong democratic and capitalist traditions, insecure environment and Communist heritage slowed down this process in Romania.<sup>75</sup>

Moreover, Romania was one of the most impoverished countries of Europe. %40 or more of labour force was engaged in agriculture. It had the smallest service sector in the former communist bloc and the smallest middle class. The economic foundation of the totalitarian regime was the monopoly of state ownership. The

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<sup>73</sup> Anastakis and Bechev, *op. cit.*, p.19

<sup>74</sup> *Ibid.*,

<sup>75</sup> Borislavova Spendzharova, *op. cit.*, p.147

transition from a centrally planned economy to a free market economy involved massive unemployment of industrial workers because the Stalinist economy was not viable in market setting. Stalinist industrialization had created a work force which lacked in many cases the training, discipline and motivation to become competitive in a market environment.

Besides these, during the transition, the Romania's weak administration, judiciary and economic capabilities and judicial and electoral accountability encountered problems. The judiciary was inadequate to deal with legal claims because of the negative effect of communist legislation. Although majorities declared in surveys a strong commitment to the democracy, the parliament continued to enjoy little trust. Political parties and politicians were extremely unpopular. Both NGOs and ordinary citizens believed corruption was widespread among the civil servants and top politicians. They believed that economic reforms and privatization created a class of the new rich based on exploitation of opportunities. Individuals began to be treated unequally. Their treatment strongly depended on their status in the society. State worked for the people who had right connections. Therefore, Transparency International, Freedom House and the EU's Commission usually rate Romania as more corrupt.<sup>76</sup>

When Romania decided to be part of Europe, democracy became a crucial concept for the Romanian Europeanization. In terms of democratization, the autonomy of the citizens is an essential requirement in order to dismantle the state's monopoly and to encourage the plurality of political subjects. This new culture suggests a world wide idea of freedom based on the observance of differences and human and minority rights. The EU has an opportunity to influence the minority rights with the Europeanization process in Romania. However, the EU does not have a single minority standard. Nevertheless, the Commission's annual reports could be helpful to understand the EU's requirements in this policy field. The Commission shows which developments are considered to be positive or negative. In this sense,

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<sup>76</sup> Mungiu Pippidi, "The Unbearable Lightness of Democracy: Poland and Romania after Communism", p.386

Romania tried to meet the Copenhagen political criteria as regards minority rights. However, there was little progress toward guaranteeing protection of the minority rights, especially the rights of the Hungarian minority. The random police violence toward these minorities was tolerated by authorities even during its accession process to the EU because, as Anna-Maria Dobre points out, nationalist tendency was still important in Romania.<sup>77</sup>

In sum, the European integration process has shaped Romanian politics. Accession to the EU has been the biggest stimulus and challenge for Romania over the last 15 years. Democratization progressed slowly but irreversibly in nearly every field although overall performance remained below CEEC. However, Romania did not pursue the classic transition period due to the scarcity of human and financial resources. Moreover, the EU could not use the conditionality instruments appropriately for particular problems in Romania. The EU guided at Romania in a very superficial way because it engaged with Romania through a narrow political elite which kept away the rest of the society. Therefore, the EU could not understand the Romanian realities. It was not really interested in what was going on in Romania. Lots of reforms existed only on paper. Therefore, Europeanization remained largely formal and superficial in many areas. Even in the late 1990s, there was still an unreformed Romania which was perpetuating the Communist elements. In sum, as Tom Gallagher claims, Romania was about to become a member of the EU with ruthless economic liberalisation and unreformed political system due to the limited nature of the EU reforms.<sup>78</sup> The next chapter makes an analysis of the negotiation process of Romania within the context of the Romanian internal and external situation.

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<sup>77</sup> Dobre, *op. cit.*, p.58

<sup>78</sup> Gallagher, "Romania's Desire to be Normal", p.116

## CHAPTER 4

### ROMANIA'S EU NEGOTIATION PROCESS (1999-2004)

After the Helsinki Summit in 1999, the EU decided to open the negotiation process of Romania in 2000. However, the negotiation process would not be an easy ride for Romania. On the one hand, the EU could not guide Romania in an appropriate way during this process. On the other hand, Romania as a late starter of this process could not meet the expectations of the EU due to its deficiencies in economic and political life. In this sense, this chapter firstly identifies the economic and political problems in Romania in order to understand the real obstacles in front of the reform process. Secondly, it focuses on the EU's expectations from the Europeanization process of Romania. Finally, it evaluates the Romania's adoption capacity of the reforms in this process.

#### 4.1 The Political and Economic Situation in Romania

The PSD ( known until 2001 as the Social Democratic Pole of Romania or PSDR) returned the power in the first year of entry negotiations with the EU. The 2000 election indicated that the PSD and Iliescu were still strongly supported by the elder voters, rural population, inhabitants of small towns and particularly less educated people. Less support for Iliescu and the PSD came from the young voters from large towns and cities because they were afraid of the Iliescu's monopolistic approach to the power and wealth. The electorates gave the PSD 37.09 percent of the votes and the PRM 21.01 percent of the votes. Iliescu was elected as president with 36.50 percent of the votes. He appointed Adrian Nastase, former Foreign Minister, as Prime Minister.

The PSD formed a minority government based on cooperation with the UDMR, which represents Romania's Hungarian Minority's aspirations for greater autonomy, and the PRM, which is the right wing extremist. Although these three parties formed

a coalition government, they had different point of views and approaches towards the Europeanization process. On the one hand, the UDMR expects that the integration with Europe provides the greater rights for ethnic Hungarians. On the other hand, the PRM perspective is inconsistent with the EU's internationalist and multiculturalist norms. In this sense, Michael A. Weinstein argues that the support for the PSD and PRM indicated that majority of the electorate was against the Europeanization and globalization process.<sup>79</sup>

The great shock of the 2000 election was the success of extreme right populist Vadim Tudor, head of the PRM. Tudor managed to transform his marginal political formation into a major opposition party. Then, he received 28.34 of the presidential votes. The voters who were dissatisfied with the PSDR's performance in government supported Vadim and his party. His party brings together Romania's most reactionary nationalist and radical populist forces. He is infamous for his hateful speeches against ethnic Hungarians, Jewish Romanians and Roma. For instance, he accused the Budapest Parliament due to the status law which gives a range of social, educational, transport and health benefits to Hungarians outside Hungary. In this sense, Tudor asked from the UDMR the abrogation of the 1996 Friendship Treaty with Hungary, the temporary closure of the border with Hungary and preparation of the army for a crisis situation.<sup>80</sup>

Additionally, his campaign strategy relied on the criticism against democratic politicians and intellectuals and promises for tough hindrance on the criminal activity and corruption. The PRM's anti-corruption measures were very attractive to PSDR's voters. He could also convince his voters that corruption did not affect the PRM and its leaders.<sup>81</sup> The weakness of state authority was also a crucial part of his electoral propoganda even though Tudor himself consolidated this weakness by avoiding paying taxes to the Romanian state.

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<sup>79</sup> Weinstein, *op. cit.*, p.3

<sup>80</sup> Gallagher, *Theft of a Nation*, p.302

<sup>81</sup> Freyberg-Inan, *op. cit.*, p.137

Although international media, some intergovernmental and nongovernmental organizations as well as numerous academics issued explicit warnings to the Romanian electorates who were against the extremism, Romanian voters were hardly in the mood to listen to the warnings about Vadim's past and where he might take the country if he elected.

Vadim Tudor decided to cultivate moderation in his relation with the EU and NATO but he could not declare his party to be pro-Western and fully supportive of democratic institutions and values without losing its popular support attached by the authoritarian populism.<sup>82</sup> In this respect, the West saw Vadim as a danger to democracy and the fate of Romania so it supported Iliescu because he seemed to be willing to pursue an integrationist policy.

During the election campaign, Iliescu promised to make lots of reforms particularly in the economy. Iliescu and Nastase identified the drawing up an acceptable budget for 2001. Additionally, they aimed at fiscal and legal reforms to attract the investment. High taxation, unstable and unfair legal codes, corruption, low confidence in judiciary, restrictions against foreign ownership of land and excessive bureaucracy prevented both foreign and domestic investment. If investment conditions were improved, the opportunities would certainly attract the capital and make privatization more profitable with the increasing competition. Therefore, Romania should regulate its market and make it more attractive. Moreover, 44 percent of the people were living under the EU poverty line so Iliescu needed to improve living standards in the country. He must also find solution for the high unemployment and extremely low wages. Furthermore, progress had to be made in some of the political areas such as freedom of expression, fight against corruption, reform of the justice system, integration of minorities, child protection and reform of public administration. Iliescu believed that if he kept his promises about realizing the reforms, Romania could integrate into the EU.

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<sup>82</sup> Peter Gross, Vladimir Tismaneanu and Alina Mungui Pippidi "The End of Post-Communism in Romania", *Journal of Democracy*, Vol.16, 2005, p.148

When Iliescu returned to power in the 2000 election, he wanted the European recognition more than anything else. In this sense, the accession to the EU and the NATO was perceived as crucial to achieve the security, stability and rule of law. Romania had to maintain an active dialogue with the West and improve its image internationally. Romania needed to encourage the foreign investors and facilitate access of the international capital and markets to private and public sectors. The PSD understood that it had to liberalise its market far more quickly to fulfill the membership criteria and to complete the negotiations with the EU.

EU officials negotiated for four years with Adrian Nastase. Nastase and the PSD needed to convince EU officials that their behaviours and values totally reflected the Romanian people as a whole. This was very easy to do because European officials had few contacts with the Romanian society and with NGOs. Nastase and his team succeeded in convincing the EU that they were fully representative of the country and that real reforms could wait until after the membership. He could see that EU's rules and norms were to be broken because there were no transparent criteria for the entry. He understood that the negotiation chapters were the flexible goals. Nastase opened Romania's market to multinational firms which financed the major parties in the core of EU states and made lucrative contracts with them. Therefore, Tom Gallagher believes that Nastase managed to build up an effective lobby in Brussels which would advocate the Romania membership of the EU.<sup>83</sup>

Emma Nicholson, the European Parliament's rapporteur for Romania, warned the European Commission, particularly Enlargement Commissioner Günter Verheugen, about the PSD's serial bad behaviours. However, Verheugen neglected her warnings because he saw the former communist PSD in the same political camp that he belonged to, the moderate left. Therefore, he put pressure on the European officials to declare that Romania was ready for membership because it met all the reforms. He recommended to close the negotiation with Romania by 24 November 2004, four day prior to national elections. However, finalization of the negotiations was delayed for technical reasons after complaints that he would give a support to the PSD

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<sup>83</sup> Gallagher, "*The EU and Romania: Consolidating Backwardness*", p.4

campaign.<sup>84</sup> Verheugen and the economic lobbies in Brussels tried to terminate the accession negotiation process of Romania even if many key reforms existed only on paper.

There were some realities after the 2000 election that 1) Romania was still more lagging behind country than the other former Communist states 2) Its politics were dominated by the successor of the Communist Party 3) The former communist elites continued to benefit from privatization of state industries and keep control over the impoverished peasantry like in the Communist period.<sup>85</sup> Additionally, the state-society relations in Romania were distant in the Iliescu's period. He prevented civil society development. Societal actors and their interests were not effectively integrated into the policy making process due to the undemocratic nature of the PSD. The degree of distance in state-society relations caused some problems primarily at the implementation stage of the reforms because of the lack of consensus.<sup>86</sup> However, the developments made by the PSD government were seen important even though they were not still enough to eradicate the Communist heritage in the country.

From 2000 to 2004, although the PSD was willing to pursue real reform process only if it was strongly pressed by Brussels. The President Ion Iliescu and Prime Minister Adrian Nastase succeeded in realizing some of the suggestions of the EU despite some delay in the areas of the economic and judicial reform, the fight against corruption and media independence. In last four years of the PDS rule, inflation was cut from 44 to 14 percent. Additionally, the PSD government privatized some state-owned firms pushed by the IMF and EU. In 2002, the PSD-led parliament established a National Anti-Corruption Prosecution Office and passed a new anti-corruption law. In 2003, the Parliament approved the constitutional revisions providing a civic definition of the nation. Despite the undemocratic nature and mismanagement of the PSD, it could create a basic foundation on which the new

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<sup>84</sup> *Ibid.*, p.5

<sup>85</sup> Klepper, *op. cit.*, p.259

<sup>86</sup> Freyberg-Inan, *op. cit.*, p.131

Justice and Truth Alliance (DA)-led government which won the 2004 election might build a stable democratic state.<sup>87</sup>

On November 28, 2004, Romania held the general elections for its presidency and parliament. Iliescu was constitutionally prohibited from another term so Nastase became a candidate for the presidential election. His major opponent was the Bucharest mayor and chairman of the opposition DA, Trian Basescu. Both candidates have been in their mid-fifties and represented a new generation leadership. They have shared a pro-Western policy but disagreed how to apply it.

During their election campaigns, Nastase promised to focus on remediating poverty. Basescu promised to work for the tax reform and to support business and investment. Basescu saw himself as the best choice to lead Romania into the EU. He promised to eliminate corruption and to make the country fit for the EU membership. Nastase responded by stressing the successes of the PSD in negotiating accession. However, in 2004 election, Basescu unexpectedly defeated Nastase by 51 to 49 percent.

Basescu was widely admired for his performance as the city's mayor. Romania's most celebrated intellectuals also supported and expressed their admiration for Basescu. Another factor in the success of the opposition was the awakening of Romania's long-dormant civil society. The PSD lost the 2004 presidential and parliamentary election because it was blamed by the civil society on the party's lack of the transparency and internal democracy. Some people asked all party leaders for their resignation. Basescu's triumph, together with the success of the DA in the parliamentary race, gave Romania a brand-new government.

President Basescu and his new Prime Minister, Calin Popescu Tariceanu assembled a young governing team. Most of them had been educated in the West or Western-style institutions. For the first time, the heirs of the former communist regime were replaced by young and pro- European democrats. In this sense, on

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<sup>87</sup> Gross, Tismaneanu and Mungui Pippidi, *op. cit.*, p.150-151

November 29, one day after the election, President of the European Commission, Jose Manuel Barosso announced that the EU intended to sign an accession agreement with Romania in 2005. Commission believed that the new government was best equipped to lead Romania into Europe successfully.<sup>88</sup>

Basescu's victory represented a rebirth of the political dynamism and a hope for a change and beginning of democratic consolidation. However, Basescu and his DA-led government had serious political and institutional problems to overcome. There were the excessive personalization of the politics, the distrust for politicians and government officials, the limited independence of the judiciary and media, etc in Romania. Therefore, Romania's new government needed to create a modern, enlightened and liberal state which was equipped to deal with the country's deep-rooted problems. They must emphasize a democratic political culture with impersonal procedures, accountability and staunch opposition to corruption.<sup>89</sup> In this respect, the new government designed package of new laws for transforming the judiciary and boosting its independence. It also pushed several high profile corruption cases, especially against former Prime Minister Adrian Nastase.

The new government should pursue some priorities to fulfill its commitments to the NATO and EU. Its priorities would be full transparency in the government and in the legislation, guaranteeing the independence of media, separating the judiciary from politics, fighting against corruption, enacting a law on the rights of national minorities, recognizing the health and education system with Europeans norms and raising the salaries.

In this respect, European Commission made some suggestions to the new government of Romania in its 2004 Regular Report. This report also emphasized some priorities such as reforming the police and security services, improving the control over its borders, improving child protection, dealing with the problems of

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<sup>88</sup> Weinstein, *op. cit.*, p.1

<sup>89</sup> Gross, Tismaneanu and Mungui Pippidi, *op. cit.*, p.149

state pensions and combatting discrimination against the Roma minority.<sup>90</sup> In this respect, Basescu, the new cabinet and Parliament passed and enforced new legislations to realize the expectations of the EU from Romania and to accelerate the accession process. The next section tries to analyse the EU's expectations from Romania to abolish the impact of the Communism in Romania.

#### **4.2 The Expectations of the EU from Romania during the Accession Process**

As it was mentioned in the previous chapters, Romania has been a problematic case in the context of the fifth enlargement. There were lots of unresolved and continuous problems such as the negative effects of the toughest communist dictatorship, political and economic crisis, insufficient transition reforms, poor democratization and slow implementation process. In this sense, the most important question has been why the EU decided to involve Romania as a member.

The EU has enlarged towards the post communist states in Eastern Europe and has absorbed them because it expects to become a power bloc.<sup>91</sup> Moreover, most EU member states expected to prevent the new notions of “ins” and “outs” and new differentiations in the EU's relations with the CEEC.<sup>92</sup> In this respect, if EU excluded Romania as a least prepared country from the process, this might undermine the domestic economic and political reform processes and it could become a source of instability both for the EU and for Romania. Additionally, Romania would be crucial for the EU as a market because it is the second biggest country within the CEEC. It could also be important as a political agent which could enhance the Union's profile in several dimensions of the EU's external relations.

Romania has one of the largest external borders with the Eastern European countries. This geographic position has been crucial particularly to understand the

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<sup>90</sup> Commission of the European Communities, “*Regular Report*”, Brussels, 2004

<sup>91</sup> Weinstein, *op. cit.*, p.4

<sup>92</sup> Phinnemore “Romania and Euro- Atlantic Integration”, p.41

regional issues in the EU's Eastern Neighbourhood and promote the EU's regional and subregional strategies. In this respect, four regions should be noted. Firstly, the Central Europe where Romania culturally and geopolitically belongs to and where it acted as a provider of the security. Secondly, the Eastern Europe where strong Romania is important to consolidate the EU's values. Thirdly, the South-Eastern Europe where Romania has a tradition of intense contacts unburdened by hatred and conflict. Finally, the Black Sea Region in which Romania will play an important role in the definition and direct involvement of the EU in this region. In all these regions, Romania has been able to play an essential role in subregional cooperation arrangements.<sup>93</sup> Therefore, the EU should have embraced Romania and supported its reform process with large amounts of aid within the context of fifth enlargement.

EU has enlarged before but in the past, it has enrolled small groups of easily assimilated countries due to their familiarity to the democratic model. However, the fifth enlargement became difficult for the EU due to the difficult structure of the CEEC. They did not experience before the rule of law, free elections, freedom of speech and market economy as the main components of democratic model and the EU. Therefore, the EU established the Copenhagen Criteria which contain political and economic conditions for the EU membership and for the alignment with the *Acquis Communautaire*, the body of law defining the Union.<sup>94</sup>

The EU questioned the Romanian authorities to fulfill the obligations of the EU membership and particularly the requirements of the *Acquis Communautaire*. The EU indicates all of its expectations with its Commission's and Parliament's reports such as regular reports, monitoring reports, roadmaps, etc. These reports repeatedly identified the most crucial problems faced and offered recommendations and practical advice for political, economic and legislative reforms.

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<sup>93</sup> Severin, *op. cit.*, p.109

<sup>94</sup> Freyberg-Inan, *op. cit.*, p.140

For instance, in 2002, the European Commission prepared the “Roadmaps for Bulgaria and Romania”. The EU showed clearly its expectations from Romania with this roadmap and Romania could better schedule its priorities. The EU presented the objectives and the necessary steps to be accomplished.<sup>95</sup> The roadmap also included timetables. In this sense, the European Council expressed its support for Bulgaria and Romania for their accession in 2007. The roadmap promised to provide a superior level of the financial assistance in order to advance the accession process. It also covered the period up to the accession and it identified the conditions which the countries need to adopt to terminate the accession negotiation. It did not include any new conditions or practices for accession negotiation.<sup>96</sup>

According to the evaluation reports, the EU has many expectations from Romania to progress in its Europeanization process. As regards the political criteria, the EU complained about the rule of law seriously effected by the pervasive corruption, the weakness of central institutions, the difficulties in instituting transparent, independent and functional democratic norms.<sup>97</sup> The EU also required the independence and efficiency of the judiciary and adequate funding for the child care institutions. Additionally, the EU was monitoring the situation of the Roma and other minorities, pushing for their inclusion in the sociopolitical system and against racism and discrimination.<sup>98</sup> EU criticized Romanian administration due to the limited ability to implement and enforce the newly adopted legislation. Additionally, corruption, organized crime and illegal human trafficking were growing challenges and the Commission wanted Romanian government to take certain measures about these issues. The Commission also demanded further development of the Romanian legislative framework and administrative capacity to protect the Communities’ financial interests against fraud and irregularities. It also demanded divising

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<sup>95</sup> Jora, *op. cit.*, p.19

<sup>96</sup> Commission of the European Communities, “*Roadmaps for Bulgaria and Romania*”, Brussels, 2002

<sup>97</sup> Alexandru, *op. cit.*, p.1

<sup>98</sup> Freyberg-Inan, *op.cit.*, p.141

mechanisms to ensure the political independence and accountability of civil servants.<sup>99</sup>

As regards the economic criteria, EU asked for a functioning market economy and the capacity to cope with the competitive pressures and market forces within the Union. The European Commission saw Romanian economic situation more problematic than political situation because it gave more importance to economic situation due to the economic lobbies in Brussels which wanted to be effective on the Romanian market.

The 2000 Regular Report was released just after the accession negotiations started. This report showed that Romania had serious economic problems. It pointed out the poor social conditions, rising unemployment, low wages and high inflation in Romania. Furthermore, it stated that Romania cannot be regarded as a functioning market economy due to the vulnerability of the macroeconomic environment, the uncertain legal and institutional framework and unstable economic reforms. Therefore, the EU asked from Romania to restore growth, improve living standards, urge financial discipline, restructure the large loss-making state enterprises and create a transparent and business friendly environment.<sup>100</sup> The Commission always stated in its reports that the Romanian economy is at the top of the EU agenda and the country has to wait until its economic indicators catch the EU norms.

Another set of Copenhagen criteria concerned Romania's progress toward alignment with the Acquis. It includes all the treaties, regulations and directives passed by the European institutions. For enlargement negotiations, the Acquis have been divided into 31 chapters. Each must be closed by the candidates countries during the negotiation process. In this respect, Romania must adopt, implement and enforce all the acquis. Although Romania made stable progress with the adoption of the acquis, the 2002 Regular Report stated that Romanian administration had limited

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<sup>99</sup> "Roadmaps for Bulgaria and Romania", p.25

<sup>100</sup> Commission of the European Communities, "Regular Report on Romania's Progress Towards Accession", Brussels, 2000

ability to implement and enforce the newly adopted legislation and this represented a major constraint on Romania's accession preparations.<sup>101</sup>

Besides the European Commission reports, the European Parliament (EP) became vocal in highlighting shortcomings in Romania's preparations for membership. In this respect, the EP published the Session Report 1999-2004 in 24 February 2004. It criticized Romania because it faced serious difficulties in fulfilling the requirements of the political criteria. It determined four priorities for Romania to become member in 2007. These were: implementing anti-corruption law, increasing the independence and the powers of the Ministry of Justice, guaranteeing freedom of media and stopping ill-treatment at police stations.<sup>102</sup> Additionally, the EP asked for strengthening the role of the Parliament in legal decision-making and increasing effective parliamentary control in Romania. The EP also required the setting up of an effective child protection system that protects children's rights and provides adequate level of support to promote the social inclusion of disabled people. The EP especially expected from Romanian government to prevent organized crime, the trafficking in women and sexual exploitation of children.<sup>103</sup> As it appeared from the expectations of the EP from Romania, Romania still needed to satisfy both the EC and EP.

The EP congratulated Romania due to the achievement in macro-economic stability with significant GDP growth in 2002 and 2003. However, it required from Romania to focus on particular attention on economically backward regions. According to EP's Report, Romania's road was difficult particularly because of its late start of privatisation and restructuring of public enterprises and partly because of the unattractive business environment and insufficient foreign direct investment. In this respect, Romania had two priorities. One was to restructure the key sectors such as energy, mining and transport. The other was to establish a pricing mechanism for

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<sup>101</sup> Commission of the European Communities, "Regular Report on Romania's Progress Towards Accession", Brussels, 2002

<sup>102</sup> European Parliament, "Report on Romania's Progress Towards Accession", 1999-2004 Session Document, 2004

<sup>103</sup> *Ibid.*, p.6-7-8

natural gas.<sup>104</sup> Furthermore, the EP called on Romania to focus its efforts for the legislative alignment especially in the areas of free movement of services, competition policy, fisheries, taxation, environment, agriculture, transport, regional policy and justice and home affairs. It also required from Romanian authorities to implement a rural development policy. Additionally, improvement of the level of public health and quality of life were important for the EP. The veterinary and food safety sector was not in the same level with the EU standards.<sup>105</sup> In brief, the EP did not support the Romanian membership under these problems.

Actually, the expectations and the demands of the EP were very similar to the EC as regards the political and economic criteria and the *acquis* alignment. Every report released by the Commission and the Parliament emphasized the same problems and particularly focused on the effectiveness of the governmental and judiciary reforms. These reforms were also crucial for the appropriate use of EU funds such as PHARE, SAPARD, ISPA. Romania was one of the biggest beneficiaries among the CEEC from these funds. However, the main question remained whether the administrative and judiciary capacity of Romania were adequate to absorb those funds efficiently.<sup>106</sup> The EP and EC always threatened Romania if it could not increase the absorption rate of the aid funds, Romania could lose them. Thus, Romania needed to manage and control the Community's pre-accession even though these funds were not sufficient to overcome the problems derived from the Communist heritage. The next section tries to evaluate the efforts of Romania to meet the EU's expectations.

#### **4.3 Romania's Adoption of the *Acquis Communautaire* and Its Reform Process**

Romania's EU accession negotiations were started on 15 February 2000. It was part of the fifth enlargement including ten countries from the CEEC as well as Malta and Cyprus. All were destined to join the EU on the basis of the same criteria.

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<sup>104</sup> *Ibid.*, p.9

<sup>105</sup> *Ibid.*, p.10-11

<sup>106</sup> Borislavova Spenzharova, *op. cit.*, p.149

However, the pace of the negotiations was changing according to the commitments made by the individual candidates and the correct transposition and implementation of the Acquis. The pace of negotiations would reflect the candidate country's preparations for membership.

In order to open the accession negotiations, Romanian authorities adopted the position paper which indicated the situation and presented future programs to fulfill the requirements of the accession. Subsequently, the position paper was submitted to the EU Council and the EU prepared the common position paper. The two position papers represented the basis of accession negotiation between the EU and Romania. Nevertheless, Romania developed a new approach for the negotiation process to facilitate it and to increase its effectiveness. In this sense, Romania had permanent technical consultations with the European Commission before presenting the position paper for the respective chapter.<sup>107</sup>

Romania conducted the negotiation in the bilateral accession conferences with the EU member states on the basis of 31 chapters of the acquis. The negotiating sessions were held either at the level of ministers or deputies. During the accession negotiation, credible, efficient, coherent and transparent process of negotiation was needed for an efficient dialogue with the EU and for a conclusion of the EU accession negotiation in 2004. Therefore, first of all, Romania should ensure a better administration of political, economic, social and cultural issues at national level.

In this sense, the Ministry of European Integration was established in January 2001 and the number of Ministries was reduced from 24 to 14 to provide the efficiency of the process. There were also groups of people responsible for fulfilling the requirements of the accession in Romania. The Chief Negotiator was working together with personal advisers who facilitate the programmes and reforms necessary in Romania's preparation for the EU accession. These advisers realized their

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<sup>107</sup> Ministry of European Integration, *An Outline of the EU Accession Negotiations Procedure of Romania*, [http://www.mie.ro/\\_documente/engleza/negocieri/neg\\_proc\\_neg.htm](http://www.mie.ro/_documente/engleza/negocieri/neg_proc_neg.htm), accessed on 16 March 2007

activities according to the needs for each ministries. Additionally, Romania had sectoral delegations for each field and they were composed by the specialists from ministries, public institutions and institutions of the public interest. They were responsible for transposing and implementing the *Acquis* in the respective field. Moreover, sectoral delegations established working groups which programmed, monitored and reported activities required by the Romania's accession. Working Groups gave special attention to the financial matters and the issues related to the administrative capacity and human resources for the process of European integration.<sup>108</sup>

The Chief Negotiator, sectoral delegations and working groups were working together to get positive results for accession. However, by the EU, the exclusively involvement of governmental actors was considered insufficient. The EU demanded an enhanced coordination not only in governmental level but also in social level. Regional and local authorities, civil society, non-governmental organizations and their requests should be included into the negotiation process. This inclusion was crucial particularly for the implementation stage of the EU norms and rules.<sup>109</sup> In this sense, Romanian authorities have designed a consultation framework mechanism which has been established with political parties, business associations, trade unions and NGOs. They made suggestions and gave their opinions on the negotiation position documents of Romania. After the consultation process with the civil society and social partners had been completed, these documents became official.<sup>110</sup> However, the EU did not really interested in the involvement of Romanian people to this process. It did not give importance to real problems of Romania. All the good faiths and the support of the EU about the Europeanization process of Romania existed only on its reports.

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<sup>108</sup> Leonard Orban, Orban, Leonard, "*Negotiating Accession: The Challenge of Interdepartmental Coordination*" <http://www.lse.ac.uk/collections/hellenicObservatory/pdf/Orban.pdf>, accessed on 17 May 2007

<sup>109</sup> *Ibid.*,

<sup>110</sup> Jora, *op. cit.*, p.15

In 2000, Romania had officially transmitted position paper to the EU Council for only 13 negotiating chapters. During the Portuguese and French Presidency, Romania opened 9 negotiating chapters and provisionally closed 6 chapters. Additional information requested for the other 3 chapters. By December 2000, Romania was lagging behind other countries. For instance, Latvia, Lithuania and Slovakia presented their position papers for all the negotiation chapters at the beginning of negotiations. Bulgaria also presented more position papers during 2000. Romania was lagging behind particularly at the beginning of accession negotiation because the National Delegation for Negotiations was created relatively late and the institutional process of internal coordination only began at the same time with the opening of accession negotiation.<sup>111</sup>

In 2001, the new Romanian government determined a new negotiation strategy for Romania's accession to the EU. The new strategy was based on approaching the negotiations as a whole process.<sup>112</sup> In this respect, the position papers for 29 negotiating chapters had been officially communicated to the EU. This strategy would allow Romania to facilitate the speeding up of the opening and provisional closure of chapters. During the Swedish and Belgian EU Presidencies, Romania had opened 17 chapters and 9 had been provisionally closed. Moreover, in 2001, Romanian authorities realized the importance to cooperate and communicate with the EU member states particularly with the member states holding the Presidency of the Council of the EU. The EU's internal support was crucial because it might accelerate the pace of negotiation as Verheugen did in the Romania's accession process.

For 2002, the Romanian government aimed to open all the negotiation chapters to strictly monitor the commitments taken during negotiations and to enforce cooperation and communication with the member and candidate states. During this year, particular attention was given both to the accomplishment of the functional market economy and to the strengthening of the Romanian administrative capacity. 2002 was a crucial year for Romania because the European Council in Copenhagen

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<sup>111</sup> Orban, "Romania's Accession Negotiations with the EU: A Chief Negotiator's Perspective", p.82

<sup>112</sup> Orban, "Negotiating Accession: The Challenge of Interdepartmental Coordination".

set 2007 as the goal for accession. Moreover, it adopted a new roadmap, represented an important advancement in the dynamics of accession negotiation. During the Spanish and Danish Presidency, negotiation were provisionally closed for 7 more chapters. Also, by the end of 2002, Romania had opened negotiation on 30 chapters.

For 2003, Romania focused on the chapters related to the internal market. It tried to harmonize its economic policies with those of the EU. In 2003, the European Council reaffirmed the date 1 January 2007 as a possible accession date for Romania and it also announced its support for finalizing accession negotiation in 2004 and signing the Accession Treaty in early 2005. During the Greek and Italian Presidency, 6 chapters were provisionally closed and by the end of 2003, 22 negotiating chapters had been provisionally closed.

2004 was the most difficult year in the Romania's accession to the EU. There were many reasons for this difficulty which were related or not related to Romania. First, the uncertainties about the European Constitution created tense atmosphere within the EU and this situation influenced the Romania's EU talks in a bad way. Second, debates were continuing whether Turkey should be offered accession or not. Third, the last enlargement on 1 May 2004 increased the euroscepticism in Europe. Fourth, Romania was negotiating for the most difficult chapters including justice and home affairs, competition and environment. Fifth, 2004 was a year in which Romania not only kept going the adaptation and the implementation of the *acquis* for the opened chapters but also tried to fulfill its commitments related to the previously closed chapters. Finally, Romania's preparations for membership became limelight due to the fewer number of candidates.<sup>113</sup> Despite all these factors, Romania finalized the last and most difficult chapters in December 2004 but only on paper. It had still problems in the implementation process. However, the EU ignored this situation.

The accession and negotiation process of Romania was monitored by the European Commission from the beginning. It always questioned the Romania's

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<sup>113</sup> *Ibid.*, p.84

ability to fulfill the obligations of the EU membership. The Commission officials had made clear that Romania needed to increase its efforts in meeting particularly the EU economic criteria, implementing and enforcing the *Acquis* as opposed to simply transposing it.<sup>114</sup> Moreover, they asked Romanian authorities to understand that the EU accession process aimed to the management of the domestic transformation instead of complicated diplomatic exercise with Brussels.<sup>115</sup> However, they countered what they said and they began to deal with the timetable rather than real transformation.

In the case of Romania, meeting the obligations of the membership and adopting the *Acquis* followed a progressive path. However, there were some deficiencies in areas like agriculture, free movement of persons, social policy, borders and environment. Additionally, the Commission persistently referred to the problematic areas such as rule of law, fighting against corruption and inadequate administrative capacity. The Commission also requested more efforts about the judicial independence. Legal adoption of EU standards were realized but enforcement was hindered due to a widespread mental resistance to change.<sup>116</sup>

Justice and Home Affairs (chapter 24) was one of the most difficult chapters to be closed. So it was negotiated during almost whole negotiation process. The JHA policies aim to maintain and develop the EU as an area of freedom, security and justice. In this respect, this *acquis* chapter deals with issues in the area of rule of law, law enforcement standards, police cooperation, fight against organised-crime, anti-fraud and corruption, customs and border controls.<sup>117</sup> Romania must respect hundreds of commitments resulting from 13 areas covered by the JHA. Thus, Romania needed to be equipped to meet required and acceptable standards of implementation. Especially, the establishment of an independent, reliable and

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<sup>114</sup> Borislavova Spendzharova, *op.cit.*, p.148

<sup>115</sup> Jora, *op. cit.*, p.16

<sup>116</sup> *Ibid.*, p.9

<sup>117</sup> “Roadmaps for Bulgaria and Romania”, p.39

efficient judiciary and administration was crucial. However, Romania was still insufficient to strengthen its judiciary and administration even after its accession negotiation was concluded.

The fight against corruption was another vital issue because it was the biggest handicap for the improvement of Romania particularly for the investment. Romanian authorities usually expressed a “zero tolerance” policy on corruption.<sup>118</sup> In this respect, National Anti-Corruption Strategy released and National Anti-Corruption Prosecutor’s Office was set up in 2003. Additionally, the government began to work on an entire Anti-Corruption Law Package. However, the institution building and legislative adoption were seen insufficient by the EU because it required the implementation element to be convinced.

In Romania, the state machines have been insufficient to design and run developmental projects. The real administrative and judiciary capacity could not use the funds appropriately for the improvement of the country because they have been very weak and in low capacity. In brief, the funds given by the member countries were wasted or stolen. For instance, the Romania’s Minister of European Integration, Hildegard Puwak, resigned in 2003 because it was understood that she had channelled EU funds to the companies run by her husband and son. This event showed that European funds might actually exacerbate the current problem of corruption.<sup>119</sup>

Despite the misuse of the EU funds, Romania was continuing to have considerable pre-accession assistance from the EU. It received approximately 1.115 million Euros only in 2006 from PHARE, SAPARD and ISPA. However, according to the Court of Auditors 2006 Report, Romanian authorities used the funds for purposes other than intended ones so Romania was still behind the schedule. In this sense, Commission should make further efforts to monitor the funds which were

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<sup>118</sup> Alexandru. *op. cit.*, p.28

<sup>119</sup> Phinnemore, “Romania and Euro- Atlantic Integration”, p.45

used in Romania. Additionally, the Commission should adopt a more realistic programming approach for Romania.<sup>120</sup>

Creating an efficient administrative system was difficult in Romania due to the general background of instability with political, economic and social dimensions. The main troubles for Romanian public administration reform were the lack of a clear reform program, the lack of resources, the poor educative techniques for civil servants and the pervasive corruption. Therefore, the Commission permanently mentioned the administration as one of the weakest fields in adopting the *acquis*. In this sense, Romanian authorities needed to promote a different view on the general administrative system and its relation with the citizens.<sup>121</sup>

As regards the economic situation in Romania, when most of the other candidate countries were preparing their economy for accession to the EU, Romania was going through four years of economic recession. Internally, the country had to cope with difficult macroeconomic environment. Its GDP/capita was less than one third of the level in the former EU 15 and around half of the average level in the new member states so Romania needs to catch up with the EU. Moreover, Romania must improve the legal and administrative business environment, ensure the labour market's flexibility and increase the speed of privatization. Additionally, alignment with the *acquis* and implementation of the relevant legislation were crucial to enforce competitive and transparent public procurement procedures.<sup>122</sup>

Although, Romania succeeded in going forward and realizing some reforms during its accession negotiation process, most EU officials and politicians agreed that the reforms in Romania were not up to EU level yet but everyone know that EU could not do almost anything about it at this point. When EU finalized the accession negotiations of Romania in 2004, Romania was still an unprepared country for

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<sup>120</sup> Special Report, 4/2006 “ Concerning PHARE Investment Projects in Bulgaria and Romania, Together with Replies of the Commission, 2006

<sup>121</sup> *Ibid.*, p.29

<sup>122</sup> *Ibid.*, p.31

membership. This situation would not only threaten the EU's own internal functioning but it would also send a wrong message for the other candidates and non-candidates countries. Actually, the EU damaged its own reputation and decreased its own leverage power. Moreover, the EU needed to persuade the member states which were still suspicious and reluctant about the Romanian preparations and membership. Within such a context, the Commission designed the safeguard clauses inserted to the Accession Treaty to keep an effective control and pressure on Romania and conciliate the doubts of some member states.<sup>123</sup>

Post-accession safeguard clauses existed not only in the treaties of Romania and Bulgaria but also in the treaties of the first wave of ten candidate states. However, the postponement clause which allows the postponement up to one year, particularly designed for Romania and Bulgaria. The postponement clause would have become applicable if Romania had failed to fulfill specified commitments concerning competition-policy, a Schengen Action Plan, external borders, reforms of the judiciary, anti-corruption measures, police reform, an anti-crime strategy, state aids and a steel restructuring programme.<sup>124</sup> This postponement clause could be activated through qualified majority voting in the Council for Romania rather than unanimously in the case of Bulgaria.<sup>125</sup> This difference showed that the EU saw Bulgaria more ready than Romania so this clause was designed to hold off Romania more easily than Bulgaria. If the EU applied one year delay, it could cause considerable political costs for the government in power, as well as financial costs. In this sense, Tom Gallagher claimed that EU became more concerned with maintaining the timeline rather than continuing real reform and strengthening the democracy in Romania. According to him, one year delay in Romania's entry could be acceptable if EU accepted its responsibilities for such failure.<sup>126</sup> However, the possibility for

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<sup>123</sup> Gergana Noutcheva, "Bulgaria's and Romania's Accession to the EU: Postponement, Safeguards and Rule of Law", *CEPS Policy Brief*, No.102, 2006, p.1

<sup>124</sup> Alexandru, *op. cit.*, p.22

<sup>125</sup> Jora, *op. cit.*, p.13

<sup>126</sup> Radu Cioponea, "2007 or 2008? Romania's Admission to the European Union" <http://www.euro-club.org/ALTE%20INFO.htm>, accessed on 21 May 2007

delaying Romania's entry by one year did not give the EU much space to manoeuvre because everyone knew that the reforms expected by Brussels would take more time than one year.

In the case of Romanian and Bulgarian accession, the Commission designed new means such as early warning letters, yellow and red little flags in its regular reports. The Commission used these new instruments in order to increase the efficiency of the EU conditionality and to indicate the faulty sectors which need more concern from Romania and Bulgaria. As Silviu Jora claims that the accession process of Romania and Bulgaria represented an experimental laboratory for the new methods in the EU conditionality to be applied on future problematic candidates.<sup>127</sup>

The Commission also took three safeguard measures until three years after the accession. It means that the Commission will continue to check how the *acquis* is implemented by Romania. These are:<sup>128</sup>

- 1) A general economic safeguard clause (Article 36): This provision deals with the problems in one or more economic sector and area in present or new member states
- 2) A specific internal market safeguard clause ( Article 37): If Romania has difficulties of the functioning of internal market, the Commission can take safeguard measures. The measures may continue to be applied beyond three years after accession until the negative situation is remedied. This provision covers the four freedoms and some other policies such as agriculture, transport, energy, competition, telecommunication and consumer and health protection.
- 3) A specific Justice and Home Affairs safeguard clause ( Article 38): This provision deals with serious shortcomings in the field of cooperation between judgements in civil and criminal matters, particularly related to the rights and obligations under the EU *acquis*.

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<sup>127</sup> Jora, *op. cit.*, p.13

<sup>128</sup> "Treaty Concerning the Accession of the Republic of Bulgaria and Romania to the European Union", 25 April 2005, p. 54-57

If the EU decided to implement the safeguard clauses, it would create dangerous problems especially for the markets. Any negative mark from the EU on the Romania's judiciary record would bring economic costs because investors are watching the process closely and Romanian business interests are influencing the evolution of the process. Moreover, the economic safeguard clause and the internal market-safeguard clause are not well suited to apply pressure on Romania to advance domestic reforms because they are unclear about punitive measures. Most importantly, problematic areas for Romania are predominantly in the political domain where EU needs to have more post-accession leverage. As regards the JHA safeguard clause, if Romania fails to ensure an efficient judicial system and law enforcement, they might easily feel the effects of exclusion from the EU. Decisions of Romania courts on the EU law cases may not be recognised in the rest of the EU. It actually means the EU has some ways to make Romania feel as a second class member.<sup>129</sup>

There were also some specific safeguard measures in the *Acquis* which may be applicable after accession such as the penalties or even the denial of full membership. Additionally, the Commission designed a mechanism to verify the progress within the reform of the judiciary, the fight against corruption and organized crime. The Commission requested from Romania to report regularly the progress made in these areas. The first report should be submitted by 31 March 2007. Afterwards, Commission will report the progress made by Romania to the European Parliament and the Council. This mechanism will continue until all the benchmarks have been met. If Romania will not succeed in meeting the benchmarks adequately, the Commission may apply the safeguard measures of the Accession Treaty. This mechanism entered into force on 1 January 2007.<sup>130</sup>

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<sup>129</sup> Noutcheva, *op. cit.*, p.2

<sup>130</sup> Commission of the European Communities, *EU- Romania Relations: Main Steps towards the EU*, [http://ec.europa.eu/enlargement/romania/eu\\_romania\\_relations\\_en.htm](http://ec.europa.eu/enlargement/romania/eu_romania_relations_en.htm), accessed on 10 February 2007

After the end of accession negotiation, a Eurobarometer Survey was conducted in Autumn 2005. According to this survey, Romanian population has strong positive social response to the European Integration. They have looked forward becoming a member of the EU and they have the biggest level of proudness to be European. However, their level of trust in the EU is declining steadily. There was a decline from 74% in autumn 2004 to 64% in autumn 2005.<sup>131</sup> Young people in Romania have thought that the EU membership brings a wider and better world of greater opportunity or it helps to escape the restrictions and disadvantages of their present lives. The urban middle class see the EU as a fund and investment for better economic situation. Additionally, some Romanians, who opposed to the EU, see the new regulations as inefficient and designed to meet the economic interests of ruling majority.<sup>132</sup>

In sum, Romania's negotiations process was complex and difficult. During this process, Romania needed to overcome both internal and external challenges as a later starter of this process. It needed to cope with ongoing macroeconomic difficulties arised from the Ceausescu's though policies. Romania entered the negotiation almost unprepared due to the difficult social, political and economic circumstances. Therefore, decisions on certain negotiation chapters were taken without knowing all the implications. The accession process of Romania to the EU became a "learning by doing process".<sup>133</sup> Furthermore, negotiation was conducted not only with the EU but also with domestic actors because they had fears about the outcomes of European integration such as losing their sovereignty and/or their interests. In conclusion, Romania's pre-accession process showed that Romania's post-accession process would be as difficult as previous one. In this respect, the next chapter is interested in the EU's evaluation of Romania's progress after the negotiation process ended and the impact of the Romanian membership on both the EU and Romania.

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<sup>131</sup> Eurobarometer 64, *Public Opinion in the European Union*, 2005

<sup>132</sup> Weinstein, *op. cit.*, p.3

<sup>133</sup> Orban, "Romania's Accession Negotiations with the EU: A Chief Negotiator's Perspective", p.91

## CHAPTER 5

### ROMANIA'S EU INTEGRATION PROCESS BETWEEN 2005 – 2007

Although the accession negotiation of Romania ended in 2004, the EU did not still believe that Romania fulfilled the EU's obligations to become a member of the EU. Therefore, the EU decided to monitor Romania closely. In this respect, firstly, this chapter makes an analysis of the 2005 and 2006 Monitoring Report in order to indicate the progress made by Romania. Secondly, this chapter focuses on the impact of the Romanian membership on both the EU and Romania.

#### 5.1 EU's Evaluation of Romania's Progress

To understand the real obstacles confronting the Romanian membership of the EU, the monitoring reports of the EU have been crucial because they clearly show that Romania has not been ready to take the membership responsibilities. It was adversely affected by the conditions inherited from the Communist period.

##### 5.1.1 The 2005 Comprehensive Monitoring Report

On 25 April 2005, Bulgaria and Romania signed the Treaty of Accession. Both countries joined the EU on 1 January 2007. However, when they signed the Accession Treaty, their full preparations for the EU accession had not yet been completed. Therefore, the Commission was continuously monitoring the Bulgaria's and Romania's progress as a response to a request expressed by the European Council. In this sense, the Monitoring Reports were crucial because they gave the latest findings about the situation. The overall aim of these reports was to indicate to Romania and Bulgaria, to the Member states and to the public a detailed and accurate state of play of Romania's and Bulgaria's preparations.<sup>134</sup> The issues presented in the

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<sup>134</sup> Olli Renn "Romania's work programme up to accession in the light of monitoring Report" EU-Romania Joint Parliamentary Committee, Speech/05/715,2005, p.1

reports should be taken very seriously and used as an incentive for speeding up the reforms.

The 2005 Comprehensive Monitoring Report confirmed that Romania has made undeniable progress since 2004 in every area. As regards the political criteria, the Report concludes that Romania had taken decisive steps to further reform the justice system, freedom of expression, integration of minorities, child protection and property restitution in Romania. However, a number of shortcomings had still existed.

The 2005 Report highlighted the areas where urgent efforts were needed if Romania was able to be ready to join on 1 January 2007. Romania should reinforce the public administration at both regional and local levels. Romania needed to improve its accountability, reliability, coordination among and within institutions. Romania should also pursue the reform of justice system towards more independence and transparency. Corruption was still a problem which affected the confidence in the public administration and judiciary. It prevented the proper implementation of the *acquis* and it threatened the internal market, functioning of the EU policies and EU funded programmes. Moreover, the adaption and enforcement of the rule of law is a precondition for EU membership.<sup>135</sup>

As regards the economic criteria, the 2005 Report indicates that Romania has continued to be a functioning market economy. It made considerable progress in the privatisation of state-owned enterprises and improvement of financial discipline in Romania. Nevertheless, it needed to vigorously implement its structural reform programme. The slowdown in disinflation and the widening external imbalances called for continued attention. Moreover, further efforts should be pursued to strengthen the revenue base of the government and further attention should be paid to the public deficit.

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<sup>135</sup> “*Comprehensive Monitoring Report on the State of Preparedness for EU membership of Bulgaria and Romania*”, 2005

There were areas where Romania should take immediate action to be ready the envisaged date of the accession. Romania should use properly the EU funds upon accession. It meant that Romania needed to secure the proper functioning of its paying agencies and Integrated Administration and Control System particularly as regards agriculture. Romania run the risk that its farmers will not have access to payments under the Common Agriculture Policy. Furthermore, there were some shortcomings in the functioning of internal market. The adoption and implementation of the necessary veterinary legislation was urgently required in Romania because the situation threatened the safety of whole food chain in the enlarged EU. Romania also had to prove its ability to contribute to the security of the EU by ensuring full compliance with EU external border requirements and procedures and by eradicating corruption.<sup>136</sup>

The report also mentions the progress regarding some of the *acquis* chapters such as the freedom of persons, freedom to provide services, free movement of capital, competition policy concerning the anti-trust policies and the energy issue. However, the report concludes that some problems still existed in the *acquis* chapters relating to capital movement, company law, transport, energy, statistics, economic and monetary union, industrial policy, small and medium sized enterprises, science and research, education and training, external relations, common foreign and security policy and EU budgetary provisions. Therefore, Romania had to step up its efforts not only adopting the *acquis* but also implementing on the ground in order to integrate itself smoothly into the EU.<sup>137</sup>

The Commission acts as a guardian of the treaties and applies precautionary principles. It has to prevent or remedy possible issues which affect negatively the functioning of the EU if the countries are insufficiently prepared. In this sense, Commission has continued its various monitoring activities until the accession. After the adaptation of 2005 Monitoring Report, Commission sent warning letters to

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<sup>136</sup> *Ibid.*, p.7

<sup>137</sup> *Ibid.*, p.5

Romanian authorities and launched a series of peer reviews to remove the outstanding issues identified in the report until the next monitoring reports in 2006.

If Romanian authorities could not have undertaken the necessary remedial action, the Commission might have recommended that the Council postponed the accession of Romania until 1 January 2008. However, it had been premature to say whether the Commission should have recommended using the safeguard clauses when the 2005 Report was adopted. According to the Romanian authorities, Romania had still chance to make major improvements in the coming months to cross the finishing lines. However, most importantly, postponement clause had been a real danger both for Romania and for the EU. It would have caused great technical and political frustrations in Romania. It might have also created domestic uncertainty and increased regional instability for the EU.<sup>138</sup> Thus, the EU did not use the postponement clause.

The Commission had some suspicions about the failure of the implementation part of the Acquis even after the accession. It was aware of the reality that this situation would affect not only the citizens and companies of Romania but also other member states of the EU. Therefore, the Commission had to protect particularly the member states from the negative cross-border effects so it created three safeguard clauses which have been valid until three years after accession.

In sum, it is needed to read the 2005 Monitoring Report as a whole, not in part. The overall message of the report has been that on the one hand, Romania has made good progress in several areas. On the other hand, the progress made by Romania has not been enough to become a member. There will be still lots of work to do. In this sense, the EU had to take precautions to protect itself. It threatened Romania with the safeguard clauses even if some of them, particularly postponement clause may not be applicable.

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<sup>138</sup> Alexandru, *op. cit.*, p.24

### 5.1.2 The 2006 Monitoring Reports

The Commission released the first monitoring report of 2006 on 16 May 2006. The tension rose to the maximum in Romania and Bulgaria because they thought that this report was released with a final recommendation on activating or not the postponement clause. However, the Commission did not overtly state the concrete date of accession. It postponed the decision until the end of 2006. Thus, it might keep the maximum leverage power over the acceding states. This decision certainly pleased the member states and European Parliament. Moreover, some member states like Germany declared that they would postpone the ratification process of the Accession Treaty until the final recommendation of the Commission. In addition, the Commission could gain some time to innovate the new post-accession conditional elements.<sup>139</sup>

In May Report, the Commission excluded the fighting against corruption from the list of the issues to be resolved without delay. Romania made progress in fighting corruption by launching investigations into a considerable number of high-level corruption cases at the level of government parties and political opposition. 14 cases from the opposition and the ruling coalition parties have been investigated by the National Anti-Corruption Directorate. The same department has indicted 89 other persons, including judges, lawyers, police officers, a number of public officials with executive positions in the national and regional administrations as well as directors in private enterprises.<sup>140</sup> However, Romania still needed to continue its efforts and to demonstrate further results in fight against corruption, particularly in terms of further investigations and subsequent judicial proceedings. In addition, an impartial, independent and effective justice system was crucial to fight against corruption and organized crime because it underpinned the functioning of whole society and economy.<sup>141</sup> Moreover, the civil service status was revised and decentralisation

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<sup>139</sup> Jora, *op. cit.*, p.14

<sup>140</sup> Alexandru, *op. cit.*, p.25

<sup>141</sup> “*Monitoring Report on the State of Preparedness for EU membership of Bulgaria and Romania*”, May 2006

legislation was adopted in terms of the public administration reform. Romania has made significant progress in the area of child protection. However, the national strategy for the disabled and mentally ill policy initiatives needed to be implemented. Additionally, the conditions of prisons needed to be improved. Additional efforts were also needed to combat racism, discrimination and all form of intolerance.

Regarding the economic conditions, progress continued since October 2005. However, there were still problems. The country had to improve its capacity to collect the taxes from its own taxpayers and to work with the tax authorities in other Member States. Moreover, Romania needed to show its capacity to spend the funds provided by European tax payers properly.<sup>142</sup> Furthermore, restructuring of the energy, mining and transport sectors must be continued. Privatization programme must be advanced. There was also a need for more appropriate fiscal monetary and wage policies.

Since the October 2005 Report, the Commission concluded that Romania decreased the areas of serious concern or red-flag areas from fourteen to four. Firstly, Romania had to consolidate the institutional infrastructure which allowed it to give the rural population the financial support under the EU's Common Agricultural Policy whose payments represent a significant part of the EU budget. In this sense, Romania needed fully operational paying agencies which handle direct payments for farmers. Secondly, Romania also needed proper integrated administration and control system in agriculture. Romania must guarantee the proper spending of agricultural funds. Thirdly, regarding food safety, treatment facilities in line with the EU acquis on TSE and animal by products were named crucial issues. Food products must fully respect to all the EU requirements. Finally, Romania must advance the inter-operable tax administration IT for the proper collection of VAT which is part of the EU budget so it is crucial for the financial interests of the Union.<sup>143</sup>

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<sup>142</sup> Jonathan Scheele, "Statement of Jonathan Scheele, Head of the EC Delegation in Romania on the Monitoring Report", 16 May 2006, p.1

<sup>143</sup> Alexandru, *op. cit.*, p.25

Although Romanians believed that they did their best to prove how determined they were so they deserved a good hug and welcome from the EU, EU's hug was less warm than they expected. The May Report could neither recommend a definite accession date nor formulate a clear proposal for Romania to become a member of the EU on January 2007. Some sceptic member states discouraged the Commission to give an accession date before the European Council in June. In this sense, the September Report was adopted as a means to convince the European sceptics that two countries are strictly monitored. It meant that the external factors were more responsible than the internal ones for the postponement of a certain date for Romania's accession.

The tendency to perpetuate Romania and Bulgaria with this uncertainty until the end of 2006 might have caused budgetary and political difficulties. For instance, the most important risk just after adoption of May Report was that Tariceanu would have been ousted by a parliamentary no-confidence vote. New political situation had seen as wasted time and energy by the European officials. Therefore the government should have negotiated with the opponents in the important areas highlighted by the EU in order to prevent the government's ousting and to promote sustainable reforms. Moreover, Romania had needed to use intense lobby particularly in the sceptical states, targeting the business environment, civil society and political opposition in order to stress the country's preparedness for accession on 1 January 2007. Romania needed an influential lobbying strategy instead of the official visits on requests and promises.<sup>144</sup>

The Commission adopted its final monitoring report on the preparedness of Bulgaria and Romania for the EU membership on 1 January 2007 in September. It mentioned the progress made by Romania and Bulgaria since the May Report. In terms of fight against high-level corruption, two national campaigns have started to demonstrate the negative consequences of corruption to the public and civil servants. There should be two main challenges about the corruption until the accession. The

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<sup>144</sup> Alina Mungiu Pippidi "Europe Pushes Romania into Uncertainty: What Can We Do?" *Policy Warning Report 19*, 2006, p.1-4

first is to provide the sustainability of the cases into high level corruption and the second is to perceive no one above the law. In terms of fight against the corruption, Romania made tangible progress but it still needed to ensure more consistent interpretation and application of the law. The progress made in these two areas was crucial for the Commission. Romania must solve the outstanding issues, if not; the Commission would apply the safeguard measures of the Accession Treaty.

Besides that agriculture and food safety had priority until the accession. The Commission did not believe that Romania could manage and distribute properly the majority of EU agricultural funds. In this sense, any shortcomings may delay the disbursement of funds because the Commission saw itself as a protector of the interests of the EU and EU taxpayer's money. Moreover, financial corrections can take place if individual and systemic irregularities are found during the regular controls.

The September Report gave a definite accession date for Romania and Bulgaria and it identified the issues which required more efforts in four months until accession. The Commission repeated that it was very strict about the application of safeguard measures to protect the stability of the Union and the peace of its citizens. However, for the EU, it was too late to show this kind of a determination about Romania's accession because it already gave the accession date.<sup>145</sup> In this respect the next section concerns with the effects of the Romanian membership for both the EU and Romania.

## **5.2 The Envisaged Post-Accession Challenges**

Even though the Romanian accession was very hard and slow pace process, Romania became a member of the EU on 1 January 2007. Henceforth, it is important to find out how the Romanian membership influences the development of the EU and its own progress.

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<sup>145</sup> Scheele, *op. cit.*, p.1

### 5.2.1 The Impact of the Romanian Accession on the EU

It is obvious that Romania made lots of reforms to comply with the EU's rules and norms but the implementation is still insufficient. In this respect, the EU should not expect from Romania a rapid push for rapid internal transformation even after its accession. Besides Romania, EU should reform its own institutions to retain its capacity to function effectively while pursuing an enlargement agenda which is designed to meet the challenges of next enlargements. It means widening of the EU should go ahead with the deepening of the European integration.

Romania has some interests, aspirations and policies about the future of the EU and now it is able to influence the EU's policies as a member. Romania see the EU as a prosperous free market and vibrant economy. However, for Romania, EU is first and foremost a political project. Romanian authorities are in favour of a federal Europe. They support common foreign, security and defence policy. They believe that Europe should establish a European defence identity and develop its own military technologies without undermining transatlantic cooperation. Romanian people show their loyalty towards the EU particularly due to the their expectations of prosperity, security, freedom and dignity. In this respect, according to them, if the EU fails to enhance these expectations, the integration as a political project will fail.<sup>146</sup>

Both Romania and the EU have vital interest in a friendly, democratic, stable and prosperous neighbourhood for the EU. The EU wants to expand its power domain to become a global actor. In this sense, Romania's role is crucial to enhance EU's relations with its neighbours. Romania is located in a very strategic global communication corridor that connects it with the Atlantic- via the Danube, Main and Rhine Rivers- and through the Black Sea with the Mediterranean Sea and further through the Caucasus, the Caspian Sea. From this perspective, Romania is responsible for consolidating the EU's values in its neighbourhood.

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<sup>146</sup> Severin, *op. cit.*, p.107

The EU has two new neighbours after the Romanian membership: the Republic of Moldova and the Black Sea. As regards the Republic of Moldova, Romania aims to engage this country into an meaningful and beneficial cooperation with the EU. Romania's direct involvement in the European security cooperation may also help the solution of the Transnistrian conflict and the development of the stability and security of the entire region.<sup>147</sup> As regards the Black Sea region, Romania will play an important role in the definition and direct involvement of the EU in this region. The Black Sea region becomes a new competition area among the great powers: Russia, U.S. and Europe. They are struggling for the influence in the region because it is an energy-rich crucial area connecting the Balkans with the Caucasus and the East Central Europe with Turkey. The Black Sea Region is particularly vital for European energy acquisition. The EU countries import 50 percent of their energy and they are projected to import 70 percent of it in 2020. It means the Black Sea Region will be a vital link to transport Caspian resources to the West. Therefore, EU considers Romania as a key state to realize its interests in the region.<sup>148</sup>

There are also some policy priorities supported by Romania after its accession. First, it expressed the need of a single European border police accompanied by a joint financing instrument. Second, Romanian authorities supported to harmonize national, economic and social policies on a federal basis. In this respect, they propose an idea of a European Minister for the Economy and a European Minister for Financial and Social Affairs. Third, Romanian officials ask for a common economic and tax policy for an effective function of the internal market and monetary union. Fourth, they are in favour of the establishment of a European Foreign Minister for the EU's external relations. Fifth, Romania expects to consolidate the transatlantic partnership in all its aspects. It mentions two equal partners supporting and respecting each other to confront the challenges of globalisation.<sup>149</sup>

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<sup>147</sup> Mihai-Razvan Ungureanu, "Romania and the European Union: A Win-Win Scenario", London School of Economics, 30 October 2006, p.3

<sup>148</sup> Mustafa Aydın, "Europe's Next Shore: The Black Sea Region After EU Enlargement", *Institute for Security Studies*, Occasional Papers, No 53, June 2004, p.9

<sup>149</sup> Ungureanu, *op. cit.*, p. 2

As regards Romania as a member, it is the biggest among the small and the smallest among the big EU member states. In this context, Romania believes that the adoption of the decisions by unanimity is not an effective and feasible way for the weaker members. Hence, Romania is in favour of the extension of qualified majority voting (QMV) because it thinks that majorities should decide rather than minorities block a decision. Moreover, Romania supported the increase of the roles of the Commission and the Parliament in order to give them the capacity to enhance common European interests. According to Romanian authorities, the last enlargement and the next enlargements not only influence the EU's own reform process but also re-find the EU. From this perspective, they perceived Romania as a new founding member of the new EU.<sup>150</sup> However, The EU is still afraid of Romanian membership even after the accession due to its insufficient preparation for the EU membership. Therefore, Romania has not enough power yet to shape the future of the EU.

Not only the consequences of enlargement process but also new global order require a more efficient management of the EU member states' common interests. The EU with more member states has to deepen its own development while pursuing the enlargement agenda. Within such a context, institutional and policy reform is needed to better harmonize and coordinate the decision-making procedures of the enlarged EU.

As regards the institutional arrangements, ten new member states that joined in 2004 and Bulgaria and Romania that joined in 2007 are based on the Nice Treaty which provides rules for up to 27 member states. This treaty condition is that when the EU has 27 members, the members of the Commission shall be less than the number of member states. Moreover, the number of the members of the Commission shall be set by the Council, acting unanimously. The Council would also adopt the implementing arrangements for a rotation system based on the principle of equality. However, the Nice Treaty does not ensure any arrangements for the functioning of the other institutions for a union more than 27 member states. Therefore, before any

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<sup>150</sup> Severin, *op. cit.*, p.112

further enlargement, the EU will have to decide on the scope and substance of those institutional reforms.<sup>151</sup>

As regards the policy reform, particularly the membership of Romania as corrupt, economically poor and laggard country indicates that EU needs to carefully assess the EU budget throughout the accession process of candidate states. From this perspective, the Commission needs to estimate the budgetary impact of the membership and propose a package of necessary financial measures.<sup>152</sup> In this respect, from 1 January 2007, the Commission will use a new financial tool for promoting reform and alignment with the Acquis, the Instrument of Pre-Accession (IPA). Phare, Cards, Ispa and Sapard were entirely replaced by this new instrument. The Western Balkans and Turkey will benefit from almost 11,5 billion Euro over the next seven years. Furthermore, EU needs to be close to the public of candidate countries to provide its democratic legitimacy and the support of the citizens. It is essential to safeguard this support to maintain the strict conditionality. If not; the conditionality becomes superficial for the needs and expectations of the citizens so an unreformed country like Romania becomes a member of the EU. Therefore, Romania supported the principle of the dual nature and dual legitimacy of the EU as a union of states and a union of citizens.<sup>153</sup>

Romanian experience provides a number of lessons for the EU. Most importantly, the EU understands that it may not protect itself from the consequences of taking an unreformed Romania. It has to accept its responsibility for such a failure and it has to change its approach towards the enlargement process to overcome the enlargement fatigue. EU needs more inspired approach in the Western Balkans where there are unresolved ethnic conflicts and a growing security threat to Western Europe.

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<sup>151</sup> Commission of the European Communities, “Enlargement *Strategy and Main Challenges 2006-2007*”, Brussels, 2006

<sup>152</sup> *Ibid.*, p.20

<sup>153</sup> Severin, *op. cit.*, p.111

The EU must be convinced by the Western Balkans countries that domestic reforms do not look good only on paper but also have real impact on the governance of the future member states.<sup>154</sup> Furthermore, these countries need to be ready for a long pre-accession process. Henceforth, EU will refrain from setting a target accession dates until the accession negotiations are close to the completion. The completion of the accession negotiation should depend on the progress made by the country itself. Moreover, EU emphasizes that the new candidate countries need to give priority to the issues such as judicial reform, the fight against corruption and organized crime and to tackle with them at early stage. Additionally, the EU underlines the need for sustained reforms in the public administration. Giving priorities to these issues is to the benefit of the country as a whole. Candidate country may continue its accession process effectively if it can firstly reform these issues. However, most importantly, EU has to guide the new candidate countries properly during all the accession process to take a well reformed country in as a member. If not; the candidate country may become a member with tough conditions like Romania. This situation can affect bilateral relations and the internal functioning of both sides negatively.<sup>155</sup>

### **5.2.2 The Impact of the Romanian Accession on the Romania's Transition**

Romania still has difficulties even after its accession to the EU particularly due to the obvious differences that exist in the level of economic, social and political development between itself and the EU. Although Romania tried to reduce the differences prior to accession and eradicate the impact of the Communist period, it did not completely succeed in it. Romania still needs the political stability and government's willingness to further implement the EU norms. This was essential for the advancement of the reforms as an EU member after 2007.

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<sup>154</sup> Noutcheva, op.cit., p.3

<sup>155</sup> Tom Gallagher, "*The EU Looks to the South East: The Mishandling of Romania's Accession and Its Implication for Turkey and Western Balkans*", University of Toronto, 17 March 2006, p.2

Romania has expected some benefits as consequence of the EU membership. It is believed by some Romanian officials that as a result of the pressure of the single market and the higher EU standards, Romania ensures a genuine competition environment and increases the competitiveness of domestic products. An increase is also expected in the productivity gains, technology transfers, specialization in certain industries and higher level of consumer and environmental protection. Moreover, as an EU member state, Romania will receive almost 10.5 billion euro in three years following the accession from the structural funds and common agricultural policy. Romanians expected that these funds will be used for structural operations, rural development, agricultural market measures and direct payments to the farmers. Romania also has a transition facility, almost 50 million euro for the first year of its accession to strengthen its capacity to enforce EU rules. There is one more facility, Schengen facility to help Romania between the date of the accession and the end of 2009 to finance the implementation of Schengen acquis and external border control.

There will be also some negative consequences of the membership especially for the small companies. If they want to survive in a competitive environment, they need to restructure themselves and improve their technologies. The enforcement of EU's strict rules on competition, public procurement, the movement of capital and intellectual property rights eliminate the weak and consolidate the power of the strong.<sup>156</sup>

The administrative and judicial reform and the implementation of the Acquis are also crucial for the post-accession period. The EU still requires from Romania immediate and decisive action to implement the obligations. The economic situation in Romania is a big challenge for accession because Romania does not have efficient institutions and proper norms and policies to fulfill the standards of market economy. Therefore, it has been behind the EU member states. Romania can overcome the major gap existing between the EU and itself whether it provides full independence of the judicial system, effective border control, competence of the economy, environment protection, etc. All of these are sensitive matters that may influence the

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<sup>156</sup> Comanescu, *op. cit.*, p.99

relations between Romania and the EU after its accession. If the EU doubts Romania is inefficient in fighting corruption, organized crime and implementing the rule of law, member states can decide on taking measures against Romanian government and this will be politically and economically costly for Romanian government and Romanian public even after the accession.<sup>157</sup>

Political situation in Romania after its accession is complicated due to the bad relations between Romanian President Basescu and Prime Minister Tariceanu. They turned from close allies to enemies. On the one hand, Basescu accused Tariceanu and the parliament of stopping the fight against corruption in order to protect business interests.<sup>158</sup> On the other hand, Tariceanu repeatedly accused Basescu due to his interference in the government's business. According to him, Basescu violated the constitution by attaching the role of Tariceanu and criticising the courts. Although the constitutional court decided that Basescu did not break the law, the parliament suspended him. Therefore, a referendum took place in May 19. The voters showed their trust to Basescu with this referendum. The referendum also indicated that Romanian people back the reforms. However, they believe that they may not gain benefits from the EU membership because of the continuous political disputes and slow moves towards reforms. The EU welcomed referendum's outcome but added the importance of the continuation of the reforms needed, especially in the areas of judiciary and fight against corruption. The EU criticized Romanian government due to the political disputes threatened to the implementation of critical reforms. Additionally, European officials believe that the referendum's results will not stop the ongoing political crisis. Only a general election can calm the situation.

On 1 January 2007, Romania became a part of the EU-27 multiplayer game.<sup>159</sup> Now, it is the full participant of EU institutions so it can deal with the challenges of globalization in a much better way. However, there are lots of issues still

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<sup>157</sup> Noutcheva, *op. cit.*, p.3

<sup>158</sup> Dimitar Bechev, "Bulgaria and Romania: EU Entry May Be Tempered", *Transitions Online*, 2006, p.3

<sup>159</sup> Comanescu, *op. cit.*, p.100

unreformed. Romania needs to work on them very seriously in a calm political environment to protect its internal stability. If not; EU can decide to implement the safeguard measures on Romania so the dreams about its membership will turn into the nightmares because it may not secure itself from the effects of tough conditions. In brief, to continue the reform process of Romania within the EU will not be an easy process.

## CHAPTER 6

### CONCLUSION

The main objective of this thesis is to analyse why the EU accepted Romania as a member although Romania could not adopt the EU's norms and rules in its domestic politics due to the ongoing impact of the Communist heritage. In this sense, firstly, the thesis aimed to outline the nature of the political and economic situation in Romania during and after the Communist period. Secondly, it is concerned with the evolution of the relationship between Romania and the EU with the aim of presenting how this relationship affected the economic and political transformation of Romania in its Europeanization process. In this respect, it aimed to provide an analysis of the appropriateness and the applicability of the EU strategy and conditionality for the Romanian transition. Thirdly, it focused on the mutual expectations and problems during this process. Finally, it intended to make an analysis of the impact of the Romanian membership on both sides.

As I mentioned in the previous chapters, the influence of the Communist heritage on the Romanian transition was irrefutable because the regime of the Nicolae Ceausescu was the most totalitarian system in the Communist Eastern Europe. Initially, Ceausescu tried to be close to the West in order to provide financial support for the heavy industry. However, later, he perceived the West as a threat to the Romanian autonomy due to the debt and deficit incurred from the trade with the West. His self-sufficiency policies, the centralised and rigidly planned economy, human rights violation and undemocratic nature of the Romanian politics isolated Romania from the world. All the protests against Ceausescu's anachronistic policies were always suppressed violently. Therefore, the Romanian people had to live under oppression during his regime.

The West thought that the collapse of communism and the execution of Ceausescu opened the path of democracy and market economy for Romania. However, the effects of communist regime, particularly Ceausescu's dictatorship were not erased in a flash. The governments after the revolution tried to survive the

authoritarian elements of communist period. The former Communist leaders had mostly lacked the vision, will and capabilities to undertake painful structural reforms and to implement a genuinely democratic course in Romania. Therefore, Romania was not moving in the direction of West.

Ion Iliescu and the NSF which won the parliamentary election in 1990 tried to perpetuate the Communist elements in the Romanian body politic. They supported the nationalist tendency and reluctance to the political and socio-economic reform process in order to continue the Romanian Communist past. The Romanian people who were afraid of the impact of the market driven economy also saw Iliescu and the NSF as an alternative to the Ceausescu regime. Thus, the Communist heritage was still powerful after the Revolution in 1989 particularly due to the misbalance of power among the parties, weakened and divided opposition, highly partisan politics, absence of check and balances mechanism and strongly nationalist political culture. Moreover, the violence derived from the Communist past constituted a major obstacle on the road to a democratic change.

However, Romanian former Communist neighbouring countries began to make the overtures to the West. They tried to adopt the key elements of the democratic countries such as pluralism, political competition, parliamentary election, etc. While the other CEE countries provided their economic and political stability, Romania had deep economic crisis and political instability in the early 1990s because of the impact of the Communist period. Iliescu still defended the Ceausescu's policies against the outside interference. In this respect, the West, especially the EU, regarded Romania as too distant to serious consideration. It introduced Romania's status as a laggard country in the European integration process because it believed that it was very hard to eradicate the Communist heritage in Romania. Therefore, the internal and external support for the NSF and Iliescu's regime decreased.

Although Iliescu made some policy changes to gain the support of the West, Romania's reform process improved with the installation of more reform-minded government in the 1996 election. The government regarded the EU as a promise of security and prosperity for the Romanian people. This government also understood

that the Europeanization process was a demanding process necessitating considerable and often painful domestic reforms in Romania. However, Romania did not still have the capacity to continue this transition process during the 1996 government, too. This government did not involve the talented people who were in touch with the immense problems of the Romanian society. There were also difficulties in attaining the consensus and the coordination for the reform of the national institutions and economy. Therefore, reform implementation process remained slow pace in Romania compared to the other CEE countries.

However, the EU did not break the ties with Romania because Romania was important for the EU to ensure the stability of the South East Europe after the disintegration of Yugoslavia. Moreover, the disintegration of USSR also threatened the security of European states. Additionally, for logistical reasons, the EU needed to deepen its ties with Romania. In this respect, the EU could ensure peace and security within the Union and become a political power in the global world and the regional power in its neighbourhood. Moreover, to include all the CEE countries within the EU might provide the consolidation of the EU's values. However, the most crucial factor of the Romanian inclusion to the EU was the Kosovo War. EU realized the importance of the self defense capacity instead of relying the American leadership on this issue. Therefore, the EU strengthened its ties with Romania.

The EU always stressed that Romania needed much reforms as a laggard country of the Eastern enlargement. Its Europeanization process worked more slowly and less efficiently due to its weak rule of law, high level of corruption, insufficient judiciary and administrative capacity, inefficient democratic norms and macroeconomic instability which were mostly derived from its Communist past. There were also significant ethnic struggles accompanied by a lack of strong democratic and capitalist traditions. In this sense, Romania needed to meet the EU conditionality as the explicit requirement of the EU membership. However, while the EU conditionality helped Romania to experience economic growth and make some progress in political field, it was extremely difficult for Romania to meet the EU's immensely demanding political, economic and social conditionality.

Despite the progress made by Romania in recent years, the EU was ineffectual to compose long-term strategy for Romanian particular problems. Its very demanding conditionality was mostly unrelated to the needs and expectations of the Romanian people because EU determined the content of conditionality considering its priorities. Therefore, EU did not guide Romania in a meaningful way. It did not establish two-sided and well defined relationship so Romania entered its accession process almost unprepared. Moreover, Romanian people lost their beliefs towards the reformist leaders and the sustainability of the reform agenda. They did not feel a part of the integration process. Thus, the EU weakened its own entry requirements and decreased its own leverage power in Romanian experience. It did not understand that it needed consensus among the political, economic and social elites and the citizens in the acceding countries to provide the efficiency of the EU conditionality. Romanian politicians also noticed that EU's norms and rules were to be broken because there were no transparent criteria for the entry. Therefore, as my thesis argues, many key reforms of Romania existed only on paper due to the limited nature of the EU conditionality so the EU did not achieve to eradicate the Communist heritage in Romania.

The 2000 election could not replace the heirs of the former Communist regime by pro-European politicians. Iliescu and his party PSD won again the power. Within such a context, when Romania began the accession negotiation with the EU in 2000, Romanian politics was still dominated by the successor of the Communist party. Moreover, the former Communist elites still benefited from the Communist heritage. They continued to make money from the privatization of the state industries and kept control over the impoverished peasantry. Their interests were also effectively integrated in the policy making process of Romania.

Besides these, Iliescu and Nastase opened the Romanian market to the multinational firms. These firms were financing the major parties in the core of the EU states so the former Communist leaders could build up an effective lobby in Brussels for the Romanian membership to the EU. Therefore, they did not give enough importance to the negotiation process of Romania because the EU's internal support might anyway accelerate this process.

Although Romania succeeded in realizing some reforms during its accession negotiation process, they were not up to the EU level. Besides the Romania's mental resistance to change, the EU became more concerned with maintaining the timeline rather than continuing the real reform and strengthening the democracy in Romania. The inability of the EU in this process both threatened the EU's own internal functioning and sent a wrong message for the other candidates and non-candidate countries. Hence, the EU which decided to continue the Europeanization process of Romania within its framework took the precautions, called as safeguard measures, to protect itself from the consequences of taking an unreformed Romania, to increase its leverage power again and to convince the sceptic member states. Within such a context, Romania should be ready to be closely monitored in compliance with the requirements of the membership after it joins. If Romania fails to implement the necessary reforms, it may easily feel the effects of the exclusion from the EU. It can also feel as a second class member.

After the accession negotiation ended, the EU continued to monitor Romania closely with its Monitoring Reports. The EU did not use these reports to guide Romania properly. It used them to keep the maximum leverage power over Romania and to gain some time to innovate the new post-accession conditional elements. These reports were also adopted as a means to convince the EU's sceptic states that two countries were strictly monitored.

Despite a hesitant start to the process, Romania succeeded in becoming a member of the EU in January 2007. Accession to the EU is a significant political step for Romania because after the Council of Europe and NATO membership, EU membership is seen as a confirmation of country's "Europeanness". However, membership will not be an easy ride for both Romania and the EU. The period to come after Romania's accession is crucial for Romania to catch up with the EU reforms. It still needs to provide full independence of judicial system, effective border control, economic stability, and rule of law. Moreover, if member states believe that Romania is inefficient in fighting against corruption and organized crime, safeguard clauses can be implemented against Romania and this will be both politically and economically costly for Romania after its accession. Moreover,

Romanian government has to settle the political disputes which threaten the implementataion of critical reforms.

To this end, Romanian case has been particularly crucial. For the first time, a politically and economically unreformed country is accepted as a member under conditions. The EU was not able to complete the transition process of Romania outside the EU so Romania becomes a member officially but with many safeguard clauses and threats. The EU needs to protect its members from the impact of the Communist heritage in Romania. Within such a context, EU should understand that it needs to change its approach towards other problematic countries such as Western Balkans. It has to adopt more inspired approach. It needs to guide the new candidate countries in more meaningful and appropriate way. It should show their priorities which is needed to tackle at early stage of accession process. Additionally, EU should give enough time to the candidate countries for their reform process if it expects that the reforms do not look good only on paper but they have real impact on political and economic situation. As a conclusion, the most important fact that the EU and Romania as a conditional member of the EU should see that meeting the post-accession challenges will not be as smooth as many people have hoped.

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