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POLITICAL AND CULTURAL HISTORY:  
**THOUGHT AND PRACTICE**

## ORIGINAL PAPER

**Aurel PIȚURCĂ**

### Communism and political elites

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**Abstract:** *The study Communism and political elites is an attempt to approach political power within the communist regime from the perspective of elite theory. For a better understanding of the issue, the study makes a short review of elite theory, especially of Vilfredo Pareto and Gaetano Mosca, thus creating the fundament for the presence of elites in every social-political formation, including socialism. An important segment within the study is allocated to the working class elite theory, having Robert Michels at the center. Although Robert Michels' theory aimed at the working class in capitalism, his theory is also valid for the analysis of political elitism in socialism. At the same time, the study analyses the manner in which elite theory is found in socialism, starting with the moment of the installment of communist power, continuing with the communist period and ending with the post-communist moment.*

**Key words:** *elite, communist political elite, communist nomenclature, communism, elite circulation.*

The elite theme was and continues to be a much debated theme in political sciences, in the system of philosophical, sociological, juridical, estetical and moral thought. Elites were constituted and established in all social formations, fields and segments of social life. There are as many types of elites as the fields of activity. According to Vilfredo Pareto "elites have nothing in absolute; there can be an aristocracy of saints, an aristocracy of brigands"<sup>1</sup>. Along time different types of elites were established within the social structure: the aristocracy, nobility as social elites. We can speak today of a technocratic, artistic, cultural, administrative, political, sports elite. Among all these types of elites, the political elite has imposed itself as a constant of social life. It was present since the antiquity, monarchical government and aristocracy being its most representative components. Established in the space of power, of government, one finds political elites in the entire route of history. Talking about the power-political elite relationship, G. Porry asserted "it is no less true that the tendency of concentrating power and responsibility in the hands of a minority is one with absolute general applicability"<sup>2</sup>.

Politics, power are the fields of which the presence and action of political elite is linked. According to Max Weber, "making politics thus means, for us, striving to participate to power or striving to influence the distribution of power"<sup>3</sup>.

Not all the population within one society has the same call, attraction towards politics as it requires knowledge, abilities and vocation. Those who make politics must make proof of some qualities, they must have the power to impose themselves in the management of public affairs. To put it differently, they must form an elite. Referring to the population-political elite relation, Vilfredo Pareto said: "the population is divided in two strata, the inferior one, a stranger to the elite, and the superior one, the elite". The elite itself is not unitary in relation to power, the government. The same V. Pareto appreciated "those who directly or indirectly play a notable role in government constitute the governmental elite. The rest forms the non-governmental elite"<sup>4</sup>.

On the unequal role of population in relation to power also writes Gaetano Mosca: "in all regulatory constituted societies within which there are what we call government, we do not see only the manner in which its authority is exercised in the name of the people, of a dominant aristocracy or of a sovereign...but we constantly find another thing; those in government, those who dispose of and exercise public powers, remain only a minority, under which lies a great number of persons who do not ever really participate in any way in government and do nothing but stand it"<sup>5</sup>.

In any society, political elite represents a minority, is distinct, and through the relation with power play a major role in its organization and leadership. It represents a group of people able and capable to make politics, having as supreme objective political power under all its aspects, to influence it, maintain it, but especially to conquer it.

Until the 18<sup>th</sup> century when one laid the foundations of modern democratism, the unequal division of power between the elite and masses was

considered something normal, just and regularly legitimated through the divinity. Masses had no role in the equation of power, were not even taken into account, being considered incapable of political creation and leadership, incapable to participate in taking or implementing decisions. Only during the 19<sup>th</sup> century with the affirmation of modern democracy appears the distinction between rulers and ruled, dominators and dominated, government-governed, or to put it differently, between political elites and the masses.

Imposing democracy especially in the contemporary period has raised the problem of (in)compatibility of the political elite. The specialists' opinions are divided. Many authors making appeal to the classical formula of defining democracy by the ancient Greeks, but also by the North-American president Abraham Lincoln as "government of the people, through the people, for the people", consider that within a democratic society there is no place for political elites, even proposing their elimination. On the contrary, others consider that democracy, in its classical form would be something ideatic, that in reality it is an institutional technique of elaborating and applying decisions and has to be understood and conceived in a strong relationship with the new requests and realities. Some of its fundamental principles themselves, as is that of equality, have to be reformulated.

Equality is a juridical principle, people are equal before the law, as regards their rights and social-political liberties, in education and training, in forming their career, in promotion. This does not mean that all people are the same. Nowhere and never did exist or will exist an egalitarian society, even if communists had it as final objective, seeing in it the ideal society they wished to accomplish. People have different roles, functions, positions, statuses within the society, class, social group or parties. These situations are determined by different degrees of training and education, by different intellectual, professional, organizational, managerial, rhetoric or career qualities, capacities. All leads us to the presence and acceptance of the elite. Elite and elitism did not avoid the working class. Although Marx in his writings has approached the problem of defining the class, especially from the perspective of the proletariat, and founded his entire theory on class struggle, he was not expressly preoccupied by the issue of the elites, as it would have raised the issue of its unity and homogeneity. Accepting the idea of the class struggle promoted by Marx, Vilfredo Pareto argues that it is not only a simple struggle between the proletariat and capitalists, but "we find it in an infinity of groups with different interests and, especially, among elites disputing power". Referring to the socialist movement, the same Pareto argued: "socialism facilitates the organization of elites who appear from the inferior class...it is one of the best instruments to educate these classes"<sup>6</sup>.

The problem of elites at the level of the working class was especially approached by Robert Michels. Fine connoisseur of the German and Italian social-democratic movement, Robert Michels has tried to apply Vilfredo Pareto and especially Gaetano Mosca's elite theory to the capitalist working class. Within the constitution of elites at the level of the working class, Robert

Michels starts from the need to organize it “only through organization the proletariat becomes a class capable of political resistance and social dignity... But who says organization says tendency towards oligarchy. Within the nature of this organization lies a profoundly aristocratic element”<sup>7</sup>.

Referring to a party or a union, the same Robert Michels was saying “the mechanism of organization gives it a solid structure and, at the same time, determines important changes at the level of the organized mass. The final effect of organization is the division of any party and of any professional union in a ruling minority and a ruled majority”<sup>8</sup>. The conclusion is only one: the organization of the working class leads to its division into a great non-political mass and a minority, that is the political elite.

Although Robert Michels in his study had in view the working class from the capitalist society, his theory is still valid in the case of the working class from the socialist society. For a long period of time the communist literature and its political leaders have denied the presence of political elites in socialism. The presence of the elite, especially of the political one, was contrary to the principle of socialist equality, generating social inequality and inequity, not conformal to socialist democracy. The elite, elitism were considered notions with negative, depreciative connotations even, conceived as a minority which would be contrary to the majority, fact which could not be accepted in communism.

Such an attitude was contrary to the social reality and eluded several essential principles of the social-political activity of the working class.

- The organization of the working class generates the presence of the political elite. Without organization the working class cannot accede to power, cannot influence or conquer it. “Organization – said Robert Michels – is the source that gives birth to the domination of the elected over the electorate, of the mandates over those who gave them the mandate, of the delegates over those who delegate them. He who says organization says oligarchy. Any party organization represents an oligarchic power supported by a democratic basis. All over we have electorate and elected. But all over we meet an almost endless power of the elected over the masses of those who elect them”<sup>9</sup>.

- No political action, and especially one that aims at the problem of power, of conquering it, as is the case of revolution, cannot be accomplished without a leadership, a political elite. In all situations the elite is synonymous to leadership. The communist revolution, like all revolutions, had as leading element a minority, that is a political elite. This elite is in great extent the product of the working movement, of its organization, but also a translation of some elements from within the old elite which led to communist ideals, it is the so-called converted elite.

- Any radical revolutionary change, as was the one accomplished by the communist revolution, ends the domination of the old elite and brings to power a new elite, a fact valid to communism as well. Even from the moment of the installment of the communist power we deal with the

political elite. All societies along history was led by minorities, by elites, socialism was no exception. Gaining and exercising power would give birth to the government elite. At its beginnings, the communist political elite being in power had its legitimacy into politics, materialized through its attachment towards the communist values, principles and ideology.

What did matter were not professional, intellectual or managerial qualities, but the attachment, loyalty towards communist power. The new communist elite formed was in great extent constituted by mediocre people, many of them having no knowledge about politics or social organization and leadership, at most they disposed of some native, general aptitudes which allowed them to be included in the decision-making process or in forming some forecasts.

The communist elite itself is not homogeneous either, inside it we would distinguish a governing elite, very restricted, given by the supreme party and state organs which would constitute power. The forms communist elitist power takes differ from one party to another, in Romania that was given by the Secretariat and Political Bureau of the Communist Party. To this central communist nomenclature, which is regularly the name for the political elite, one must add the party and state political organisms in the territory. These, in relation to the great mass of party members, with the working class, to which base communists made appeal to, represented a minority, a political elite. To it one would add, in a small extent, some elements from the old political elite, as was the case in Romania: Ion Gh. Maurer, prof. C.I. Parhon, prof. Miron Constantinescu, the writer Mihail Sadoveanu etc.

To this elite in power one would add the non-governing elite formed from party members, the second rows in power, those who would support communist politically and ideologically. They are not directly involved in governance, some of them do not hold positions anywhere but in the party, are the so-called party activists met in great numbers, especially at the beginning of communism. In such a situation was the Central Committee of the Party. It was never a decision-making organism, but at most consultative, and following the growth in the number of members it even fell as importance. For instance in Romania in 1945 the number of members of the Central Committee of the Romanian Communist Party was of 35, in 1948 it was of 57, and in 1989 it reached 467<sup>10</sup>.

The establishment of the communist political elite on the political-ideological criterion, on the loyalty towards the unique party and the communist regime has led, especially in the first period of the regime, to the regeneration of the political elite in a very slow pace, which determined the forming of a "gerontocratic elite".

The reforming current which spread over the communist system after 1990, perestroika and glasnost would affect the political elite, bringing forth a new, young elite, more financially well-established, professionalized, qualified in relation to the needs and requests of the

period which would lead to a conflict, smoldering at the beginning and then open. From it the new post-communist elite would be formed, which would make the translation towards the democratic society.

- The newly constituted political elite in many situations, as was the case of USSR, would reach the leadership of the communist regime, or, as was the case in Poland, Romania, would lay at the rule of the new society, or in the second rows of power, being linked mostly by economic aspects and less by political and ideological ones, it would launch a strong pressure for the reformation of communism, process ending with the fall of communist regimes in Central and Eastern Europe.

Through the functions they held within the communist regime, the members of the nomenclature were the only ones capable to know the reality of the communist economy, they disposed of the experience of governing it, they had a strong relations system both home and abroad, and many of them reached the possession of important actives and capital, allowing them to develop the new economic and political activity. From within the younger nomenclature one would recruit an important part from the future post-communist elite. It benefited mostly and was mostly aware of the internal changes appeared after 1990.

As a consequence, the reform, reproduction, circulation and translation of elites from within the communist regime can be fully incorporated, as the social and political historical realities have shown, in the general theory of political elites.

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<sup>1</sup> Vilfredo Pareto, *Les systems socialistes*, 1902, 1903, course held at the University of Lausanne, 2 vol. apud Jacques Coenen-Huther, *Sociologia elitelor*, Editura Polirom, 2007, p. 17.

<sup>2</sup> Geraint Porry, *Political Elites*, George Allen and Unwin, London, 1969, p. 45.

<sup>3</sup> Max Weber, *Politica o vocație și o profesie*, Editura Arina, 1992, București, p. 8.

<sup>4</sup> Apud J. Coenen-Huther, *op. cit.*, p. 19.

<sup>5</sup> Gaetano Mosca, *Sulla teorica dei governi e sul governo parlamentare*, *Studii istorice e sociali*, Lascher, Torino, 1884, apud J. Coenen-Huther, *op.cit.*, p. 24.

<sup>6</sup> Apud *op.cit.*, pp. 42-44.

<sup>7</sup> Robert Michels, *Sociologia partidului politic*, Bologna, 1966, p. 55.

<sup>8</sup> Ibidem, p. 33.

<sup>9</sup> Ibidem, pp. 300-301.

<sup>10</sup> Silviu Șomîcu, *Radiografia puterii. Elitele politice din România in anii 1945-1989*, Asociația de Studii Sociale, Craiova, 2003, p. 17.

## ORIGINAL PAPER

**Patricia GONZALEZ ALDEA**

### **The Identity of Ceaușescu's Communist Regime and its Image in the West**

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**Abstract:** *This study presents the identity of Ceaușescu's Communist Regime and its Image in the West. Furthermore, the author argues that after the collapse of communism in Eastern Europe, the most repeated words by the former communist countries were not 'European Union integration', but 'European Union reunification'. In this context, it is important to note that after the revolution, Romania faced numerous difficulties on its way to democracy.*

**Key words:** *communist regime, Cold War, Ceaușescu, Romania, Europe.*

### **1. The bloc's identity during the Cold War**

In the mid-1990's, the Spanish diplomat Jorge Fuentes, said 'in Europe, the West prevails over the East and the North over the South without any reason. Europe was built by all of us, and indeed I would venture to say that certain Southern and Eastern countries have been more European than some of us' (Fuentes 1997, 41). But decades of Cold War and European division between the two blocs fostered the West's ignorance and lack of interest regarding the East. That's why the Western perception about the reality of Eastern countries has so often been wrong.

During the 1950s, a European identity was created within a supranational organization. It was the beginning of the European Community, the result of the sum of the identities of the six Western countries that freely joined. Opposing this Western European identity, the Soviet domination of Eastern Europe inevitably led to the parallel creation of its own bloc identity. The Soviet Union tried not only to blot out the national identities of its satellite states through the 'Russification' of the population and the destruction of their cultural identities, but it also aimed to destroy Europe's deepest roots, the Christian ones, by persecuting Catholicism and systematically destroying its artistic and cultural heritage.

In the international context of the two blocs, from the mid-1970s Romania forged its own specific identity, separate from the Soviet bloc. Early on, this had a positive impact on the perception of the Romanian regime in the West.

The Conference on Security and Cooperation in Europe (CSCE), launched in Helsinki in 1975, was the main diplomatic instrument during Cold War era. At its follow up meetings, the Western bloc gradually discovered the true nature of Ceaușescu's regime.

At the start of the 1970s the peaceful coexistence between the two blocs made it possible to lay the groundwork for the CSCE. The key word was 'détente', the easing of tensions, bringing together the two blocs for the first time in one forum. The most important political representatives of 35 countries met in Helsinki. Among them were well-known heads of state like Brezhnev, Ford, Honecker, Schmidt, Moro, and Ceaușescu himself.

The problem was that in the very conception of the CSCE the bipolar system persisted. As Vincent points out, there were two ways of understanding the meaning of 'détente': 'to the West it was supposed to be a new style of International relations, as a result of the easing of ideological tensions between the two blocs, and a new focus on human rights, in addition to trade and security issues. To the East 'détente' meant an easing of tensions, but between rulers, not between societies. In fact, the priority of security over human rights could be an excuse for not recognizing human rights as an aim of foreign policy' (Vincent 1986, 68).

In this connection Romania, in stark contrast to the progress in political and human rights fostered by the CSCE summits, systematically clamped down on liberties. Hiding behind the principle of non-interference in its internal

affairs, Romania came down especially hard on freedom of information, freedom of expression and religious liberty.

The regression of the Romanian regime was parallel to the CSCE meetings' achievements in other Eastern countries. Nevertheless, the condemnation and political criticism from the West, particularly during the 1980s, together with the role of the dissidents' moral revolution, ultimately led to the end of the communist regime in 1989 (González Aldea 2008, 295-300).

After the collapse of communism in Eastern Europe, the most repeated words by these countries were not 'European Union integration', but 'European Union reunification'. They had always considered themselves to be in Europe, albeit under another identity. It was not therefore a new European enlargement, but a return to the union after decades of bipolar division, during which European Union values such as respect for human dignity and human rights, freedom and democracy, were systematically disregarded by Eastern countries.

The ignorance of the reality inside the Central and Eastern European countries, 'homogenized' by the Soviet bloc, led the Western bloc to underestimate their cultural values and to look down on them when Eastern countries asked for 'European reunification'. As Bronislaw Geremek, historian and former Polish foreign affairs minister, pointed out on the occasion of the 2004 European enlargement: 'the simple citation of the names of these countries means an exotic accent as if it was a list of colonized countries. Western Europe has forgotten that Prague and Krakow, Budapest and Tallinn, Warsaw and Bucharest, are old European capitals' (Geremek 2004,13).

In March 1990, the diplomatic relations with the Vatican, in tatters since 1948, were resumed by Romania. During 1991, the new Romanian Constitution, despite its limitations, meant a new starting point with regard to the promotion and respect of human rights. In 2012, twenty-two years after the end of the Ceaușescu's regime, a new generation of young people has grown up in Romania. For them, communism is a thing of the past, and despite the difficulties of the transition period to democracy, they consider the European identity, without any division into blocs, as their natural environment.

## **2. The CSCE's launch and the beginning of Romania's regression**

The various proposals concerning security in Europe crystallized in a round of consultations at the end of 1972. The Conference on Security and Cooperation in Europe (CSCE) was launched in 1975 after three stages of meetings, and the final document signed was called 'the Helsinki Act'. Cooperation in human rights and the information exchange between societies of the two blocs were important commitments achieved, along with economic and military détente. The bloc's political priorities were clearly different, and the Eastern bloc was reluctant to put 'human détente' into practice.

Due to its estrangement from the USSR and its degree of political openness during the first few years of Ceaușescu's regime, Romania gained a positive image in the West. In 1967, Romania was the country that inaugurated

the Spanish policy of liberalization towards the Eastern bloc. After some contacts in Paris, commercial and consular delegations were opened.

The positive image of Romania in the West was reinforced during the preparations for the CSCE summit because it participated outside of the three blocs that existed within the CSCE: Eastern countries, Western countries, and Non-Aligned and Neutral countries. However, as it turned out, Romania's independent stance in the CSCE was not an indictment of communist policy and did not reflect openness in Romanian policy, it was merely an attempt to use the Conference for its own benefit.

In fact, between 1971-1975, Romanian domestic policy underwent a dangerous regression, bringing to light one of the most repressive communist regimes in Eastern Europe. The economic reforms stopped, reverting to the old soviet system of compulsory production figures ('*indicații*' in Romanian) that had plunged Romania into economic chaos in the 1950s. After an official visit to North Korea in 1971, Ceaușescu carried out a cultural revolution emulating the Chinese-Korean model. Atheist propaganda was strengthened. The '*Conducător*' started a process of accumulation of power. The Rural Systematization Programme, which eventually led to the destruction of entire villages, was approved in 1974. The State Security Services, the feared '*Securitate*', were reorganized under the control of Ceaușescu himself. The 1974 Press Act signalled the beginning of regression in the sphere of information.

In short, the dictator's cult of personality based on the communist doctrine, in the style of Stalinism and Maoism, coupled with extreme nationalism, was born. Later, this system would be called '*Ceaușismo*'. The myth of the '*multi-competent Conducător*' (Petrescu 1998, 235) was created: he was the first miner of the country, the first farmer, the first builder of Romania, etc. This '*illness*' was shared with his wife Elena, an almost illiterate woman who the regime made into an academic, engineer, and chemist.

According to Fisher-Galati (1991,189) 'if the accumulation of power was ignored or not taken seriously by most Romanians and the International community it was due to Ceaușescu's success in foreign policy and his early achievements in economic development'.

This first evidence, and the later crowning proof of Ceaușescu's repressive policy, was clearly reflected in Romania's participation in the CSCE and its follow-up meetings.

After the Helsinki Summit (1975), in spite of the Romanian foreign affairs minister's statement in 1973 during the preparatory stages of the CSCE summit in support of the continuity of the Conference, Romania opposed this measure fearing every new meeting might become a chance to examine its compliance with the CSCE human rights commitments.

Nicolae Ceaușescu in his long and propagandistic statement in the CSCE closing ceremony insisted on the principles of sovereignty, national independence, non-interference in the internal affairs of other countries, and the need for disarmament to achieve peace and security, but any mention of principles related to the respect and promotion of human rights was strictly

avoided. Particularly, he obviates principle 7 of the famous Helsinki Decalogue concerning respect for human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief. The novelty of this principle 7, compared to a similar principle in the United Nations Charter, is that countries agree to promote and foster not only 'respect' for human rights, but also 'the real practice' of these rights. In this sense, people's rights do not emanate from the State's recognition.

The heart of the disagreement on humanitarian questions that divided the two blocs was the different concept of human rights. From the socialist perspective, they are not inherent to human beings by virtue of their being human, as the capitalist view states. Rather, human rights are provided by the State according to the socio-economic structure developed. While the East referred to collective rights, granted and recognized to the individual by his own State, the West referred to individual rights.

The humanitarian issue was included in the Helsinki Final Act, despite the reticence among the Eastern countries. In Heraclide's opinion (1993, 9) 'it was considered by the West, above all by the nine members of the European Community, as the field which could seriously change the Eastern political systems and gradually lead to their transformation'.

The West, which was not initially in favour of the Conference's continuity, after the Act was signed decided to subordinate the question of continuity to progress in the human contacts area and in the humanitarian matters in general, as a way to pressure the East to make improvements. Consensus as a decision-making formula often slowed talks down and led to stagnation on certain issues. The possibility of adding 'reservations' to the documents approved within the CSCE worked more as a threat, and only on very few occasions was it equivalent to a veto. But Romania, particularly during the 1980s, used the possibility of making reservations on several occasions in order to avoid any progress on humanitarian issues.

The most important period began precisely with post-conference discussions, when, as the diplomat Javier Rupérez underlines (1975, 210), 'the forum ceases to be a gauge of room temperature and can become an influence and shaper of reality'.

The fact that the Act had no legal validity since it was not an international treaty and that its authority was only moral as a political agreement did not undermine it. It was the most that could be achieved in that era of division between blocs.

The emergence in the East of active groups in defence of human rights that began monitoring compliance with the CSCE humanitarian principles came on the heels of economic and military progress.

### **3. The real identity of the Romanian communist regime**

The first follow-up CSCE summit was held in Belgrade in 1977 in a less favourable international context. The relations between the blocs again went through tense times, paradoxically turning the CSCE, which was launched precisely as a forum for détente, into the focus of their disputes.

At the Belgrade meeting, the Helsinki monitoring groups reported various episodes of disregard for the CSCE human rights commitments. The Moscow group was led by Yuri Orlov, the Czech group was led by Vaclav Havel, who launched the Charter 77 movement, and the Romanian group was led by Paul Goma, whose 'Letter to Romanians' supported Charter 77. Paul Goma was arrested and released after one month thanks to the international interest in his case. The Spanish newspaper 'El País' (Rouco 1978) reported about the Goma case. Nevertheless, he was forced to leave Romania before the end of 1977 due to the internal pressure from the Romanian government.

From exile, Paul Goma wrote articles condemning the humanitarian situation in Romania: 'Although the Letter to the Belgrade Conference only collected 200 signatures, Romanians have shaken off the fear, the animal fear implanted in their souls during 30 years of terror, they have finally defeated the silence, the complicity (between victim and hangman). Since the spring of 1977, Romanians have begun to speak, to complain with a loud voice, to protest and to claim their human Rights. And they have begun to speak because they have finally confirmed that the West believes them, amplifies the shouts of pain and indignation (anger), and sometimes calls the Bucharest regime to account' (Goma 1999, 32).

In Romania's case, despite the presence of well-known figures such as Doina Cornea or Gheorghe Calciu-Dumitreasa, there was no real dissident movement to speak of, partly because the intelligentsia, the grass-roots of most dissident movements in Eastern countries, was repressed and persecuted during the first few decades of communism. Intellectuals like Ionescu, Cioran, Vintila Horia, and others were driven into exile. Gheorghe Calciu-Dumitreasa was imprisoned from 1948 to 1964, spending three years in the terrible Pitesti prison. He began writing a diary of this awful experience in 1977, and decided to become priest. His defence of human liberty took him back to prison in 1979, and the diary was seized by the Securitate. Father Calciu-Dumitreasa was set free in 1984, but he was 'invited' to leave Romania.

In 1977, exiled Romanians founded the League for the Defence of Human Rights in Romania, based in Paris. It belonged to the International Helsinki Federation, which comprised the various national Helsinki Watch Groups, since 1982.

Nevertheless, the monitoring work of the Helsinki groups and civil movements to promote compliance with the CSCE commitments served to unmask the Romanian regime, and to reveal its true face.

Related to the Romanian internal situation, a miner's strike in the Jiu Valley broke out shortly before the start of the Belgrade summit. It was considered the first serious warning to the dictator about the growing dissatisfaction of the population. After the miners' repression, a free trade union was created in Romania in 1979 in order to fight for workers' rights.

Romanian cultural life emulated the Chinese-Korean model with festivals like 'Cîntarea României', first held in October 1976. As Francisco Veiga points out, 'it was a kind of nationwide folk Olympics with a clear socio-political

purpose, namely social homogenization and intellectual contempt by praising the popular genius' (Veiga 1994, 109).

The youngest Romanians were forced to participate in the event. Dragos Petrescu (1998, 239) explained how the festival closing ceremony took place: 'under the light of artificial spotlights, poems dedicated to the General Secretary of the Party were recited. The grotesque show closing the first edition unfortunately symbolized a real image of the Romania of that time'.

The atheist doctrine was strengthened, the main religious feasts were not recognized, and the systematic destruction of religious heritage began. In response, the Romanian-Christian Committee for protecting freedom of thought and freedom of religion, launched by Pavel Nicolescu and Dimitrie Ianculovici 1978, monitored the CSCE commitments in this connection.

The Romanian Orthodox Church was characterized by its collaboration with the established power. According to Lecomte (1992, 291) 'the harm of communism in Romania would have been smaller if the Romanian Orthodox Church had not been the most committed to the communist power of the entire socialist bloc'. The bonds between the Romanian Orthodox Church and the Securitate reached even beyond the country's borders. The Church sent its 'priests' to the countries where exiled Romanians lived, allegedly to carry out pastoral care, but the truth was the priests were usually Securitate members responsible for keeping tabs on everything the exiles did.

The Romanian Orthodox Church minister Nicolae Stoicescu, when interviewed by Laignel-Lavastine (1990, 38), tried to justify the role of the Orthodox Church, stating that 'it has adapted to the country's new situation; it has renounced certain activities, but in doing so it has saved itself. In fact, thanks to this policy the Orthodox Church kept its 122 monasteries, 2 theological schools, and an acceptable number of seminarians.

Amnesty International (1978) denounced the persecution of neo-Protestants and Baptists during the 1970s. Among the prisoners of conscience the organization highlighted the case of Ghejan Titu, persecuted for teaching religion at school; or the Adventist Ion Mocuta, imprisoned several times accused of propaganda against the State, in fact for publicly denouncing the treatment of neo-Protestants in Romania, and the lack of religious freedom, on foreign radio stations. Dumitru Blidaru was another example, charged with 'parasitic living' under the infamous Decree 153/1970, as well as with illegal religious activities. He was locked away in a psychiatric hospital.

Amnesty International published a report titled 'Allegations of psychiatric abuses and maltreatment in the Socialist Republic of Romania' at the end of the 1970s, expressing concern about the growing practice of subjecting people exercising their freedom of speech and freedom of conscience to psychiatric treatment.

Freedom of press deteriorated sharply, after the abolition in 1977 the censorship body, ('Direcția presei'), making way for something even worse: self-censorship. Communist states continued to jam the reception of messages broadcast by foreign radio stations like RFE (Radio Free Europe). RFE was

funded by the US Department of State, and broadcast from Munich in 21 languages, Romanian included. At times it was able to broadcast up to 12 hours per day.

Vasile Paraschiv, one of the first active defenders of human rights and trade union liberties in Romania, was confined to a psychiatric facility in 1976 for having contacted Radio Free Europe.

In Charles Gati's view, the role played by foreign radio stations in Eastern Europe was crucial:

'More important than what West *did*, was what it *was*, prosperous and free. The sharp contrast between East and West was a powerful message to all the eastern Europeans. This message reached them due to the increasing contacts with Western Europeans through Western radio stations' (Gati 1990, 188).

The 'Conducător', contrary to the internal repression, kept on building his external image as a champion of peace and disarmament (Ceașescu 1981, 92), although he was actually one of the leading arms exporters to Third World countries.

An official visit by Ceașescu to Spain to meet King Juan Carlos was planned in 1977, but was later cancelled due to the earthquake in Bucharest. Ceașescu took advantage of this moment to announce that the city would be rebuilt based on the communist architectural concept. According to Mariana Celac, the case of the 'Casa Poporului' signalled 'a degradation of the totalitarian discourse in architecture. The House is unlike other European experiences of its kind, and models must be sought elsewhere: Marcos Stroessner, Somoza, Kin Il Sung, Gadafi, Bokasa' (Celac 1998: 302).

Ceașescu's visit to Spain finally came about in May 1979, when he became the first Eastern European Head of State to visit Spain officially. Three bilateral agreements were signed relating to commercial issues, international freight transport and scientific cooperation. There was no mention of the human rights situation in Romania. In Madrid, Ceașescu was given the 'Key to the City'. The West bestowed the dictator with various other honours, like the 'Legion of Honour' in France, and similar honours in Great Britain, Italy, and Greece.

New proposals were launched in the Belgrade Summit, but they were not fruitful because the stances of the two blocs were very distant. The Eastern Bloc considered the denunciation of human rights violations as interference in their internal affairs. The outcome of the first CSCE follow-up meeting was a brief document, with little new content, merely reasserting the Helsinki Final Act.

#### **4. The 1980s: the Western Bloc's condemnations of Romania**

The second CSCE follow-up meeting took place in Madrid in 1980. This phase of the process was set to last three years, in order to avoid repeating the poor outcomes achieved at the previous meeting in Belgrade.

The Romanian regime's regression gathered pace during the 1980s. The beginning of the destruction of the historic centre of Bucharest, to be replaced

by a new civil centre, involved the demolition of churches and the removal of thousands of families. The restrictions implemented to tackle payment of its foreign debt transformed Romania into one of the poorest countries of the continent by the end of the 1980s.

Radio Free Europe intensified its efforts and broadcasts to the East, and Romanian dissident voices like Doina Cornea often used this radio station to channel their condemnations of the human rights situation in Romania. This made the radio station an objective for Securitate surveillance.

Nevertheless, Doina Cornea admits it was a misunderstanding that made her a household name through RFE, turning her into persecuted figure under permanent surveillance. In 1982, Cornea used RFE to invite other professors to share certain reading materials with their students. At the time, nobody signed letters to the radio station, but she did, wanting them to know the letter was authentic. RFE's editors thought it was a pen name and they read it on air. Accordingly, she claimed her participation in the active dissident movement 'all began with an unconscious act. It was by chance that I was forced to accept this role. I was actually happy about the misunderstanding, otherwise I would not have had the courage to do it' (Combes 1990, 71-72).

Soon afterwards, she was dismissed from the University, and she stepped up her efforts to denounce the humanitarian situation in Romania.

George R. Urban (1998, 302), the former RFE executive director between the end of 1970s and the 1980s, highlights the work of three editors of the Romanian service: Noel Bernard, Vladimir Georgescu and Mihai Cismarescu. The latter died suddenly in 1983 after only a year in the post. His colleague Bernard also deceased in December 1983, from cancer. Georgescu himself died in 1988.

The Madrid final document urged states to examine religious communities' applications to practice their religion in Romania. Nevertheless, The Union of Young Baptists, which had been outlawed, in 1983 asked the Romanian Government to be reinstated and the response was a six-month prison sentence for the applicants. The Romanian Greek-Catholic Church called on the Madrid CSCE meeting to demand its rehabilitation, to no avail.

The Madrid document recognized new commitments such as respect for freedom of association, to prevent events like the repression of the trade union *Solidarity* in Poland. In the humanitarian sphere, it stipulated a period of six month for family reunification. As for freedom of press, the document did not outline terms, but said journalists' visa applications must be speeded up.

Three meetings of experts on humanitarian issues were convened in Madrid. Romania was the target of criticism during the human rights meeting in Ottawa (1985) due to the misuse of psychiatric hospital treatments for political purposes. Since 1948, the Romanian Law of Cults committed to psychiatric institutions members of religions who illegally organized prayer meetings. At the end of the 1970s, Amnesty International had already expressed its concern about this misuse of psychiatric treatment to people exercising their freedoms of expression and conscience.

The second half of the 1980s heralded something of an opening-up to democracy in the East, in the new International context of *Perestroika* and *Glasnost*, but Romania was the exception. On humanitarian issues some CSCE proposals were put forward by Eastern countries for the first time.

The third follow-up CSCE process began in Vienna in 1986. The main novelty was the launching of the so-called 'Human Dimension Mechanism', consisting in a specific conference and a mechanism for monitoring compliance with the commitments reached on the humanitarian question. But once again, as was the case with the Helsinki Final Act, no sanctions were imposed by the Mechanism in the event of violations of the agreements.

The Romanian regime tried by all possible means to remain immune to the changes taking place in the USSR, toughening its repressive policy (Amnesty International, 1987). After Gorbachev's visit to Romania on May 1987, even the socialist press was banned from entering the country, disregarding the CSCE free media and information commitments.

In November 1987, Ceaușescu silenced the demonstrations of the Brașov's miners. The dissident Doina Cornea was arrested for five weeks charged with breaching state security after supporting the miners' protests.

In February 1988, Romania relinquished its Most favoured Nation (MFN) status, granted by United States in 1975, after the US threatened to withdraw it unless the Balkan country began to uphold human rights and the CSCE humanitarian commitments, and put a stop to the rural systematization plan, known in the West as 'Ceaushima'. Romania stopped receiving 250-300 millions dollars. This decision, coupled with the payment of its foreign debt, plunged the Romanian people into a dramatic situation.

In *Cuvântul Românesc*, 'the largest Romanian newspaper in the free world', George Donev described the Romanian situation as follows: 'We live bright years but without light; we live in the time of bigger agricultural production, but we don't have bread; we are free, but we cannot move one from city to another; we have diplomatic relations with 155 countries and we can't get a passport; we live in the Golden Age, but we are not allowed to have a coin in our pocket; we read in newspapers about how happy we are, but we line up in front of supermarkets'.

Romania experienced a significant change in the concept of freedom of expression at the end of the 1980s. As '*Cuvântul Românesc*' (1989, 24), the paper of Romanians abroad, stated: 'in the past, when someone entered the country Customs officers searched their luggage to prevent them from importing subversive materials like books, magazines, or newspapers. Now they investigate you above all at the departure gate, to prevent you from taking out a letter addressed to RFE'.

The fears about the radio station's influence on the Romanian population had already been borne out at the beginning of the 1980s. RFE's office was the target of a bomb-attack concealed in correspondence addressed to Romanian dissidents.

In January 1989, the Vienna final document, the most solid text since the Helsinki conference, especially with regard to humanitarian issues, was adopted. Due to the far-reaching nature of the document, and the clear contradiction between Romanian domestic policy and CSCE commitments, the Ceaușescu regime tried once again to block its implementation.

A few days earlier, the Romanian foreign affairs minister Ioan Totu made an interpretative statement of reservations concerning the acceptance as a whole of the Concluding Document of the Vienna Meeting, that in fact meant the refusal of the CSCE control mechanism.

The Vienna final document stipulated the removal of all obstacles to the exercise of religious freedom, based on respect for the right to accessible places for praying, the right of religions to appoint and choose their own staff, the right to give and to receive religious education, and the right to buy and use holy books. In contrast, Romania continued with the destruction of churches, the number of students of theological education was limited by 'numerus clausus', and the mere possession of a Bible could warrant a prison sentence. Bibles sent from abroad were intercepted by the regime, which even used them to produce toilet paper.

The right to receive information in one's native tongue, another of the Vienna commitments, was also blatantly ignored. Television broadcasting hours were also reduced, and programmes in minority languages were the first to be affected. Rationalization of paper consumption also put an end to publications in minority languages. The importation of Hungarian newspapers and magazines was prohibited from 1988.

Romania was branded as the Conference 'bête noire' (Heraclides 1993, 108), because of its attitude to the CSCE. The Vienna Human Dimension Mechanism was triggered no less than 20 times against Romania, most of them related to the rural systematization plan and to the treatment of the opposition. In the course of 1989, some foreign embassies in Bucharest were closed as a result of the numerous violations of human Rights.

In March 1989, the criticisms even came from inside the country and were made for the first time by members and ex-members of the Romanian Communist Party. Radio Free Europe broadcast the content of a letter addressed to Ceaușescu accusing him of the violation of the constitutional principles and a political practice that had nothing to do with socialism. The signatories were: George Apostol, Alexandru Barladeanu, Cornel Manescu, Constantin Pirvulescu, Silvis Brucan, and Ion Răceanu.

However, the Romanian Orthodox Church continued supporting Ceaușescu in an unconditional way, even in the most critic moments. Letters paying tribute and supporting him were published in the Romanian press in April 1989 (România Liberă 1989, 4).

Several expert meetings on humanitarian issues and freedom of information were also established in Vienna, as had been arranged at the Madrid summit. In the Information Forum of London, the first disagreement

among Eastern countries about a human Rights question took place. Specifically, Romania and Hungary failed to agree on the question of the Hungarian minority.

The confrontation between the two blocs that had characterized the CSCE's meetings was vanishing at the end of the 1980s, being replaced by disputes among countries of the same bloc.

While Hungary, Poland and even the USSR itself were being praised for their steps towards democracy, Romania was the target of all the criticism, especially due to its Rural Systematization Plan (Law 58/1974). Ceaușescu was prepared to see the Plan through to the bitter end in 1988, envisaging the destruction of more than half of Romania's villages and some towns (more than 8.000 villages, located in Transylvania and largely inhabited by Hungarian peasants). Their inhabitants were to be moved to housing in the new agro-industrial centres, in a bid to increase control of the rural population and to secure their homogenization. But the official explanation was that it was to gain cultivable land, to raise the standard of living, and to develop rural areas.

The printed press underwent severe limitations related with the property and use of typewriters. The disappearance and alleged death of the journalist Miah Creanga, who, with another two journalists, tried to publish a manifesto against the regime, were reported in June 1989.

The International Helsinki Federation for Human Rights (IHFHR) accused Ceaușescu of being the 'enemy of his own people' (1989, 1-66). Despite the changing trends shaking Eastern Europe, the Conducător offered resistance until the end. But the situation in Romania was unsustainable and it ended up coming to a head in Timișoara, on 15 December 1989.

On 19 December, in the middle of the Revolution, in the closing ceremony of the seventh festival 'Cântarea României' Ceaușescu ironically pointed out 'the festival must be a praise to the free man, owner of his destiny' (Scînteia 1989, 4).

On 20 December, Teoctist, the patriarch of the Orthodox Romanian Church, went so far as to send the press a letter of support to Ceaușescu, congratulating him for 'having punished the hoodlums and fascists of Timișoara'. But just two days later, seeing how events had unfolded, he took part in a television programme, saying 'the Church was with the people' (Lecomte 1992, 297). According to Lecomte (1992, 297) Teoctist 'was a caricature of commitment, of changing sides, and of political makeup'.

Romania's revolution was one of the most disturbing ones because of the way it was carried out: it was a people's uprising, a coup d'état orchestrated by Moscow, probably both.

The legendary newspaper *Scînteia*, the Conducător's main propaganda instrument, stopped being published on 22 December, for the first time in 58 years. Nevertheless, *Scînteia* did not become extinct, and was published again only three days later, under the new front-page logo of *Adevărul*. The journal *România Liberă*, also a propaganda instrument, didn't even change its name and kept on publishing, although with a new editorial line. The official news agency

*Agerpress* changed its name to *Rompres*. In 2008, the agency changed its name back to *Agerpress*.

After the Eastern bloc broke up, the Cold War ended and the CSCE's main task was to strengthen democratic institutions.

The so-called 'Helsinki circle' was closed in March 1992 with the fourth CSCE's follow-up summit. The Finnish capital was again the Conference venue and an important final document was signed. It was titled 'The challenges of change', and it underlined the change of the Conference's role: from promoting changes to managing them.

As was pointed out in the Helsinki Summit Declaration (1992, 2), 'we have witnessed the end of the Cold War, the fall of totalitarian regimes and the demise of the ideology on which they were based. All our countries now take democracy as the basis for their political, social and economic life. The CSCE has played a key role in these positive changes'.

The Summit also official announced the creation of the institutions of the High Commissioner on National Minorities, the Forum for Security Co-operation and the Economic Forum.

### **5. Conclusions**

The 'spirit of Helsinki' had a clear influence on the end of the Cold War, as it was the diplomatic forum *par excellence* for more than a decade. In the course of 14 years, not only was military *détente* and a certain rapprochement achieved, as the Eastern countries expected, but also there was progress related to political and humanitarian *détente*, which had been the aim of Western countries.

The Eastern Bloc's rejection of the CSCE humanitarian commitments is a testament to the extent to which these principles, binding only morally, were regarded as a political threat. Although the CSCE's impact was shaped by the various governments' political will to accept the agreements signed, even where they were breached, as was the case in Romania, the political condemnations and international pressure led to the same end: the collapse of the communist system. Political pressure, international isolation and even criticism from countries in its own bloc led the situation in Romania to be untenable.

The Ceaușescu regime enjoyed a positive image in Western countries in the early years thanks to its policy of 'independence' from Moscow, its economic achievements, and certain freedom of information. The Securitate's surveillance was not so obvious, Western newspapers and books were sold and foreign radio stations were still allowed. This policy also helped to consolidate Ceaușescu's leadership inside Romania. The Romanian population was hopeful about the new leader's intentions after the cruelty of communism during the 1950s.

But the regime's involution to authoritarianism and the cult of personality turned Romania into one of the most repressive regimes of all Eastern bloc countries. Freedom of information and freedom of religion and

conscience, highlighted principles of the Helsinki Final Act, were systematically disregarded by the Conducător.

The Western perception of the Romanian regime changed above all during the 1980s. The West saw the true nature of the regime, and Romanian policy was the target of all the criticism at the CSCE summits.

After the revolution, Romania faced numerous difficulties on its way to democracy. Religious education had to deal with a lack of educated personnel after being outlawed for decades. Some newly legalized religions had to fight to win back their seized assets. The explosion of mass media did not necessarily mean more freedom because economic censorship replaced the censorship of content that had previously prevailed.

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## ORIGINAL PAPER

**Jonuz ABDULLAI, Luan SINANI**

### **Political culture and policy-making after the fall of Communism in Macedonia**

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**Abstract:** *In this research paper will be given empirical analysis about political and legal changes after the fall of communism in the Western Balkans with a separate emphasis on the process of disintegration of former Yugoslavia and the creation of an independent state of Macedonia. Important place in this paper occupy the challenges facing society in the period of prolonged transition in Macedonia, focusing on the policy process in conformity with multiethnic society model of Arend Lijphart models of democracy. This scientific research will reflect the advancement analysis about events and changes in socio-legal and economic future of the societies that abandoned communism. Also in this paper the political culture is addressed which was largely conditioned by the legacy of authoritarian political culture and the creation of a democratic political culture, emphasizing its role in the creation of new actors in the policymaking process. The process of transformation of society is a long process of time followed by many surprises and disappointment, fraud, abuse and other socio-pathological phenomena, thus worsening the lives of most people. The fall of the Berlin Wall and the removal of the " Iron Curtain " in post-communist countries was celebrated as a victory of democracy, but this festive euphoria did not last long because soon people were faced with the harsh reality of transition. Unresolved issues vital to multiethnic society has its results, the conflict in 2001 in Macedonia. Lack of political dialogue continues to be the generators of the crisis and an obstacle to the realization of Euro-integration processes. This is best illustrated in R. Dahl words that the transformation of political institutions had only a few years and the transformation of political culture needs decades.*

**Key words:** *transition, political culture, communism, democracy, policy making.*

The transformation of the states from communist system to a democracy in the Western Balkans as a process has proved to be a very difficult challenge to face and overcome. The best indicator of this situation is the stagnation of post-communist countries compared with Western European countries. The challenges faced by these countries are almost identical, the difference is that somewhere are more expressed, somewhere are better concealed and somewhere are less pronounced. What are the challenges that these countries face?! Most authors agree that the main challenges the one that directly affect the lives of citizens are: the rule of law, respect for fundamental human rights, social welfare, equality. Republic of Macedonia as a part of the Western Balkans and the former Yugoslav Federation is one of the smallest states and at the same time from the aspect of its social structure it differs from other states with the fact that it is a multinational state, which means that challenges of the transition in this state are more pronounced and more complex. If we analyze the transition in the region, namely the transformation, we will see that the main challenges that accompany these countries are two:

- the transition from a planned economy to free market economy, and
- the democratization of society, or better said, building democratic institutions.

The first challenge, the transformation of the economy, which represents a major pillar of any state, from the start we see abuse and disorder, especially during the transformation of the collective property to private, where the most of the collective property ends at the hands of some individuals, ie the political elite. Even though two decades are passed from the beginning of transformation, still yet to this day this process continues with the same tempo, with abuse and without any control.

The second challenge, the democratization of society, namely the building of democratic institutions is one of the key processes of each state, from this process depends the entire social structure of a country. States that have homogeneous composition exceed this process with less difficulty than countries that have mixed population. In this category takes part Republic of Macedonia as a multiethnic state, thus Macedonia in addition of building democratic institutions, respectively, to democratize the society, it faces difficulties in its social structure. The cause of this difficulty lies in the fact that society in Macedonia is very segmented, it is managed on national basis, which is a nonsense in a multiethnic state the policy making to be based on national grounds. Macedonia serves as a good example for analyzing the challenges facing countries in transition in post-communist period. Also serves as a good indicator of interethnic relations and the challenges faced by multi-ethnic societies in balancing those relationships. Among the numerous challenges that Macedonia is facing, the reforms are those that create most distortions among people of this state and especially Albanians. When we talk about reforms, we think the overall reform of the society, in some cases radical, namely the restructuring of the society. An element that directly affects the reformation of the society is political culture, respectively, as Gabriel Almond and Sidney Verba argue that political culture is more a result of cognitive guidance,

emotional and evaluating towards the political system. In other words, this is how people see and appreciate the political system itself and other entities in the political system and what feelings develop towards all segments of the political system.<sup>1</sup> So people are those whose needs, wishes and preferences are channeled through civic initiatives, which are sent within institutions and for the same system also express their reaction or feedback. This fact also gives clear outline of the democratization of the modern society.

Peculiar to societies that abandoned communism is that since the early years showed that the consolidation of democracy will be mostly conditioned by the transformation of authoritarian political culture inherited in the democratic political culture. Most of the authors like A. Giddens, R. Dhal, A. Heywood, F. Fukuyama and others have argued that the process of transformation of society is a long process of time followed by many surprises and disappointments, fraud, abuse and other forms of socio-pathological phenomena, thus further worsening the lives of most people. The fall of the Berlin Wall and the removal of the Iron Curtain in post-communist countries were celebrated as a victory of democracy, but this festive euphoria did not last long because soon people were faced with harsh reality of transition. This period continues with the accompanying challenges. This is best illustrated in R. Dahl words, where he emphasizes that political institutions had only few years to build and on the other hand the transformation of political culture, decades are needed.<sup>2</sup> The likelihood of a complex system of organized beliefs about politics to go along with individual educational level, with interest and its involvement in politics.<sup>3</sup> The need for comprehensive reform, i.e. the structuring of society in all fields has a destabilizing effect. The desire to reach Western European countries is so strong that the reforms which are needed to implement in most cases have been radical and do not correspond with reality, society is simply not prepared for such a great turn.

How can we talk about political culture, when initially the civic culture is missing? Shaping the civic culture is a process that lasts for centuries; it is created slowly, always being enriched with new values. The shaping of the civil culture we can compare it with the process of human evolution, it took a long time for man to descend from the tree, but even longer to emerge from the caves. Each new generation brings new values, this is best reflected in the Balkans, where literally we have a clash of values between the older generation, who still harbor the dream of socialism as a world process and the new generation which lives and sees the future in the globalization as a reality. Societies in transition are facing a lack of mature administrative and political elite. In these countries such as Macedonia, democratic processes are overburdened by the task of training institutions with which the state will be able to withstand the challenges of transition.

Most authors argue that political culture of post-totalitarian states is characterized by the clash of ideas, values and beliefs among the majority of citizens. In light of this conclusion the author Anna Wolf-Poweska, which explores the political culture in post-totalitarian states comes to conclusion that the most important

elements that characterize the political culture of the countries in transition are social conflicts. Among the most distinct are:

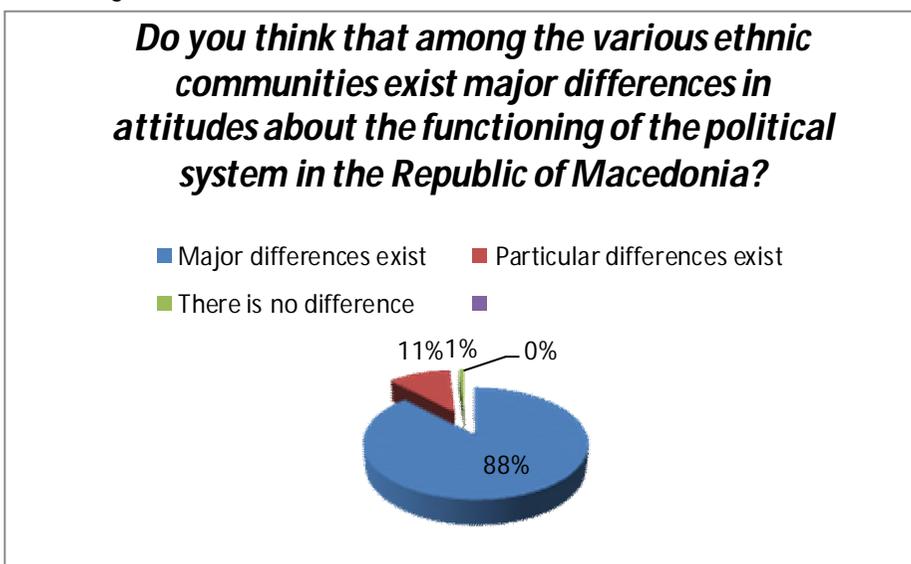
- *The conflict between the political system and society's interests*
- *Conflict between goals and means*
- *Conflict of loyalty*<sup>4</sup>

Another important element that affects the democratic process in transition countries is the type of the political elites. According to Higley and Burton there are three types of political elites:

- Consensually unified elite
- Ideally unified
- Divided elite.

Transition states are characterized by fragmented political elite that lacks political dialogue for essential national and state interests. This phenomenon is present in countries in region, especially in Macedonia where this phenomenon is an obstacle to the functioning of democracy. In Macedonian political scene political elites do not trust each other; they do not cooperate among themselves to prevent the division of society and to avoid political crises. In relation to this problem, research was conducted during August-September 2011, in two major cities of Western Macedonia, Tetovo and Gostivar, which deals with the issue of prolonged transition and the challenges that faces Republic of Macedonia. 191 persons answered several question regarding the prolonged transition in the state. The research gives us a real picture of the factual situation in the state. In the question asked '*Do you think that among the various ethnic communities exist major differences in attitudes about the functioning of the political system in the Republic of Macedonia?*'

Fig.1



From total of 191 respondents, 88% are of the opinion that there exist major differences between ethnic communities in attitudes about how the political system is functioning in the state. This fact clearly indicates that communities in the Republic of Macedonia do not trust institutions, precisely in

this segment comes the low expression of political culture, though the lack of trust in political actors is present, citizens are not able to articulate, respectively, channel their feelings, assessment, through participation in public debates or other ways of expressing their political beliefs.<sup>5</sup>

Eastern Europe or, better said the Western Balkans, which Republic of Macedonia is a part, is going through significant political reforms. In this reforming journey, some states are advancing more rapidly while others are lagging. The reforms are the main challenge that a state has to overcome in the road to integration, therefore not by chance many of these countries have faced and are facing many challenges. Some of them have not yet met the political and institutional conditions required for integration.

The latest report of the commission for enlargement (2011) confirms that FYROM stagnates in meeting the criteria for membership, this is the third report which is almost identical to previous years reports, which clearly shows that the country doesn't show progress, what is more tragic, in some segments it even got worse.

In every report the lack of political dialogue is highlighted, which is due to lack of political will and low political culture. Corruption remains a key issue that plays the role of inhibitors of democratic processes and presents a serious problem that society faces in Macedonia. Another problem presents the partisanship and politicization of public administration. This opinion is shared by most authors and researchers of the country, international observers who follow more closely the institutional distortion. For this reason we believe that Macedonia needs an efficient administration, which will operate outside the framework of partisanship in which case the meritocracy will transform it in a machine that would efficiently serve the citizens. Otherwise, if these suggestions remain on deaf ears or on paper, the lost confidence of citizens in state institutions will most likely turn into open revolt that could lead to civil disobedience, which is happening around the world. The principle of power sharing remains a key defect that affects the country's stagnation, the judiciary is not fully independent, it is affected by the ruling parties in power while the legislation suffers from the lack of political will. Opposition often boycotts in most cases their claims or demands land on deaf ears. The latest failure was the registration of the population and the property, millions of Euros were spent on this process but the end result was catastrophic, it didn't succeed in realizing the process. Coalition partners that comprise the government were not able to harmonize their position and thereby caused uncertainty among citizens. This proves the non-participation of citizens in policy-making process, which means lack of transparency and organizational capacities of the government in Macedonia. Political culture in Southeastern European countries should be analyzed in several aspects, especially in the process of development of the reforms and implementation of national rights where its role is crucial. This indicates a very convincing argument, that the more democracy is deepened in a society the more political culture plays a significant role in citizens' life. In a multiethnic society, ethnic cleavages can also affect the political culture. Ethnic

principle is also present in the Macedonian political scene, which often causes political convulsions, affecting national interests, and this contradicts all the values of the European Union, mainly with human rights. There should be a political will to change power relation in the creation of national, religion and gender equality. First of all, this is achieved with active participation in political life of communities, as we have the case with FYROM, then the citizen security, which constitutes the entirety of the mosaic of European integration and the general democratization of society and development of democratic institutions.

Hungtinton's argument is correct when he says that most countries in the world will be modernized, but not all will be the same. Cultural differences will remain and will impact on international relations, economic and political changes. "The world in which we live will change. The most important challenge for us in the coming years is to live and to know how to find ourselves with diversity".<sup>6</sup> Therefore, democracy affirms the principle of political, national, gender and religious equality, by denying the existence of one absolute truth, for where there is absolute and final truth, there is no room either for freedom or equality. To have a stable, transparent and functional democracy, the state does not apply the instrument of coercion and violence to gain and maintain power. If we approach this from another angle, say, from what Hobbes calls (in)justice, which according to him, " before something is considered right or wrong, should have a coercive power, to compel barbarian people to implement their conventions, through fear or punishment, greater than any benefit to expect from violating the agreement ". We must be aware that this conclusion belongs to Hobs time, whereas in the present, any tendency of putting into context the current situation would be abuse of power, because today we strive to have an organized and pluralistic society where potential conflicts should be kept to a tolerant level and in any eventual conflict the dialogue should prevail.

The question arises, how to build a modern democratic society in the Republic of Macedonia, where the state itself is the promoter of the division between people doing different segregation, especially restrictions on the basis of percentage of population that lives there. State rather than to work towards preventing discord among citizens, does the opposite, with different projects and discrimination only deepens the rift more which already is present in every pore of society. The fact is that in a multiethnic state such as Macedonia, the principle of democracy to function properly it takes time, because democracy itself is a process that takes a long time to build. But we witness in this regard that the state is working very little, this process lacks the will to rise to higher level.

Democratization as a process that coincides with the modern political history includes in itself the creation, cultivation and development of democratic order in modern societies. The wave of democratization entails the totality of a transition from authoritarian regimes to democratic regimes, based on certain periods of time. But this does not apply to all countries alike. When we talk about Macedonia, then it must be admitted that there all these years of

transition the issue of change has not moved with the same tempo. Here we can use the findings of A. Giddens, who when speaking of social development associated with the transition by stating that "The transition has often moved in the opposite direction during these periods".<sup>7</sup>

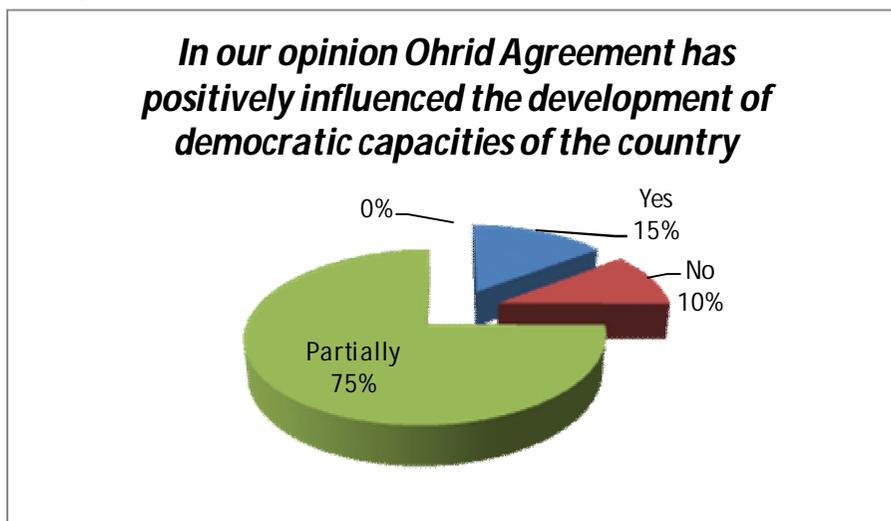
The changes are important, although do not present transition to a new form, but is a consequence of the development of modernism from the earliest periods to the present stage of "high modernism". There are no entirely new movements. All movements that mark the entire period of modernity are associated with some of its basic elements, such as – "The institutional dimension of modernity". According to Marx's, ideas and culture are part of the superstructure" that depends on economic grounds – mode of production. Wanting to give a more thorough explanation S. M. Lipset- sets the maintenance of democracy through a market economy, economic development (GDP per capita) and democratic political culture (democratic values). In this process, T. Carothers, notes that most countries, following the paradigm of early transition have "fallen" in so-called "gray zone" policy, which means that these countries have a major democratic deficit, which includes the low representation of citizen interests, less political participation outside election, law violation by senior officials, low level of public trust in state institutions and continual poor institutional performance of the state.<sup>8</sup>

Changes that were made as a result of the transition start, initiate, and other negative tendencies of development, such as inadequate geographical development and increasing social differences between citizens in Macedonia, which allowed increasing the level of economic and social insecurity in the country.

From the socio-economic aspect, Macedonia after gaining independence was not characterized with gross domestic product growth, which notes that the system, which relies on social property is not able to deliver positive economic effects.<sup>7</sup> Therefore, at the beginning of transition, Macedonia was faced with external pressures and economic policy. Inefficient privatization and economic reconstruction, mass exclusions from work, a serious reduction of living standard and rapid growth of poverty, are some of the main causes which emphasize M. Mitrevska. Whereas, according to B. Vankovska the " oasis of peace " overnight was transformed into " Place d'armme ", interethnic relations suffered much, fragile identities of the main ethnic group surfaced.

In the research mention above, respondents answered to the question *"In our opinion Ohrid Agreement has positively influenced the development of democratic capacities of the country?"*

Fig.2



Most, 75% of respondents answered with partial. This fact indicates that the process has not yet finished, more efforts should be made in this regard, political leadership should focus on key issues affecting the society, and not to deal with trivial problems, even after all invented, only to avoid responsibility.<sup>9</sup>

Now, it is necessary to support the prolonged political and economical transition, including rounding approximation of legislation with EU, pending more momentum, with a view to eventual membership in Euro-Atlantic structures. The EU has strengthened its economic support etc.<sup>10</sup> For Western Balkan countries in their efforts to meet these challenges. But in this regard it lacks the sufficient EU control over various support and assistance that the EU devotes to strengthen democratic processes, in most cases remain unrealized or perish in the hands of individuals. So, the FYROM needs a tight control by the European Union to ensure the progress of reforms and the functioning of legal state.

A careful study of political culture and its effects on political development can facilitate the process of democratization, especially when the transition is happening in a authoritarian and ethnically divided post-communist society. Today's political culture lacks participatory element – a phenomenon shaped by the third wave of the transition region that this region is experiencing. Submission of democratic values and human rights in post-communist societies, as a task to be fulfilled by the ruling elite, can legitimize the new direction and educate the population with these values.

It is in this direction that the greatest deficiency is felt in FYROM, political elites do not cooperate among themselves to overcome the political crisis that the country suffers. In this period of transition the rifts are not only in the society but abroad also, the political elite accuse each other and do not

offer programs for a bailout, instead they have created an enchanted circle from which no one benefits.

The claim that is difficult to achieve and maintain a stable democratic government in a pluralistic society is scientifically based, arguing that ethnic, religious and cultural pluralism causes the classical democracy to be challenged in many ways.

Homogeneity of society and political consensus are key conditions for the functioning of democracy and vice versa, numerous differences in society and political differences are the cause of instability and collapse of democracy. So in a society for democracy to function properly, homogeneity and political consensus must exist, this means that democracy can only function in those countries where the population is homogeneous. But the question of what happens to democracy in countries where population is a multiethnic, Arend Lijphart answers- "Perhaps it is difficult but not impossible, to be achieved in a pluralistic society democracy to work."<sup>11</sup> He supports the concept of consocial democracy.

Many calls and appeals have been made to Macedonian political forces, not to focus on the politics of ethnicity, but integrating the principle of the Treaty, but the appeals have not produced the desired effect, or rather, are far from reality. This is best proven by the annual report of International Crisis Group (ICG), where among other, emphasizes that – "If the Ohrid Agreement will not be implemented until 2014, the state is risking disintegration".<sup>12</sup> Estimates of this international group are that the country is hold hostage by some political structure that is in power, which are pushing the country into the abyss.

It is well known the concept that any economic program without political stability is not possible, so attention must be directed to the open political issues. Then it is known, there will be economic progress. After all, if Macedonia does not support the agreements, then it loses the chance to open the doors for membership in NATO and EU. This is reflected from the small willingness of policies to really listen to others or the force of the argument.

Despite the efforts to maintain a balance of nondiscriminatory management of diversity, there is still a lack of civic competence and social capital. It is observed a low level of effective civic participation and political trust, which makes it necessary to continue the implementation of diversity policies.

Certainly, political culture being located in the heart of the development strategy of the democratic system constitutes the initial stage for the future. Needless to say the quality of the system of values is the basis of civil society development, equality, justice, freedom, ethnic tolerance. Here however the emphasis should be placed in full national equality between the two largest ethnic communities in Macedonia, Macedonians and Albanians. But this does not mean that the rule should allow the rampant political oligarchies, or government at any cost with the help of mythological inventions, erosions of values, etc. A. Lijphart in the example of Netherlands held a further type of

political culture, which considered the relationship between the elite and the masses and not just the kind of pluralism and conflict resolution mechanism between groups and embedded blocks. This model enables "stable democracy and a strong fragmentation of society".<sup>13</sup> Consensual culture can lead to the adoption of consensual institutions, these institutions have the potential of the one initially opposing such a culture and more consensual.<sup>14</sup>

Now, the question arises, is modern societies characterized by free competition between ideas and values, or is it characterized by a "dominant culture". Beliefs, symbols and values of people structure their attitudes toward the political process, viz. how they see the regime where they live- when people consider their regime as fair or legitimate. The political culture is understood as an orientation towards political objects, such as parties, governments, and the constitution, the expression in beliefs, symbols and values.<sup>15</sup> Perhaps here is a good place to mention Jean Jacques Rousseau saying: "The strongest is never strong enough, except when turning the right into force and the conviction in work".<sup>16</sup> Perception can be better and more important than the reality, so the model of political culture of the dominant ideology can also increase the level of homogeneity of values and beliefs of modern societies. Political thinkers are in full compliance to the vital role that values and beliefs in promoting the stability and survival of a regime. In this spirit is also well-known the saying of Andrew Heywood who, among other things, says that the issue is not why people should obey the state, but because they are, obey a certain state or a governing system.

Ultimately, all this that has been said it can be summarized more thorough, where the views of Isak Adize describes best, who is of the opinion that is difficult in a democratic system to implement policy decisions when those decisions require change.<sup>17</sup> He goes further elaborating his thesis by claiming that the political system, which prevents the rapid implementation of decisions by refusing the discussion or debate, can be defined as a totalitarian state. He gives the example about the changing the cars wheels while in move. This indicates that substantial changes in political priorities should have proper care for the victims of war and violence, children and senior care, sustainable development, building a political consensus, decentralization and distribution of power, including participatory democracy and social justice, creating new jobs, as well as national and gender equality. Something like this would contribute to building a strong political background to support the demands for full equality.

Instead of completion we will present relevant findings from this study dealing with multi-ethnic society in transition in FYROM.

The citizens of Macedonia should choose between different futures or select a future in diversity.<sup>18</sup>

Numerous political changes that are taking place now and past two decades, can serve as a lesson to us all for Western Balkans, and especially for Macedonia as a multiethnic state, which faces a social crisis that people often find it that the so called " oasis of peace" it's in reality a road to the abyss.

Finally, that, that should be said at the beginning: not only the Albanians of Macedonia, but almost everywhere in the world, the majority rules the minority. But what distinguishes the reigns in this state with those of the world has to do with the truth that genuine democratic states leads not only the government, nor only the winning parties, but the state institutions that have the administration that relies on laws and not on the will of top partisan government. So in a democratic state, the winner respects the will of the people "opposition" and "majority" of silence. In Macedonia, as well as in other states of these spaces, all political battles are different and resemble to the wars of the Middle Ages: the winner shares his spoils among themselves, ripped from the losers. Which the parties here do resemble private companies that have the CEO and other stakeholders. That is the reason why the political parties do not see that, the easier they win the election, less citizens are voting.

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<sup>1</sup> Gabriel Almond i Sidney Verba, " Civilna Kultura" 1963

<sup>2</sup> Robert Dhal, Poliarkia, Tirane 2005

<sup>3</sup> Ibid

<sup>4</sup> Anna Wolf-Poveska, Kultura politike ne shogerite postkomuniste, Tirane 1999

<sup>5</sup> Luan Sinani, Tranzicioni ne Maqedoni dhe Sllovenija si model i demokracise funksionale, Tetov 2011

<sup>6</sup> Samuel P. Hungtinton, 'Politicka misla', Shkup 2003

<sup>7</sup> Anthony Giddens, Konzekvencije modernosti, 1990

<sup>8</sup> Veselin Vukotic, Steve Pejovich, Tranzicija i institucije:sto dalje?, Tirane 1999

<sup>9</sup> Luan Sinani, Tranzicioni ne Maqedoni dhe Sllovenija si modek i demokracise funksionale, Tetov 2011

<sup>10</sup> Jonuz Abdullai, Ndryshimet sociale dhe tranzicioni, Tetove 2008

<sup>11</sup> Arend Lijphart, Demokracija u pluralnim drustvima, Ljubljana 1992

<sup>12</sup> ICG, " Macedonia: Ten years after the conflict – Europe" raport nr.212, 11 August 2011

<sup>13</sup> Arend Lijphart, 'Modeli demokratije', Beograd 2003

<sup>14</sup> Ibid, pag. 287

<sup>15</sup> Gabriel Almond & Sidney Verba, ' Civilna Kultura', Zagreb 2000

<sup>16</sup> Ibid, pg.158

<sup>18</sup> Ali Pajaziti, Culture and the quality of life, the case of Macedonia, pag.45 Shkup 2011.

## ORIGINAL PAPER

Cătălin STĂNCIULESCU

### „Wooden language”, persuasive definitions, and inferentialist semantics

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**Abstract:** *The aim of this paper is to reformulate in pragmatist and inferentialist terms some of the critical arguments stated by Françoise Thom (1993/1987) and Roger Scruton (2006) against what the former calls „wooden language”, and the latter calls „Eurospeak”. It will be argued that such a reformulation is more helpful in analyzing political discourse, if the use of value judgments – according to the two authors, a distinctive feature of wooden language – is seen as a rhetorical tactic called „persuasive redefinition” in informal logic and argumentation theory.*

**Key-words:** *Newspeak, Eurospeak, persuasive definitions, representationalism, pragmatism, semantic realism*

## Introduction

One of the essential features of Thom's and Scruton's criticisms of „wooden language” is their representationalist/realist semantic stance. As a result, they tend to contrast wooden language to a discourse that uses, in Scruton's words, „neutral descriptions”, rather than value judgments, or, in Thom's quasi-Kantian vocabulary, synthetic judgments, rather than analytic judgments. The aim of this paper is to reformulate in pragmatist and inferentialist terms some of the critical arguments stated by Thom (1993/1987) and Scruton (2006) against what the former calls „wooden language”, and the latter calls „Eurospeak”, „a newer kind of 'langue de bois'”<sup>1</sup>. Such a reformulation, it will be argued, is more helpful in analyzing political discourse, if the use of value judgments – a distinctive feature of wooden language, according to the two authors – is seen as a rhetorical tactic called „persuasive redefinition” in informal logic and argumentation theory.

## Wooden language as authoritarian discourse and as rhetorical tool

According to Thom, the essential feature of „wooden language” – a species of Orwell's Newspeak -, is its intimate relationship to a totalitarian power, particularly to Sovietic political power: „Wooden language is the central organ of the totalitarian state”.<sup>2</sup> All the other syntactical, stylistic, and semantical characteristics of the wooden language either reflect this feature, or are secondary to it. In Besançon's terms (1993/1977), borrowed from Alexandr Solzhenitsyn, this is to admit that „ideology” – the modeling power of the wooden language – is not „an a priori concept” but „an empirical given”<sup>3</sup>; that is, as Tismaneanu puts it, „ideology is not... a discourse... about the political power”, but „the power itself. A power, in Lenin's words, unrestricted by any laws”.<sup>4</sup> Thom's criticism opposes this very feature of the wooden language to the „adequacy to reality” as a feature of the natural language: „Its relation to reality bears it away... from common language: setting itself up as a scientific language, from which any imaginary is excluded, it alleges that it has the monopoly on truth; or, what it describes there is not, and what there is is permanently removed by invocation of what it should be. Wooden language is a series of magical incantations disguised as a chain of necessary axioms”.<sup>5</sup>

Epistemologically, these magical incantations are value judgments used as definitions: „ideological discourse does nothing but accumulates definitions for there is no other way of imposing its axiological code... . The one who expresses through wooden language is unable to advance a synthetic judgment; she must to limit herself to only citing analytic judgments. She doesn't realize this because she simultaneously formulate value judgments”.<sup>6</sup> Thus, Thom concludes, „wooden definition is an axiological tautology”.<sup>7</sup> Thus, Thom's treatment of wooden language is stated in terms of a fight with a language serving a power that tends to subordinate and „recreate” reality, by way of a

language that „accurately” describes reality, a language not having affected „the language’s capacity of representing”<sup>8</sup> generally. This is the fight against what Zamfir (1997) describes „as a «realist» language... [a] perfect authoritarian discourse”, specific to a „logocratic political system”<sup>9</sup>, whose „philosophical «realism» remains subordinated both to ideology and to an extremely concrete objective: the political power”.<sup>10</sup> It is specific to this kind of realism the notion that: „language *creates* reality. As long as it was not named in the official discourse, reality doesn’t exist. It starts to get consistency only when becomes a formula (immutable, of course)”.<sup>11</sup>

Like Thom, Zamfir believes that this creation is not axiologically „innocent” or neutral. For „when it gets a place in discourse, and thus when it is «named», reality is instantaneously evaluated for it is formulated in a language that is not subject to modification, already positive or negative connoted”.<sup>12</sup> Thus, Thom’s treatment of wooden language opposes the „realism” of totalitarian political power to a „metaphysical” realism. My suggestion is that, since both the manifestation of that very political power that tends to become absolute, and the metaphysical realism are, from the current democratic political rhetoric, either inappropriate or ineffective, a pragmatic inferentialist approach to semantical features of wooden language might be helpful in giving insight into evaluation of the uses of value judgments in political discourse generally.

### **Inferentialism and the politics of definition**

In its strict sense, „wooden language” is tightly related to the totalitarianism of political power, and thus to the social and political conditions in which the official language was used as a tool of such power and of what Thom, like Besançon, calls „ideology”: „The strangeness of the wooden language comes from the fact that it has only one function: to serve ideology”<sup>13</sup>. However, from an inferentialist perspective, the essential character of this language is not its subordination to ideology, that is, to „a kind of gnostic thought which sets up a doctrine of salvation on scientific claims”, a kind of thought which „set up” such doctrines as Marxism-Leninism and Nazism, but rather its „agressiveness”.<sup>14</sup> It is this agressiveness that impedes society from opposing „a tight network of traditions, human relationships and contracts”<sup>15</sup> to it. It is the same agressiveness that makes wooden language what Zafiu (2007) calls „a language of imposing and coercion”<sup>16</sup> – for „authorities don’t need to persuade”<sup>17</sup> -, as opposed to a rhetorical language, that is, to a language that is meant to persuade an auditory.

From an inferentialist and pragmatist point of view, representationalist criticism of wooden language reduces (when wooden language is not an instrument of the absolute power) mainly to expressing, in Zafiu’s words, „lie[s] and contradiction[s]”.<sup>18</sup> However, the attempt to define and redefine things in political discourse is very rarely necessarily or quasi-exclusively an attempt to impose lies and contradictions, or to put to work, as Scruton puts it, „a whole

system of labels by which to distinguish the good from the bad by simple use of a word"<sup>19</sup>, as opposed to the attempt to use „neutral descriptions”.<sup>20</sup>

The realist notion of neutral description is replaced by inferentialism with that of assertion inferentially articulated. For inferentialism “understands expressing something... as putting it in a form in which it can both serve as and stand in need of reasons: a form in which it can serve as both premise and conclusion in inferences”.<sup>21</sup> According to Brandom, “[s]aying or thinking that things are thus-and-so is undertaking a distinctive kind of inferentially articulated commitment: putting it forward as a fit premise for further inferences, that is, authorizing its use as such a premise, and undertaking responsibility to entitle oneself to that commitment, to vindicate one’s authority, under suitable circumstances, paradigmatically by exhibiting it as the conclusion of an inference from other such commitments to which one is or can become entitled”.<sup>22</sup> Thus, from an inferentialist perspective, what matters is the implicit responsibility to see descriptions as parts of what Brandom calls „the game of giving and asking for reasons”, rather than the neutral, because freed from values, relationships between descriptions or definitions and reality. To say that a definition must be neutral is, from this perspective, to admit that it should not be justified to others, which means that it is not an assertion, and thus that it is not a definition or description at all.

Furthermore, to say that a definition can be justified is to say that it can be seen as part of an inferential exchange and, thus, as a possible subject to intersubjective agreement. The argumentative nature of definitions and, in particular, of what Stevenson called „persuasive definitions” (see, Walton, 2005) in ethical and political discourse, and the possible sources of their deceptiveness have been emphasized, in informal logic, rhetoric, and argumentation theory, by Aberdein (1998), Walton (2001, 2005), Macagno&Walton (2008, 2010), Schiappa (2003), and others. In particular, Schiappa has emphasized the essentially persuasive character of definitions and its consequences „for how we should construct and resolve arguments concerned with definitions”<sup>23</sup>. According to Schiappa, the problem with descriptions is not whether they are „objective[s] picture[s]” of reality but whether [they receive] the intersubjective assent of relevant members of a discourse community”.<sup>24</sup> For, he argues, definitions always serve interests and have a political character: „the only question is whose interests”.<sup>25</sup> Therefore, objectivity is, for Schiappa, always a result of a certain discursive practice in which becomes important „the difference between the definitional disputes that are exclusively «scientific», in the sense that the outcome only affects the community of scientists, and those disputes that involve us all – scientists included. Both sorts of conflicts are political; recognizing them as such may prompt us to take greater responsibility for defining the reality we impose on ourselves and others”.<sup>26</sup> For Schiappa, as for Brandom, such disputes and the assent achieved have sense only in a more general practice of giving and asking for reasons, that is, in a conversational framework in which participants to a discursive practice reason with each other.

### ***Newspeak, Eurospeak, and the legitimacy of redefinition***

Thus, the criticism of assertions based on the notion of objectivity as fidelity of so called „neutral descriptions” to reality can be replaced with a criticism of what blocks the attempt to reach agreement on particular descriptions, and thus, with a criticism of what blocks the attempt to achieve what Schiappa calls „denotative conformity”, that is, the intersubjective agreement about the utility or disutility of various uses of words.

An example might be useful here. Scruton uses Thom's arguments towards wooden language to criticize what he calls *Eurospeak*, an updated version of the communist *Newspeak*, which „has emerged with the European Union, and which has become the official language of the Comission”.<sup>27</sup> The two kinds of languages have in common, among other things, the way certain terms are „illegitimately” used. Thus, terms as 'subsidiarity', 'proportionality', or 'solidarity' are used in *Eurospeak* in the same way as the term 'capitalist' is used in *Newspeak*. For instance, „[w]hen embedded in *Eurospeak*, however, 'subsidiarity' loses its referential character, in just the way that 'capitalist' loses its referential character in *Newspeak*”.<sup>28</sup> Thus, in this latter case, when the term is „[u]sed in such phrases as 'the capitalist crisis', 'capitalist exploitation', 'capitalist ideology', and so on, the term functions as a kind of spell”.<sup>29</sup> In other words, in this way, „[t]he reality of the free economy dissapears behind the description”.<sup>30</sup> Similarly, when „subsidiarity” is used in *Europeak*, Scruton concludes, „you enter the vicinity of a mystery, from which you are expected to learn only one thing, which is that enquiry is futile”.<sup>31</sup> Hence, according to Scruton, the illegitimate use of these terms is a matter of inaccurately representing „reality”, that is, a matter of „losing their referential character” or of not being parts of neutral descriptions.

However, both cases can be seen as instances of what in informal logic is called „persuasive definitions” of those terms, that is, cases of changing, at least partially, their senses, rather than cases of inaccurate descriptions of reality, or of „mysteriously” concealing the reality they are supposed to represent. In the case of the term 'capitalism', its referential character is given by its „perfectly serious use” in „economic theory”.<sup>32</sup> The term loses this character when is used with the sense „mythopetically described in *Das Kapital*” as a „system of economic control in which private property is all in the hands of a non-producing 'bourgeois' class”.<sup>33</sup>

As for the term „subsidiarity”, its neutral and legitimate use is that by which is specified „the absolute right of local communities to take decisions for themselves, including the decision to surrender the matter to a larger forum. Subsidiarity, Scruton continues, places an absolute brake upon centralizing powers, by permitting their involvement only when requested”.<sup>34</sup> In *Eurospeak*, the term has an „illegitimate” sense, the opposite sense, that of „providing a comprehensive authorization to the EU institutions, to expropriate whatever powers they might deem to be theirs. By purporting to grant powers in the very

word that removes them, the EU constitution wraps the whole idea of decentralized in mystery".<sup>35</sup>

However, from an inferentialist perspective, neither the use of „capitalism” in *Newspeak* nor the use of „subsidiarity” in *Eurospeak* is in itself more mysterious than other uses of them, if „mysterious” is taken to mean, in these cases something like, in Scruton’s words: „enquiry is futile”. For no assertion, inferentialists say, and no definition is such that it cannot be subject to questioning. For questioning an assertion is simply inquiring inferential relationships between that assertion and other assertions. This is what complements and reinforces Schiappa’s notion of definition as a result of the intersubjective agreement among the members of a relevant discursive community rather than as reflecting reality. What such community might be, in a given case, can be a crucial issue, but the absence or the presence of agreement on a definition or redefinition can be subject to criticism and analysis in a more useful way than the objectivity of that definition in terms of its relation to reality, or in terms of its neutrality. This is what Scruton does when he is arguing that the use of „subsidiarity” in *Eurospeak* „effectively removes”<sup>36</sup> the notion of suzerainty, rather than support it. This is, also, what Scruton does when he is arguing that „the EU Constitutional Treaty incorporated a protocol reaffirming the principle of subsidiarity, and requiring EU institutions to show evidence, before taking charge of some matter that it cannot be dealt with at the national level. But the standard of proof is vague...”.<sup>37</sup> The standard of proof is vague, we might say, because, according to Scruton, the term „subsidiarity” is used with another sense than that he considers „legitimate”, that is, when „it refers to the absolute right of local communities to take decisions for themselves, including the decision to surrender the matter to a larger forum.” Therefore, what Scruton calls a mystery is in fact an implicit contradiction.

Similarly, the use of the term „capitalist” in *Newspeak*, its Marxist sense, is not more mysterious than its use in economic theory. And to opt for this latter sense is not to accept it as a „neutral description” too. For, to accept it as a neutral description is, from a pragmatic and inferentialist perspective, to accept that such description is not in principle subject to question. Moreover, even in economic theory the term „capitalist” is used with different, and often divergent senses. So, what Scruton is criticizing is not the sense of the term that makes „the reality of the free economy disappear behind the description”, but rather the fact that it is not used with a different sense, the sense that describes „an economy in which substantial capital is in the hands of private individuals as capitalists”.<sup>38</sup>

There is, however, a sense in which uses of the term „capitalism” in such phrases as „the crisis of capitalism”, „capitalist exploitation”, or „capitalist ideology” may function, in Scruton’s words, „as a kind of spell”. This is the sense in which such uses function as what in informal logic are called „persuasive definitions”, redefinition of terms in which „[b]y a careful selection of terms with emotive meanings, a speaker can make an argument more powerfully

persuasive by evoking positive or negative attitudes of the audience".<sup>39</sup> Surely, „crisis”, „exploitation”, or „ideology” can have such emotive connotations. However, their evaluation always depends on context. As Walton, Macagno, and others have shown, such evaluation is a consequence of the fact that definitions are argumentative in character. It is also a consequence of this character of persuasive definitions that they are not always deceptive or fallacious, for they „should not be categorized as either purely arbitrarily or as as purely descriptive accounts of fixed meanings.”<sup>40</sup>

As a result, they might be not rejected as functioning „as a kind of spell” without indicating some reasons in terms of their deceptiveness, inconsistency or confusion.<sup>41</sup> For it might be the case that such terms are parts of structural elements (in this case, conclusions) of some critical arguments towards those aspects of capitalism undesirable from the speaker’s perspective.

## Conclusions

Letting aside the original sense of the „wooden language” as *Newspeak*, - a sense given by both its relation to ideology understood as a tool of a totalitarian power, and its stylistical and syntactical features -, its essential feature, emphasized by Thom, Scruton, Zamfir and Zafiu, consisting in its tendency to axiologize political discourse, keeps its actuality, at least up to a point. However, from a pragmatic and inferentialist perspective, this feature which mainly consists in using value judgments or emotive terms, rather than factual sentences is a rhetorical tactic that is not inherently objectionable or fallacious, and its evaluation is a matter of case to case analysis. A consequence of this approach is that analysis of the use of value judgments in political discourse in terms of a realist semantics – such representationalist terms as „neutral description”, „reference”, and so on – is replaced with an analysis and evaluation of legitimacy of the various uses of value judgments in terms of explicit or implicit reasons given to support them, reasons that can reflect what Thom calls a „network of traditions, human relations, and contracts”<sup>42</sup>.

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<sup>1</sup> Scruton, 2006, p. 163

<sup>2</sup> Thom, 1993, p. 142.

<sup>3</sup> *Ibidem*, p. 6.

<sup>4</sup> Tismaneanu, 2012.

<sup>5</sup> Thom, 1993, p. 34.

<sup>6</sup> *Ibidem*, 1993, pp. 115-116

<sup>7</sup> Thom, 1993, p. 16.

- <sup>8</sup> *Ibidem*, 1993, p. 119.  
<sup>9</sup> Zamfir, 1997, p. 20.  
<sup>10</sup> *Ibidem*, p. 19.  
<sup>11</sup> *Ibidem*.  
<sup>12</sup> *Ibidem*.  
<sup>13</sup> Thom, 1993, p. 34-35.  
<sup>14</sup> *Ibidem*, p. 142.  
<sup>15</sup> *Ibidem*.  
<sup>16</sup> Zafiu, 2007, p. 15.  
<sup>17</sup> *Ibidem*, p. 32.  
<sup>18</sup> *Ibidem*, p. 220.  
<sup>19</sup> Scruton, 2006, p. 161.  
<sup>20</sup> *Ibidem*, p. 164.  
<sup>21</sup> Brandom, 2000, p. 11.  
<sup>22</sup> *Ibidem*, p. 11.  
<sup>23</sup> Schiappa, 2003, p. 32.  
<sup>24</sup> *Ibidem*, p. 11.  
<sup>25</sup> *Ibidem*, p. 88.  
<sup>26</sup> *Ibidem*.  
<sup>27</sup> Scruton, 2006, p. 163.  
<sup>28</sup> *Ibidem*, p. 164.  
<sup>29</sup> *Ibidem*, p. 163.  
<sup>30</sup> *Ibidem*.  
<sup>31</sup> *Ibidem*, p. 164.  
<sup>32</sup> *Ibidem*, p. 163.  
<sup>33</sup> *Ibidem*, p. 163.  
<sup>34</sup> *Ibidem*, p. 164.  
<sup>35</sup> *Ibidem*.  
<sup>36</sup> *Ibidem*.  
<sup>37</sup> *Ibidem*.  
<sup>38</sup> *Ibidem*.  
<sup>39</sup> Walton, 2005, p. 161.  
<sup>40</sup> *Idem*, 2001, p. 125.  
<sup>41</sup> *Idem*, 2001, p. 131.  
<sup>42</sup> Thom, 1993, p. 142.

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## ORIGINAL PAPER

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### University youth and politics in post-communist transitional Macedonia (FYROM)

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**Abstract:** *The present article presents the fall of communist regime as one of the most important events in Western Balkans: changes in political context, in economic relations and in mindset, in life philosophy a modus vivendi at all. Furthermore, according to the author, the cornucopian myth and cargo cult were the two anthropological items that can be associated with newborn communities and states.*

**Key words:** *transition, university youth, politics, FYROM, political apathy, political ethics.*

## 1. Introduction

The fall of communist regime was one of the most important events in Western Balkans: changes in political context, in economic relations and in mindset, in life philosophy and *modus vivendi* at all. The *cornucopian myth* and *cargo cult* were the two anthropological items that can be associated with newborn communities and states. But the new perspective and new system appeared with new problems: ethnical clashes, unemployment, poverty, i.e. unstable society in general.

Negative trends affected all social strata, groups, especially the category of young, the most dynamic component of social changes and the creator of the future. Process of democratization was perceived as more chances for citizen, new horizons, but political trends showed the politics, by definition, the process by which groups make decisions, appeared as high utilitarian activity that worked in favour of new political elite.

In the Republic of Macedonia, within last twenty years the politics firstly was reserved for the transformed politicians, ex-communists that changed their colours in liberals, social-democrats, nationalists etc., and after a young generation of politicians achieved higher positions in political area. But politics and politicians are very unpopular terms in today's circumstances in RM. *Corrupted politicians, dirty business* are the most used descriptors from demos to young.

This research is an empirical research, questionnaire applied with 300 university young (South East European University and State University of Tetova) in December 2011 and January 2012, targeting exploration of perception of politics at university youth in Macedonia. Our hypothesis was that day by day youth feels animosity toward politics and politicians. And the data verified this claim: only 24 % of respondents (students) perceive politics as positive image, only 8.3% agreed that politics is service for community, 79 % of respondents said that politics and hypocrisy are synonyms.

## 2. The social transition and Macedonia: Post-transition as a social demand

As a word transition means a passage from a condition into another, while as a term it defines the process of democratization or the practice of nondemocratic regimes turning into democratic ones. This process has firstly been witnessed in Latin America and then in southern Europe, to be followed by central, eastern and southeastern Europe and the so-called West Balkan. The transition includes all those spaces in which the passage from nondemocratic systems into democratic ones is taking place. A characteristic of the transition of ex-socialist countries of Europe is the passage from the state-directed economy into the market economy and civilization values like free enterprise, competition, private property, pluralism, open society etc. The social transition that occurs within the state boundaries in countries that once were behind the Iron Curtain, has gone ahead in a curving line, with rises and falls, contradictory

and unexpected curves, often through dramatic and painful occurrences. Any big social change implies qualitative transformations of economic, judicial, political and cultural matrixes of daily life. A more complex meaning of transition shows itself in the context of deep, structural changes in all subsystems. The post-communist transition towards "market democracy" is characterized by the simultaneous occurrence of three processes. In the political sphere there is a revolution towards the system of constitutional democracy, liberalism, pluralism, peaceful competition for power, division of powers, supremacy of law, parliamentarism, guarantee of unalterable human rights and freedoms, the transformation of state apparatus to the service of citizens, decentralization of power, the civil autonomous society, independent media, protection of minorities etc. One of the most important phenomena in the transition of central Europe countries is the destruction of the totalitarian authority, "the loss of the father", the loss of meaning and the damage caused by the dissolving reality. The process of transition includes rival values and ideologies which compete with the leading state discourse. The economic subsystem includes reforms for liberalization, macroeconomic stabilization and privatization. In the interacting space of democratization and market economy the freedom of enterprise is created, the basis for macroeconomic policies is achieved and the means of economy for the minimisation of noneconomic factors, especially political ones, are intensified. The embrace of national identity, xenophobia, "the immature state", pseudodemocracy, abuses in privatization, profound changes in social strata, the birth of a new rich class (the case of Croatia: the thesis about 200 rich families in the Croatian society) etc. The democratic transition ends when a government elected through free general elections comes to power and it can make new policies and when the three powers are in full service to citizens. (Milardović, 2004: 13; Pajaziti, 2003: 23-32)<sup>2</sup>

Some explain the social transition through the metaphor of a man who has been ill for years and nobody has believed his condition to get better someday. But a miracle happens, a new method is invented. The doctor decides to apply this new approach, the shock therapy, without knowing what the repercussions will be. And the patient is on feet, having strong fever. Years go by and he starts to regain his functions. In the meanwhile he has moments of desparation. The process is not easy. He has short periods of crisis again. He starts feeling to be worse than he was and for months on his performances indicate decline. The patient does not refuse the medical treatment. He has hopes and doesn't want to think about his previous pathologic condition. Sometimes he gets bitter on the doctor who he thinks "gives him unattainable targets". He doesn't want to make those daily exercises. But one day he reaches his old health condition and goes even beyond.<sup>3</sup> The doctor tells him he doesn't need assistance anymore, that the healing is complete. His friends tell him the same but the patient is not sure. He can not find the proper clothes, does not work properly and sometimes loses his conscience.

So the period of transformations goes with its turbulences. Different theoreticians have dealt with the issue about when social transition ends. Lavigne says this phasis of social development ends when the countries become EU members. Gelb says it ends when the problems and policies of today's transition countries resemble those of countries in the same level of development. As a condition for the conclusion of transition Avejnar puts forth the end of central planning and the functioning of the market system. In connection to this Kornal puts three conditions: the loss of monopolizing power by the communist party, the privatization of the dominating part of production means and the market to be the dominant coordinator of economic actions. In 1999 Avejnar asserted that ten years should pass for the transition to be concluded.<sup>4</sup>

The Republic of Macedonia is a small Balkan country that is passing through a long period of transition, during which the majority of population got poorer, when unemployment, vulnerability and social exclusion are social graves while the life satisfaction is a dream. The instability of the region as result of the "balkanization process" (*Bellum omnium contra omnes*) and the situation that creates an improper climate for investment contributed to the rise of social instability. Corruption is another serious problem that obstructs the natural development and the approach of the country towards Euro-Atlantic structures. Some have called the transition of Macedonia<sup>5</sup> as a transition with "factory defect". The process of transition in this country from centralized economy into the one of free market expressed in Dahrendorf's words, implies the change of political institutions in six months, that of economic relationships in six years and that of human attitudes and values in sixty years.<sup>6</sup> Macedonia faces high unemployment (35%)<sup>7</sup>, the *experimentum macedonicum* dilemma, disagreements with neighbours, the name issue with Greece (Macedonia's Greekness & Greeks' Macedonianness),<sup>8</sup> antiquisation, the church issue with Serbia, that of language with Bulgaria, broken interethnic relations (between Macedonians and Albanians), a chapter that was thought to be over with the interethnic conflict of 2001 and the Framework Agreement which implied constitutional changes in favor of non-Macedonian ethnic groups and communities that however failed to bring *conclusive peace*. From 2006 and on the country has been living under the turbulences of permanent provocations by Macedonian state nationalism which showed itself in the most refulgent way in the case of the Macedonian Encyclopedia, that of the fertility law, in the case of the castle church in Skopje, antiurban project "Skopje 2014"... Handball fans in Nish or anywhere else throwing offending anti-Albanian slogans, the troubles in spring 2012 when two Albanians were executed in Gostivar, children beaten in Skopje etc., are some of the "products" of policies of Gruevski and those of new millennium's excommunicating Macedonian revivalism.

Citizens remain in the hope of passing into a better phase, that of post-transition which would see the triumph of constitutional democracy over illiberal and authoritarian policies, the domination of imposed coexistence by natural co-living, as well as a high level of life quality and social wellbeing.

### 3. Youth and immoral politics

Youth is a term that denotes physiological, demographical and sociological dimensions of a social group, a social category and which in general includes individuals who follow the education process, who can not stand on their own economically, who are sensitive to social issues and demographically include the age group between 15 and 25. Some take the limit to 30, even to 35. Youth is the most dynamic and complex phase in life. Arnet says that young age starts at 18 and ends at 25 or 29. Its main characteristics are physical and psychological development, dynamism, emotionality, spirit of enterprise, impatience, search for identity, rebelliousness, crisis, anxieties, sorrows, reactions, conflicts, dreams, passions, endless demands, disharmony between psychophysical and social development etc. It is a preparatory phase, when the personality qualities needed for bearing professional and family responsibilities are gained, when the young starts behaving more independently and with more responsibility, when he establishes friendships and chooses his/her mate. Platon has defined youth as a phase of "spiritual intoxication", while Aristotle has defined the young as "insensitive creatures". In traditional societies, the young becomes an adult as soon as he enters the productive phase in life, by working and achieving material gains. The technological society has delayed the process of employment for the young. The Baby Boom phenomenon in USA after Second World War has caused the strengthening of youth as a social category and the birth of numerous youth movements and subcultures. (Pajaziti, 2003:77; Kızılcılık-Erjem, 1996:230-231).<sup>9</sup> Sociological interest on youth as an age marked by search for identity, evident instability, frequent changes in school, employment and love, transition from adolescence to maturity, personal freedom and self-focusing, saw a special momentum in the 60's when the juvenile population was seen above all as a potential factor of unrest, trouble and revolution.<sup>10</sup>

University youth makes up a category of academic citizens who pass the phase of their intellectual-professional overbuilt towards new passages in life, towards carrier in various social spheres, towards personal and social-collective responsibilities and benefits. It has often shown itself to be the *spiritus movens* of the society. University youth is a mobile and dynamic social mass as has been witnessed in USA in 60's, in Paris in 1968, Tienanmen 1989. This can also be illustrated by the Albanian example in the demonstrations of 1980 in Prishtina and those of students in 1990 in Tirana that brought by the fall of Yugoslavia and of the monist system in Albania respectively.

Politics as one of the main institutions of the human society has been defined in a number of ways. *Shorter Oxford English Dictionary* has defined it as the science and art of governing. Laswell (1936) says it has to do with the question of who takes, when and how. Bertrand de Jouvenal (1963) defines it as an activity through which a human being puts another human being into motion, while David Easton (1979) connects politics to the distribution of values. The British philosopher Bertrand Russel (1938) talks about the

production of aimed effects.<sup>11</sup> According to Sartori, politics is a sphere of sovereign collective decisions. In general, politics as a public activity and as an art of the possible implies compromise, consensus and the participation of various social groups in governing.<sup>12</sup>

While analyzing the relations of the modern human being to politics, today's sociologists have found out that fanaticism, intolerance and overvaluation of the personal political ideal are evident features of making politics. They have even invented the term "political drugging".<sup>13</sup> Today, like in all spheres, in politics too interest is stronger than the motive of serving. This society is dominated by the transacting pathology that has produced the conflict between personal interest and morals, between political market and human solidarity relationships. The whole political action in it is unified with the objective: having the power and using it. The high level of corruption, of abuses and unlimited greed<sup>14</sup> make the *differentia specifica* of Balkan politics. The most plastic description of the politician of our lands is made by Prof. Servet Pëllumbi, who says in connection to the typical politician of today: "What I say today I alter tomorrow. I am dialectical!"<sup>15</sup> while suggesting that "politics also requires morals". Politics nowadays, especially in west Balkan countries is unpopolar sphere with a low social rating, among masses in general and particularly with the young. The citation below illustrates this best:

Nowhere in the world and not with us dealing with politics implies either honesty or high moral consciousness. Politicians in our parts confirm this every hour, in every step and action. Many of us mention with nostalgia and respect the names of politicians like Gandhi, Churchill and Mandela who compared to today's politicians look like "moral giants". In politics' morals, everything that brings one to the aimed intention is allowed (Machiavelli). In such a discourse nothing can surprise us or make us wonder.<sup>16</sup>

American essayist H.L. Mencken says talking about a good politician is like talking about a honest thief, while G. Orwell says the political language is designed to make lies sound true.<sup>17</sup>

In a study made some years ago with 300 young people from the capital Skopje, it results that only 20% of the young trust the parliament and only 11% trust the political parties.<sup>18</sup>

Another poll (Jashari et.al., 2008) with 507 students has found out that 63% have not expressed any preference of political engagement, 19% have said they sometimes engage in politics, and only 18% have expressed political activity. 29 persons only have answered they could walk for 5 km to take part in a political event (sport, culture and religious events have resulted much more attractive with 70.4% together)<sup>19</sup>

According to a study made in autumn 2009, politicians are shown as worseners of interethnic relations in Macedonia. 71.2% of poll participants

have asserted that politicians at national level influence negatively in interethnic relations in Macedonia (percentage in 2008 has been 44).<sup>20</sup>

If we make a comparison of the echo of the first democratic elections in Macedonia in November 1990 that was 84.8% with that in the 2011 elections that was 53.9%, we can clearly see the tendency of the popularity of politics in the country.

**Table 1. What effect do you think the following institutions influence ethnic relationships: Politicians at national level?**

	Frequency	Percent
1. Improve	101	10.7
2. Worsen	671	71.2
3. No effect	73	7.7

Facts show that most of the young people want to leave the country and look for their fate somewhere outside Macedonia. "Perspective is sought outside Macedonia" was the title of an article at *Telegraf* (23 February 2012) that argues that young Albanians taken by the "Balkan syndrome" go to work in west Europe and America, while Macedonians prefer Australia and New Zealand more. According to the International Migration Office, 50 young people with a university diploma, the so-called "modern emigrants", prepare to leave the country each day.

Let's listen to the story of a student, Anita S. who has graduated in economy with a grade above 9 and who has been waiting for a job since five years. She offers us a clear view about politics and the perspective of young people in Macedonia:

*"I think politicians do not solve the real problems in parliament. Everything I hear are only their quarrels with each other while the social issues they used to vow would be primary for them, are not even included in their daily agenda. I can't wait for a job forever. In the meanwhile I married and have children. My husband is a graduate too but he has a job in which his education is not relevant at all. We have given the documents for a migration visa to Canada and we have to wait. I want to go. There can't be worse than this."*<sup>21</sup>

#### 4. Perceptions of university youth about politics

*Bro ... politics is a whore .....? (I apologize for vulgarism)?  
People are enough split in parties .... especially young ....  
young's place is school, college, work ... not the rallies and  
other political bulshits.*

(forum.kajgana.com)

The last part of this research is made up by the empirical dimension, that of research on the ground, realized through a semi-structured survey with

22 questions, applied in December 2011 and January 2012 with 300 students of two universities: South East European University and State University of Tetovo. According to the State Statistics Institute, 63.250 students have been registered in 19 high education units of Macedonia for the academic year 2011.<sup>22</sup> The limitations of this research are time and groups, which means the results are about the time the poll was conducted and with the university category as it does not include other categories of youth. Our main hypothesis was that students have negative attitude towards politics, towards the politician profile and political parties.

It is known that political and wider participation by the young is important in showing the “healthiness” and functioning of democracy, influencing positively in forming the identity of new persons (Flanagan & Levine, 2010: 160).<sup>23</sup>



Of the total number of students, 85 (28.3%) were from first year, 104 from second year (34.7), 85 from third year (28.3), and 26 (8.7%) from fourth year. 53.7% of respondents were males, while 46.3% were females. In urban-rural categorization the report was 49%-51%. 49.7% of the students were from SEEU and 50.3% from SUT.

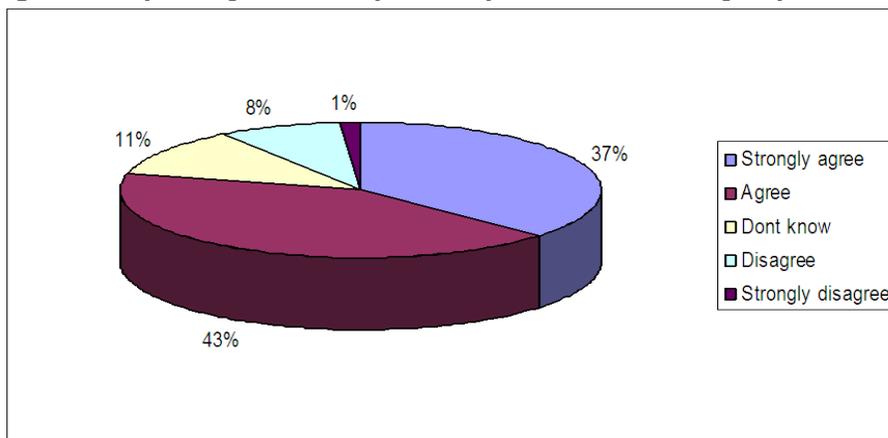
**Table. 2. Politics according to students**

	Frequency	%
Power	105	35.0
Money	72	24.0
Deception	92	30.7
Service to community	25	8.3
Other	6	2.0
Total	300	100.0

As seen in the table above, the great majority of students see politics as money, power and deception, with only a minority considering that it serves the community. This is also confirmed by the data of the question “whether they have a positive or negative image about politics”. 72% of the representative group have a negative image, and only 24% think positively. These results show us that politics is not playing its role as a service to citizens, as a management in favor of contemporary *demos* and polis. This confirms the

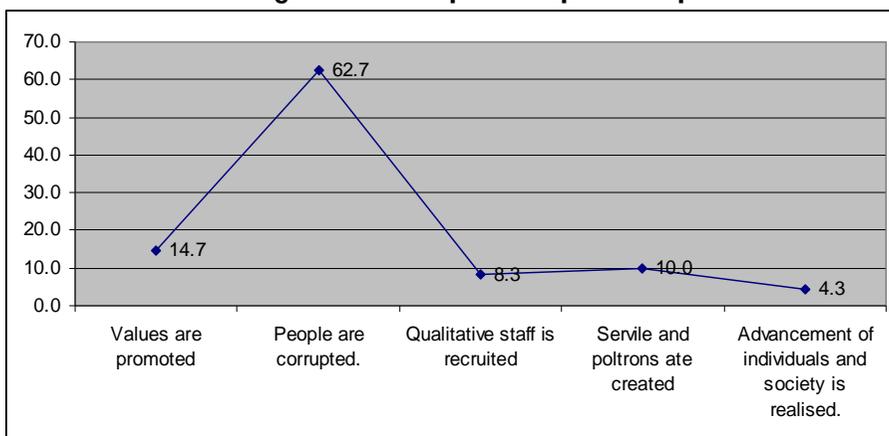
thesis of Eugenio Scalfaro who says morals and politics are in conflict with each other.<sup>24</sup> To the question whether political elections and politicians are a challenge (1), desperation (2) or pleasure (3), only 6.3% have marked the third alternative.

**Figure 1. Hipocrisy is an inseparable part of the identity of politicians**



As seen in figure 1, respondents see a close connection between the personality of politician, his identity and an anti-ethic characteristic as hypocrisy. 80% have confirmed this, 9% don't agree, and 11% do not have a clear attitude on the matter. This reality is also confirmed by results from the question "whether the politician has been corrupted in the aspect of moral values". 66.3% said "yes", 22.3% don't have any attitude, while only 11.3% have a positive opinion about the relation between politicians and morality and don't think that today's politician is morally corrupted.

**Figure 2. Perception of political parties**



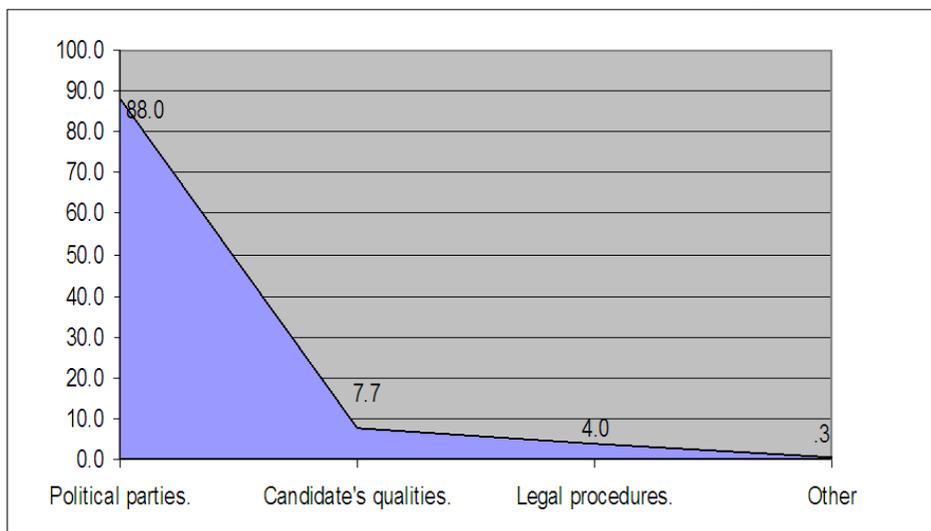
Question number 12 in the questionnaire was about the function of political parties, whether it is in favor of community or is corruptive for the individual and the society. As seen in the graphic illustration above, the great

part of students have a negative attitude towards political parties. 62.7% see parties as institutions for corrupting and degrading people, 10% see them as institutions that produce serviles, while only ¼ think that political parties promote values, recruit quality staff and promote the advancement of individuals and society. The economic background of students seems to influence on their perception of politics: 22.7% of students with family income above 27.000 denars (~400 €) and 4% of those with a family income of up to 9000 denars (~150 €) see political parties as institutions where values are promoted.

An important issue that has to do with the functioning of the social system, democracy and achievement of life quality is the meritocracy applied in employment. As the illustration below shows, employment in Macedonia is mainly carried on party basis. Only 11% of respondents have answered that employment is made on the quality of candidates or on basis of legal procedures. This is also confirmed by the comment of a young man, Arben, to the daily *Zhurnal*:

“In order to have a certain job one has to be a member of the party in power. While private employers do not offer high salary or certainty. I’ll try to work on a ship.”<sup>25</sup>

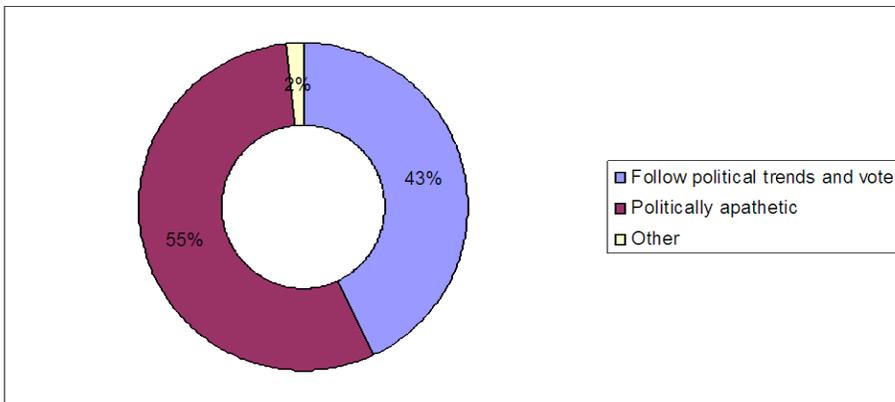
**Illustration 3. Decisive factors for employment**



This situation has prevented the young population from approaching politics too much, causing it to show a political apathy and keep itself far from political actions. Our research shows that more than half of respondents (55%) are politically inactive, do not want to hear about politics and politicians. This is a depressing picture if we consider the fact that youth is the future of a society. Most apolitical are the students of SUT, 64.9%, compared to those of SEEU (45.6%). The later show more readiness to join the political caravan (45.6% as

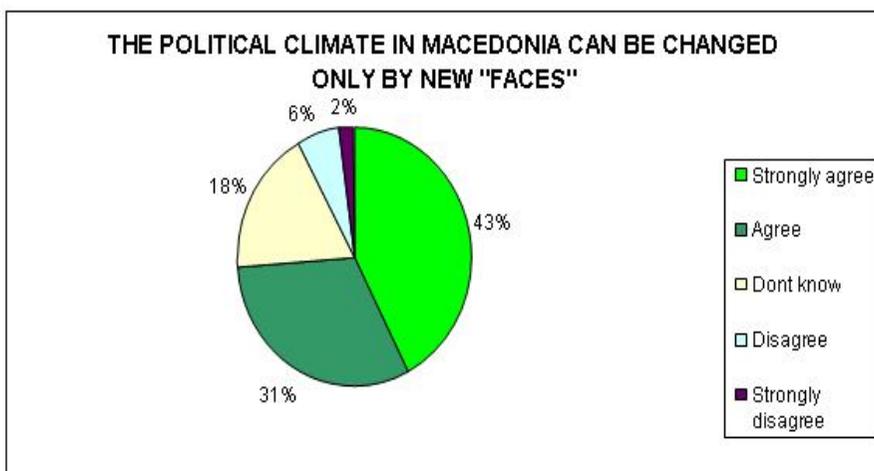
compared to 22.5). Students in better economic conditions are more active in their choice as compared to those with a weaker economy (50%-32%).

**Illustration 4. University youth and politics: activism as opposed to apathy**



Another question asked to students aimed to detect whether they were “full” of the actual politicians. The results show that ¾ of students want new faces in politics. They even assert that “only new faces could change the political climate in Macedonia”.

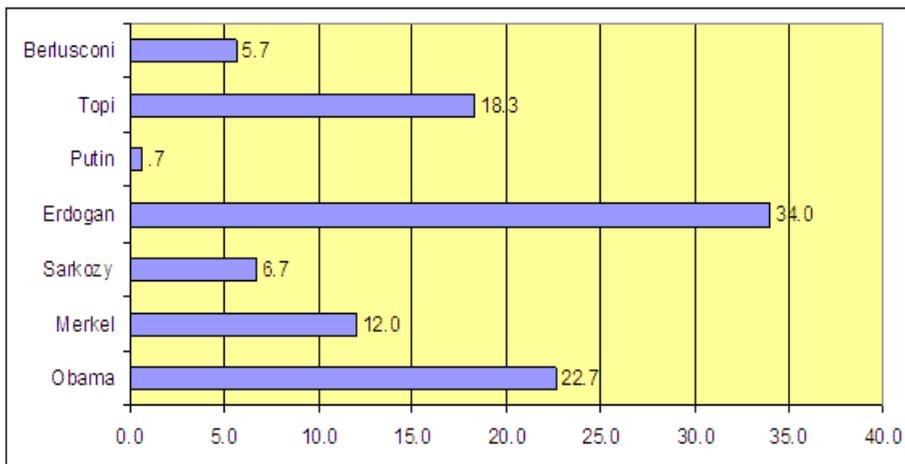
**Illustration 5. The need for new faces in politics**



Politics is made in micro as well as in macro plan, which means in the global level, and includes faces that appear more and have greater impact in the international political developments than others. By giving the names of some politicians we aimed to see which global politician is more preferred by the young seekers of knowledge. The data show that the most popular politician among SEEU and SUT students is the actual Turkish prime minister Recep Tayyip Erdogan (34%), followed by the American president Obama (22.7), the

Albanian president Bamir Topi (18.3%), German chancellor Angela Merkel (12%). The most unpopular politicians appear to be Putin with illiberal-authoritarian reflections and Berlusconi with a “scandalous fame”.

**Illustration 6. Politicians most popular among students**



#### 4. Conclusions

The transition of southeast Europe countries, their passage from communism to democracy constitute the most important phenomenon in European history since the 50's. This process is hard, troubled and painful to citizens.<sup>26</sup> The Republic of Macedonia is a transitional society with a delicate democracy, weak economy and impaired social cohesion. In short it is an instable society, even called as a *divided society* by some. The general situation of this social reality makes young people speak pessimistically about their future and show doses of great dilemmas towards social institutions, including politics which should be the promoter of advancement in all spheres of life.

From the ground research we made with students of two universities, we reached these conclusions:

- In general, for the university youth politics offer a negative image and symbolic.
- From the junior to senior years, the level of trust on politics goes higher (from the first year students 38% said politics have a positive image while only 3.5% of fourth year students asserted this).
- Students show a low level of interest in politics (55.3% apolitical).
- According to the young academic citizens, politics and morals are oxymoron, antonyms. A moral politician according to students does not exist.
- A deep chasm shows itself between politicians and people (only 26% think politicians are close to the people).
- Political parties are perceived by students as the best “devices” to find a job.
- The new generation is “satiated” with the *ancien regime*, the old faces in politics and it wants new faces in politics.

On basis of the results of this research, we recommend political parties to change their attitude towards the young, not to recruit them just as political militants but to be in search of the young "brain and creativity", to find the student elite and from it to prepare the future managers of politics. We suggest the awareness of the young through panels, conferences and various meetings about the activities of the people in charge and also higher transparency. The policy makers must be conscious about the dissatisfactions and frustration of the young who have high educational qualifications but low income, which live in crisis while they can be manipulated by different circles for the most bizarre intentions.

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<sup>1</sup> Associate Professor, South-East European University, Tetovë (Macedonia).

<sup>2</sup> Ali Pajaziti, *Fjalor i sociologjisë* (Skopje: Logos-A & UEJL, 2009), 750-751.

<sup>3</sup> Annete N. Brown, *When is transition over?* (Michigan: W.E. Upjohn Institute for Employment Research, 1999),

<sup>4</sup> Brown, *When is transition over?*, 7-8.

<sup>5</sup> See: Verner Vajdenfeld, *Demokracia dhe ekonomia e tregut në Evropën Lindore* (Tirana: Shtëpia e Librit & Fondacioni Soros, 1999), 257-278; Jonuz Abdullai, *Ndryshimet sociale dhe tranzicioni* (Tetovo: CRPA & Arbëria Design, 2008).

<sup>6</sup> NISPA-cee (Skopje: Institut "Otvoreno Opštesvto", 2005), 7.

<sup>7</sup> Ali Pajaziti et.al., *People Centred Analyses: Quality of Social Services* (Tetovo: SEEU & UNDP, 2010), 48.

<sup>8</sup> Jane K. Cowan ed., *Macedonia: The Politics of Identity: The Politics of Identity and Difference* (London: Pluto Press, 2000), 122-139.

<sup>9</sup> Pajaziti, *Fjalor i sociologjisë*, 553-554.

<sup>10</sup> Miran Lavrič and Sergej Flere eds., *Youth 2010: The Social Profile of Young People in Slovenia* (Maribor: Aristej, 2011), 65-66.

<sup>11</sup> Stephen D. Tansey and Nigel Jackson, *Politics: The Basics* (Routledge, 2008), 8.

<sup>12</sup> Ylli Bufi, *Tempulli i demokracisë* (Tirana: OMBRA GVG, 2010), 25, 27.

<sup>13</sup> Gëzim Tushi, *Arsyetime politike* (Tirana: Toena, 2010), 100.

<sup>14</sup> Përparim Kabo, *Autoritarizëm në tranzicion* (Tirana: Plejad, 2006), 203, 204.

<sup>15</sup> Servet Pëllumbi, *Edhe politika do moral* (Tirana, Rinia&ISPS), 64.

<sup>16</sup> <http://www.6yka.com/> "Buka – online magazin za online misloce", 06.11.2005.

<sup>17</sup> Joseph Rotblat, *Ethics and Politics*, <http://www.pugwash.org/uk/documents/EthicsandPolitics.pdf>, viewed 17 March 2012.

<sup>18</sup> See: Nada Pop-Jordanova, 'Young People and the Modern Society' in *New Balkan Politics*, Issue 2.

<sup>19</sup> Hasan Jashari et.al., *Studentët dhe lëvizjet globale, politike dhe religjioze* (Tetovo: SEEU, 2008), 73, 79.

<sup>20</sup> Pajaziti et.al., *People Centred Analyses*, 70.

<sup>21</sup> <http://star.utrinski.com.mk/?pBroj=1199&stID=4870&pR=19>, viewed on 17 march 2012.

<sup>22</sup> <http://www.stat.gov.mk/PrikaziSoopstenie.aspx?rbtxt=29>, viewed 16 march 2012.

<sup>23</sup> Lavrič, *The Social Profile*, 188.

<sup>24</sup> Bufi, *Tempulli i demokracisë*, 23.

<sup>25</sup> <http://www.telegrafi.com/lajme/perspektiva-kerkohet-jashte-maqedonise-79-1909.html>, viewed 16 March 2012.

<sup>26</sup> Brown, *When is transition over?*, introduction.

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## ORIGINAL PAPER

**Andreea Mihaela NIȚĂ**

### **Cultural consumption of urban population in today`s Romanian society. Comparative study communism - post - communism**

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**Abstract:** *In a Romanian society in permanent transition from a social and value perspective and in an undefined state of positioning of cultural identity marks, we observe with disappointment that the lapse of values of the urban population is easily seen in the preferences of the Romanians extracted from cultural consumption. From axiological and epistemological perspective, the democratic century measures the width of structural mutations at society level with obvious accents of degradations of cultural creation and analysis. The value reprioritization determined by major social and cultural changes has deepened the national identity crisis in culture.*

**Key words:** *culture, cultural identity, cultural consumption, cultural values, cultural crisis.*

One of the significant characteristics of contemporary societies is the free movement of information. The changes that lately took place have created the individuals' need to associate culture with political, economic and social life.

The concept of culture is distinctly seen by the community according to age category, residence environment or even standard of living, thus the culture consumption has diversified and the values have acquired another connotation. Mass media or the specialists who study this subject frequently use notions like „life style” or „consumption society” to describe cultural tendencies, turning aside in this way from the academic or scientific area. With the emergence of advanced technology and the insertion of science in all the areas, new leisure activities have arisen, thus the values that pretend to be symbols for Romanian culture have modified or more than that urbanism has also imposed the elimination of some traditions. For fear of being labeled, individuals have conformed offering another aspect to this value platform that years in a row has represented intangible principles for many.

Any individual or community has the identity feeling they were born with, gave them ownership and tends to become real relating to the mark system they acquired from the very beginning. The concepts of identity and social representation provide an explanation of how they change and root a new way of thinking and of building a new social context.

The most meaningful change that took place in Romania is the transition from the communist to the democratic system, a context that favored the changing of up till then practices or their replacement. Communist power generated absurd practices that created in their turn, voluntary but also involuntary servitude, superlative realities that the mass individual consented with guilt and obeyed. People remember that period as one of generalized deprivation, but not necessarily of poverty. In the 80's there have appeared numerous phenomena that are part of the structural matrix of Ceaușescu's Neo - Stalinism. In those years, social services and expenses for the population rapidly decreased in inverse proportion to the increase of control ideological strategies of the population. Thus, there were developed cultural forms - - for example, “Cântarea României” (The Song of Romania) - similar to the face and image of excessive accumulation of capital goods. The communist period showed a homology in the relationship between production and consumption and the investment policies in Soviet - style socialism has displayed constant contempt towards consumership, primarily focusing on the production of capital goods that represented a way of preserving and increasing power. This article presents aspects of cultural consumption identified among urban adult population, with ages between 25 and 55 years, in the South - West Oltenia, South - Walachia and West and aims people's views on cultural and social activities, on urban infrastructure of the cultural sector and the budget distributed to that area, but also on the effects of globalization and the importance of Romanian traditions. One of the assumptions we have launched was that dynamics and modernity of values led

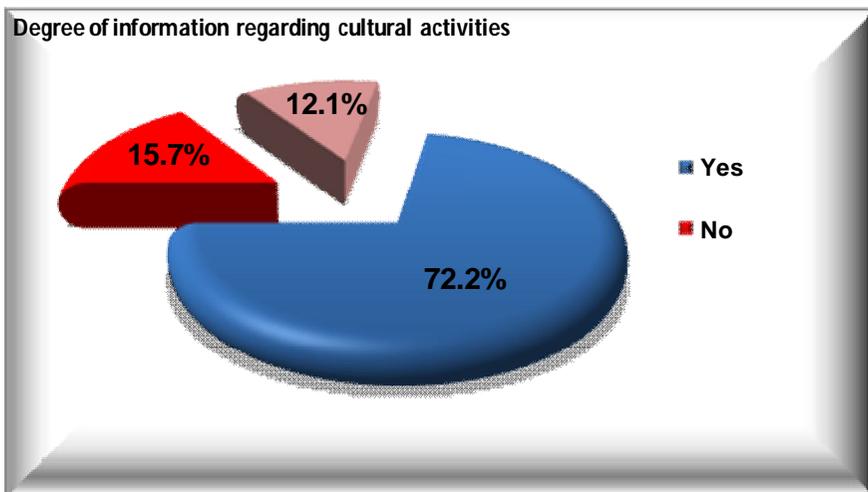
to the reprioritization of cultural trends causing deep changes in the lifestyle of individuals.

The economic crisis which occurred suddenly and strongly since 2009, has implicitly attracted a crisis of culture, thus the budget of household income given cultural or social activities is very small. However, individuals consider themselves informed about events of this kind taking place, obtaining actually information through the mass media. Knowing the state of cultural infrastructure, but also the individuals desire for cultural consumption can represent a start in identifying means that can reduce the gaps occurred in the cultural market. In this respect, there have been set some goals that were aimed at throughout the course of the research, namely:

- Knowing the degree of interest for cultural activities by measuring the frequency of participation in cultural events, but also the visit of cultural;
- Knowing the level of trust in public institutions given by the sample people;
- The degree of awareness and appreciation of Romanian traditions and how they are kept in contemporary society;
- Recognizing and setting urban values and cultural vitality of cities by identifying opportunities for access to cultural goods.

Cultural consumption but also urban values are specific to any category of people, regardless of age, religion or sex, but the intensity they each are perceived and respected with differs from case to case. However, there were major differences between the sexes, regarding the structure of the sample, thus about three quarters of the respondents were women and only 27,5% were men. It should be noted that the research took place within urban population. The era in which we live is an information era, where acquired knowledge loses ground very quickly and that may explain the fact that more than half of the respondents have graduated from university. Viewed at macro level, education and training of human capital influences the progress and performance, also representing an important pillar in the formation of a culture. Studies on cultural consumption focus mainly on social stratification and cultural elitist consumption. The results outline the idea that people with high education participate more in cultural activities such as reading, opera, ballet, etc.

Contemporary society is characterized by rapid computerization, but the information society does not attract as a matter – of course really informed people. Depending on the level of education and accumulated experience, the individual can choose what represents a value or what can be catalogued a non-value. Well-informed people can also be considered active members of society. Cultural and social activities are not as publicized because they are not considered relevant to the target audience. However, almost one quarter of the respondents said they are informed of such activities taking place in the locality where they reside and only 15.7 % said the opposite.

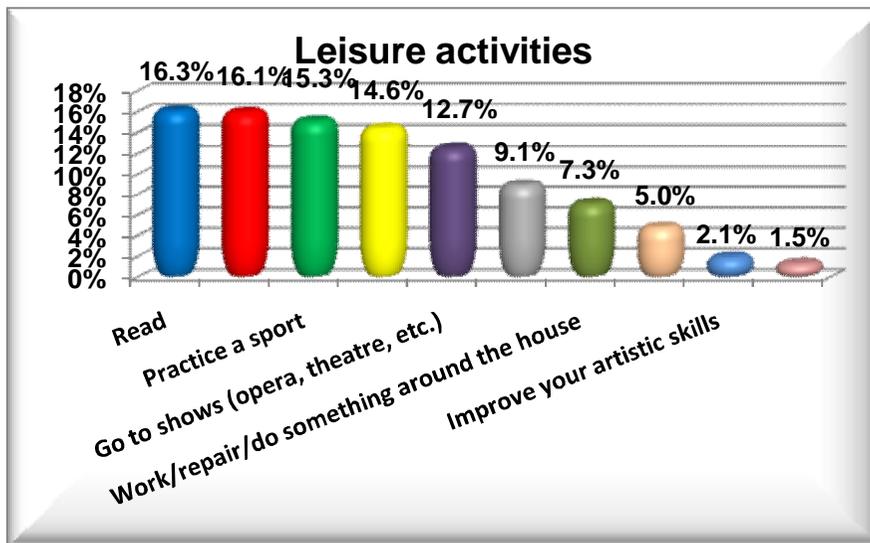


In order to obtain information and to be aware of everyday life, most individuals choose the news as means of information. According to the conducted research, over one quarter of the respondents choose to watch such broadcasts. Documentaries are on top of the shows preferred by respondents with 18.9% of the total responses and movies or TV series have 15.6 %. Programs dedicated to the cultural or educational area are less watched, these earning less than 10 % each. TV is the most active cultural object found in the houses of individuals, but the wide range of channels offers the possibility to choose and identify what is useful to watch and which of them brings added value to the knowledge accumulated so far.

Information can exert an effective influence over an individual's ideas or opinions and in order to choose or participate in cultural life one should possess information. In a dynamic and ever changing world, as the contemporary society is, the information sources have diversified, each individual being able to properly manage the information they can get. Books have lost ground to newspapers and magazines and going to the opera, the theatre or other show is more and more absent from the list of leisure of the urban citizen.

According to the study, the improvement of artistic skills or the participation in specialization or training courses are activities that rarely fall in leisure program of the respondents in the three regions. With the redundancies lately made, the working loads of those involved in the public and private system have multiplied, so the free time can get was limited.

However, when asked if they had more free time available, 16.3 % of the respondents said they would read, 16.1 % would rest and 15.3 % would practice a sport. At a very small difference from these activities we find the spending of time with the family or the going to shows.



If, as we could see that the theatre, philharmonic or museums are no longer relevant to most individuals, we cannot say the same thing about the going to church or the mall. The context in which the two were introduced, namely measuring the frequency of the two mentioned above, is not a common one, but benefic to illustrate the concerns that have emerged in contemporaneity. According to the latest statistics made, Romania is a nation of church-goers, but we can speak of two types, namely: people who believe in God and engage in activities related to the church, follow the practices and internalize the values promoted by it and believers who go rarely to church and do not necessarily take into account the traditions supported by servants of this institution. The study conducted in the 16 residential cities of the South - West Oltenia, West and South - Muntenia regions reveals that over half of respondents go to church or monasteries once a month or less and 31.7 % several times a week. Mall or supermarkets visits appear to be more attractive than leisure at the opera or the theatre. Almost half of the urban respondents in the West, South - West Oltenia or South - Wallachia regions visit several times a month this kind of shopping centers. A worrying thing is that for about 9.2 % walking around hypermarkets or shopping malls has become a daily routine and 22.2 % have this activity several times a week. Commercial complexes, especially malls have become the attraction of those who live in urban areas, making it one of the most frequent social interactions. Whether they go to buy something in particular or just admire big windows brands, individuals have made that these services are not only a utility but also a dependant pleasure.

In order to attract individuals, cultural institutions should be attracted to new requirements, namely: their modernization and equipping with the latest technologies, but this would implicitly suppose a multiplication of costs that consumers would have to bear.

In this sense, the cinema can be exemplified: according to a study presented last year by the MEDIA Salles at the Berlin Film Festival, Romania is the country that registered the most spectacular growth across Europe regarding the number of spectators attending the cinema, being on top of the countries with the most spectacular jump. This trend occurred at national level seems to be influenced by the appearance of 3D and the opening of new cinemas.

In times of recession, everyone's priorities change to resist the demands promoted by society, but nevertheless, the family has always occupied a privileged place. Money or the career, which were ranked on the following positions, is essential to support the whole family. Professional life is for many a very important part of existence, often taking, many hours each day, but it is a source of income.

The cultural area is not limited to its consumers but also its producers. It is important that the infrastructure in this area are be developed and diversified, one of the main landmarks to measure the cultural life in a society. A city well equipped in this respect may be able to maintain itself on a superior rank in regard to an urban community that has weaknesses in this section.

In the section cultural infrastructure, the South-West Oltenia, Wallachia-South and West regions are in a superior position, according to the respondents' opinions. All the 9 numbered indicators has accumulated rates of more than 67%, which confirms that the three regions provide opportunities for acces to cultural activities. On the first three places we find libraries, bookstores, but also cultural homes. Compared to other cultural institutions, the above are easier to maintain, but also more financially affordable. According to national statistics, a decade ago, the network of cities with cinemas was twice than the current one and the presence or absence of theatres qualitatively differentiates towns between them in terms of cultural infrastructure.

A dynamic and ever growing society needs to promptly respond to all requirements imposed by the statute which it acquires. A society that claims to be advanced must summarize the necessary and efficient "equipment" to ensure a continuous and competitive cultural consumption. For a community to have access to the previously mentioned, it must be well informed, to know how to choose and above all to express its point of view. According to this survey, nearly three quarters of the respondents chose "DK / Can's appreciate" when they were asked to choose the institutions which they consider to be necessary in their city, according to the cultural needs and activities. Respondents opted for this alternative response, either the city they live in provides all the necessary conditions to carry out different cultural activities or such activitirs are no longer a necessity of them.

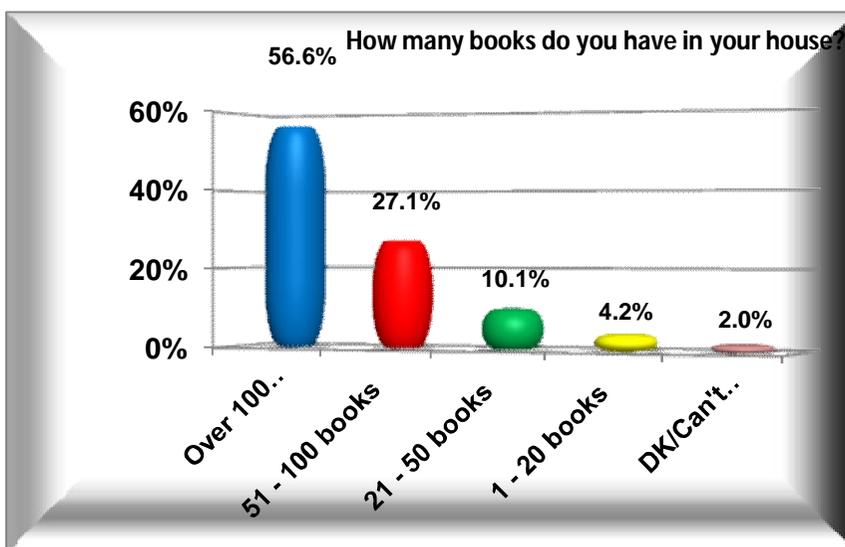
In this period when the normal course of life is financially disrupted, cultural activities are no longer a necessity for most people. The energy

it generally gives to achieve certain goals is redistributed according to the new needs.

However, 10.5% of respondents mentioned the theatre as a necessary institution in their city, 6.6% considered useful the presence of cinemas and only 2.1% said that in relation to their cultural needs and activities a museum would be necessary. Libraries, bookstores, exhibition or show halls, the philharmonic, opera halls or multipurpose arenas, they have all accumulated less than 2% percent.

In order to obtain a radiography of urban cultural life and to identify the representative values for this environment, besides identifying public cultural infrastructure, the observation of the status of the private cultural infrastructure is also needed. Main objects belong to this type of culture, namely: active objects (TV, DVD player, camera, radio, CD player, computer), tool-objects (encyclopedias, dictionaries) and connection objects (cable TV).

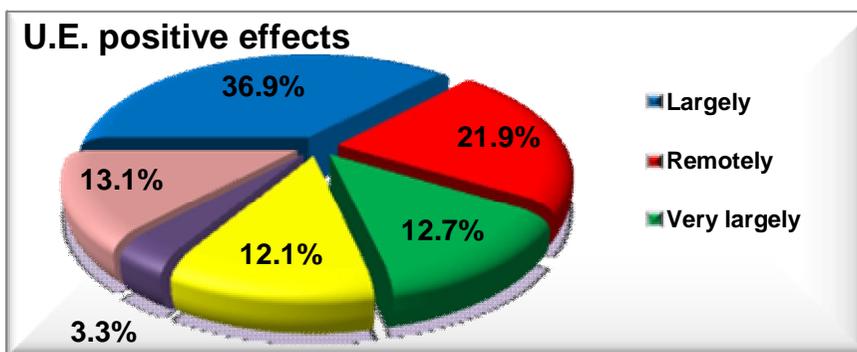
Regarding the first category of cultural objects, TV, computer and radio have accumulated significant percents, respectively over 90% maintaining the same trend as in 2010 (according to the Cultural Consumption Barometer in 2010, stage two). Dictionaries and encyclopedias are found in the homes of over half of respondents, significantly leaning balance in favour of the first mentioned, respectively by 28.4%. The change of the economic and political system in 1989 has also left its mark in the Romanian audiovisual, so that in 2012, a large number of TV channels are on the air, this determined the citizens to equip homes with cable TV, thus approximately 99 % of respondents confirm using this service. Regarding the books that individuals claim they have in their personal residence, they can generally be acquired through two means: purchased from their own budget or inherited as part of the material heritage derived from the relationship between generations. Over half of respondents say they have over 100 books, 27.1% have between 51 and 100 books and 10.1% have between 21 and 50 books.



According to a study made by the Romanian Institute for Assessment and Strategy (IRES), more than half of the Romanians acquire books that appear together with other publications and one quarter of the Romanians buy books in less than once a year.

The statistical data that are presented at national level don't appear to be optimistic regarding the cultural area and the cultural consumption of the urban population in Romanian society today. Romania's entry in the European Union, the financial crisis, caused major structural changes in the economic, political, social area, etc., but also in the entire Romanian society. There were imposed new rules, standards, strategies that had to be followed exactly. The result obtained after about 5 years (when Romania entered the EU) can be measured by the effects that emphasized, people said this aspect in general, compared to the standard of living they have, the beneficial changes that the European model produced on them or their loved one.

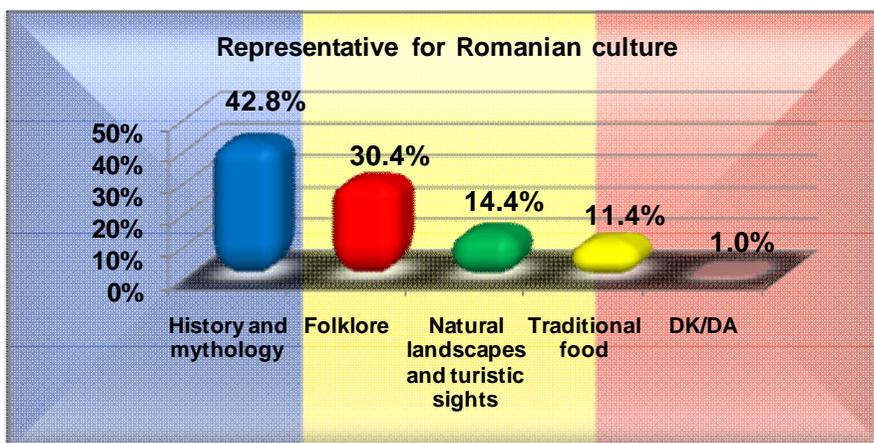
According to the results obtained following this sociological research, about half of respondents (49.6%) remotely or even largely believe that the EU entry has positive effects on Romania and 34.0% said that this led to negative consequences (remotely – 21.9%; very remotely-12.1%). Due to the avalanche of contradictory information promoted by various communication channels, 13.1% of the respondents placed themselves on a platform of uncertainty and were unable to appreciate this aspect.



Positively or not, the fact is that Romania is affected since it acquired the status of EU membership. Besides the economic or political changes, there also suffered the elements competing for a significant place in Romanian culture.

Whether it is history and mythology of a people, the folklore, the traditional food and natural landscapes and sights, each of them represents an element of a society. Any civilization supposes a culture, but the Romanian one has its own ethos that was generated by the historical but also the geographical one of its evolution. A significant fact which has been observed in the study conducted, is that almost half of respondents considered that the history and

mythology are representative for Romanian culture, 30.4% opted for folklore, 14.4% for natural landscape and sight and 11.4% said the traditional food is typical for Romanian culture.



There are many aspects that make up a culture, but with great difficulty we can specify or highlight one more than the other as representative, because each individual assesses based on the acquired experience or the informational storage they have.

In order to investigate the entire cultural system and identify the cultural values that have emerged, it is necessary to analyze the manner of keeping Romanian traditions, if by chance they have passed. Knowing and respecting traditional Romanian celebrations brings added value to Romanian culture, representing a pillar of support in its evolution that has as principle and goal the conservation of specific customs and rituals. In this sense, at the level of the three regions, over 90% of the citizens have information about the main Romanian celebrations and more than that they consider them to be important.

Traditions were passed down from generation to generation, but each gave a certain connotation to one custom or the other. The essence and specificity remained the same, but the intensity or degree of importance given varies from one region to another, from one person to another. Traditions, customs, ways are a part of the Romanian people and people's indifference towards them could affect the Romanian culture.

If local traditions will ever have a future in Romania, this depends on the willingness and ability of the parties involved in their transmission. Romanians have taken many holidays and traditions from foreigners, like Valentine's Day or Halloween and the main reason is the financial one, because these two, together with Martisor (1<sup>st</sup> of March) develop around them a mini - industry, through buying crafts, trinkets, gifts, costumes, etc

However, specialists in charge of analyzing the cultural area in Romania and who have decision power, should not comply with the statistical data they often read, but also start the measures proposed for this purpose. We should note the fact that Romania is a need for complex analysis at the level

of state institutions regarding the problem of cultural consumption in Romania, at both consumer's and the producer's level. Therefore, the observations of political analysts and sociologists show that the social actors impregnated with a certain context, tend to protect the knowledge achieved, nourish ideals embodied in the formation stage and preserve the learned social practices, which still mark their interactions. Although the overall social context has changed decisively, many individuals still keep habits formed in that period: avoidance strategies, adaptive style, dissimulation practices, etc. After the changes in 1989, although new social, political and economic conditions were created, a large number of social actors have responded with an unexpected resistance to the new practices. They operate with cognitive structures learned during childhood and adolescence and treat the new information using the decoding and interpretation device that they formed during their formation period.

### **Acknowledgement:**

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## ORIGINAL PAPER

Magdalena RADOMSKA

### Criticism of Capitalism in Post-Communist Europe

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**Abstract:** *The present article presents the emancipation of humanity which has lost none of its power during the economic crisis. The author argues that the status of the criticism of capitalism in Central-Eastern Europe is therefore special. The democratization of the society, which was paralleled by the appearance of the capitalism, needs to be reevaluated with the tools, which require the similar reevaluation.*

**Key words:** *capitalism, post-communism. politics, transition, Europe.*

According to Alain Badiou, resisting the economical crisis - 'we will contrast the wicked spectacle of capitalism with the real of peoples, with the lives of people and the movement of ideas. The theme of the emancipation of humanity has lost none of its power. Of course the word 'communism', which was for a long time the name of that power, has been cheapened and prostituted. But if we allow it to disappear, we surrender to the supporters of order, to the febrile actors in the disaster movie'<sup>1</sup>.

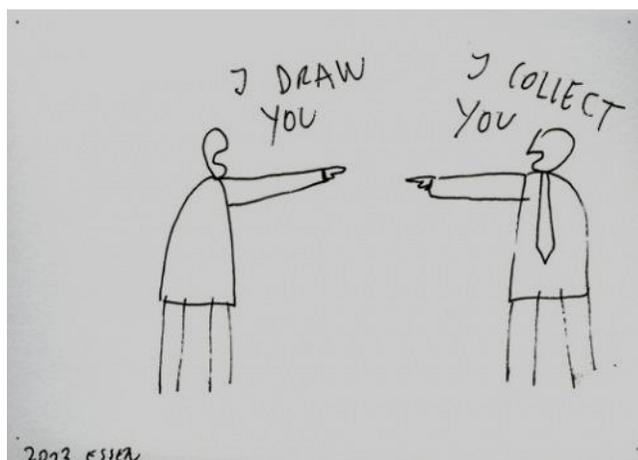
After 1989 most of former communist countries were subjected to the regime transformation, which was paralleled by the economical changes. Boris Buden defines the notion of Post-Communist transformation as a transition zone, characterized by the euphoric utopia of entering the domain of the wish-fulfilling democracy<sup>2</sup>. The withdrawal from the utopia constitutes, according to Buden, the historical end of Post-Communism<sup>3</sup>. A melancholic tie with the past, which inflicts the essential relationship between the lost and desirable notions, such as democracy – causes the immaturity of the 'children of communism'<sup>4</sup>.

However the argument of Buden can not be disregarded, the fall of communism primarily caused the incapacity of cathexis<sup>5</sup> - the investment of the social libido, which had been well-defined by the desire of the collapse of the totalitarian regime. The open wound had been infected with capitalism, which offered the desire, described aptly by Slavoj Žižek as captured in the chain of signifiers, while the object of desire is persistently postponed<sup>6</sup>.

The argument of the Slovenian philosopher is illustrated with the work by the Russian artist – Alexander Kosolapov. In 2001, three years after the financial crisis in Russia, generated by the cost of the war in Chechnya and the failed transformation, Kosolapov created the icon of capitalism. The image of Christ, depicted according to the orthodox tradition, was juxtaposed by the Russian artists with the sentence – 'Coca-Cola. This is my blood'. Kosolapov intentionally used blasphemy to represent the status of capitalism. The background of the picture is red, contrary to the tradition of the icon, in which exclusively the golden background is accepted, identified with the light, which is the essential source of any being/form. In the picture by Kosolapov the essence is different. It is the blood – the essential fluid of the body – crucial for both christology and the history of the proletarian revolution. Coca-Cola, however as Slavoj Žižek argues – is 'the ultimate capitalist merchandise (...) [functioning-M.R.] as the direct embodiment of 'it': over pure surplus of enjoyment over the standard satisfactions'<sup>7</sup>. According to Žižek the desire of Coca-Cola is, similarly to the mechanism of anorexia, as described by Lacan – the desire of the void<sup>8</sup> 'The more Coke you drink, the thirstier you are – claims Žižek - the more profit you make, the more you want'<sup>9</sup>. Problematic cathexis, therefore, becomes a nutrition of the capitalist desire, which functions as nothing else, but the desire of the void – desire of the capitalism itself.

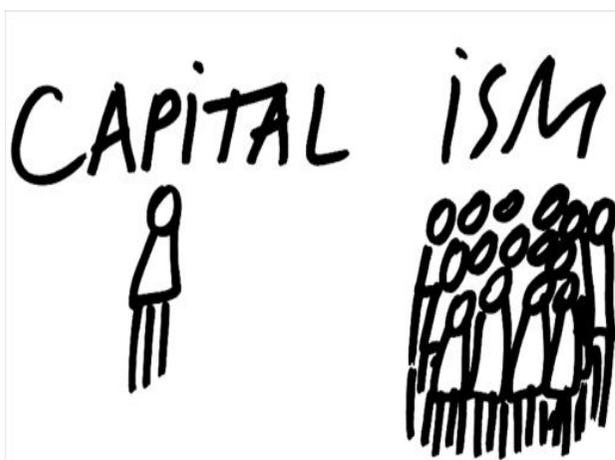


Romanian artist, Dan Perjovschi, has been engaged in the criticism of capitalism for many years. He has been directly using the notion of capitalism and capital, placing them on the walls of white cubes of museum and gallery spaces. Perjovschi, however does not refer to a gallery space as *tabula rasa*, but rather becomes the interlocutor of the discourse inscribed in its surface. The status of his gesture is visualized in one of his drawing, where two men - facing and pointing at each-other – are saying: 'I draw you' and 'I collect you'. By creating predominantly artworks of a temporary condition, Perjovschi elaborates on the distinction between 'being bought' and 'being payed for'. The artist thus interferes in the accumulation of capital, inherent for capitalism.



In his drawing 'Capitalism', the word is split in two. The word 'capital' represented by the individual, precedes the word 'ism', illustrated with a group

of people. The drawing explicates the common belief that one percent of population controls the remaining ninety nine percent with economical means, due to social inequalities. The ninety nine percent, later exploited by 'Occupy Wall Street' movement, in Perjovschi's drawing appears as active, as it is depicted while talking. Perjovschi resigned here from the representation of quantity, for the sake of unity, which is created by the discourse. Interestingly enough the 'Occupy Wall Street' movement similarly has chosen to represent the majority of population by its ability to create a social dialogue. There is no substantial logo of the ninety nine percent functioning either on the streets, or online. The ninety nine percent is usually illustrated with texts, which with the act of its reception, generates the subject of the communication.



The essence of the drawing by Perjovschi however, seems to be an application of Marxism into the visual representation of the one and the ninety nine percent of the capitalist society. The separation of the society, which is the essence of Marxist 'alienation', is visible both on the level of its core and its language. The artwork presents therefore the consequence of the alienation of the proletariat from the process of production – the social alienation, which results in its increasing awareness and generation of the common, revolutionary language. The 'Entfremdung' affects here rather a capitalist, who is alienated from the majority of the society by the impossibility to communicate with it. He functions therefore as an inefficient particle of the process of social communication.

In the drawing by Perjovschi, the alternative interpretation of the work of art, discloses the nature of the discourse. The individual on the left reappears as the author of the 'Capital', educating the masses.

In his numerous drawings, Perjovschi emphasizes the fact that the regime transformation came for the price of capitalism. Crossing out the letter 'r' out of word 'free', Perjovschi argues that there is a price of freedom and that price is quite literally paid by the society, which underwent the market transformation.

The most politically radical Hungarian artist - Tamás Szentjóby – has been developing the concept of refraining from work for about fifty years. During communism, the idea revealed in the artist's drawing- 'The 'The Doubtful Future', which formed a substantial core of criticism of Marxist ideology and the language of propaganda, which was praising work.

After 1989, the very concept of Szentjóby took the form of the criticism of capitalism. He creates projects of bank cards, which serve both forced and voluntary unemployed to withdraw the 'Subsistence Minimum Allocation' payed by the military budget, from cash dispensers. Szentjóby work is direct and contains a clear instruction/explanation, which is placed on the card. This direct language, rooted in the reality register, is not sufficient however to analyze his works of art. Since the 1960s, Szentjóby has been using an official discourses and, by appropriation, abusing their tools. Tamás Szentjóby is thus truly a refugee, as defined by Giorgio Agamben in his work 'We refugees'. As Agamben states: 'If in the system of the nation-state the refugee represents such a disquieting element, it is above all because by breaking up the identity between man and citizen, between nativity and nationality, the refugee throws into crisis the original fiction of sovereignty.'<sup>10</sup>

In 2001, as a founder of IPUT (International Parallel Union of Telecommunication), Szentjóby made a project 'Given: Strike', covering the cleft on the door of Duchampian 'Étant donné' with the sign – 'Strike'. The gesture should be analyzed within the context of the decision of Marcel Duchamp to give up the artistic activity, which turned out to be purely provocative, when, after his death in 1968, the work of art was revealed. Szentjóby literalizes the act of Duchamp by depriving the viewer the pleasure of voyeurism. The Hungarian artist transferees the concept of Duchamp from the symbolic domain of culture to the register of the social reality.



For Szentjóby - 'strike' has a social status. In the capitalist machine, artists are unemployed. They appear, however as 'not working' group, inefficient for the bank structure, incapable of receiving any trust or credit. Therefore the strike of the class defined as 'not working' by the capitalist structure, seems paradoxically as the only possible Marxist 'deed' – the performative social identity.

The most complex work of the Hungarian artist, elaborating the notion of strike, is the work performed on the low-quality copy of the picture documentation of the sacrament of reconciliation in the Gdańsk Shipyard during the strike by 17 000 ship builders in August of 1980. As the effect of the strike the Solidarity trade union emerged – the first union of workers independent of the central, communist party. According to Szentjóby both workers visible in the picture are confessing the same and the only one sin – 'pracowałem' (I was working) and they are both given the same instruction during the absolution – 'nie czyń tego więcej' (do not do it again). The work of art exhibited in Warsaw, during the exhibition of Tamás Szentjóby in 2011, reveals however an interesting context, besides the self-evident condemnation of the work for a benefit of the communist regime. Szentjóby indicates the past should had equipped the society with the essential mistrust of the work contributing to the establishment of any regime. The criticism of capitalism, therefore appears as the effect of the criticism of the communist regime.



Peter Fuss – a Polish artist of a secret identity, provocatively accepted the nickname of a German overtone and remarkable English meaning. Fuss, covering his national identity with both the nickname and English, which he uses in his projects – mocks the apparent universalism of identity, which comes into being as the effect of the unification of commodities.

Objecting strongly to the abuse of the Gdańsk Shipyard by politicians, Fuss illegally hung the billboard presenting the Polish flag, signed with the sentence -'Not for sale'. By the gesture, Fuss alluded to the bankruptcy, which had been declared by the company in 1996 and the anti-privatization campaign,

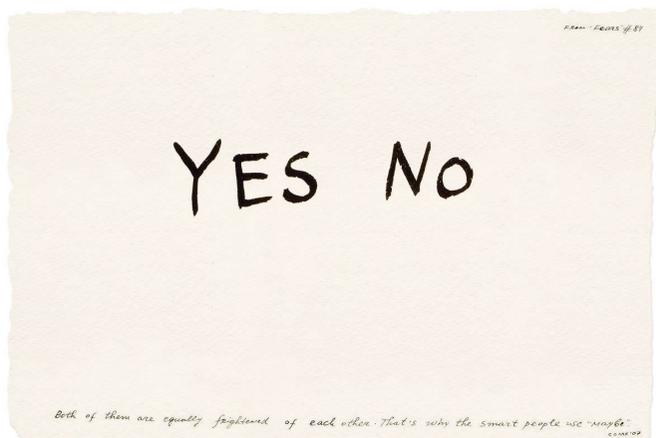
which followed the event and divided the Polish society. The director of the Polish catholic radio station, collected money from his adherents, which probably has been never transferred to the bank account it had been intended for. On the billboard – 'Not for Sale' - Fuss depicted thus the aggressive capitalism and economical transformation as the important source of the division of the society – pointing at the ambiguous status of the transformation in terms of the unification and democratization of the society.



In 2010, the Bulgarian artist - Nedko Solakov - created the piece entitled 'I miss Socialism, maybe' for Galleria Continua in Beijing. Solakov covered the entire wall of the space with the red paint and painted eyes thus empowering the wall, which scrutinizes the viewer. The title written in Chinese characters lays directly on the floor in the form of, what seems to be, a set of comfortable sofas for the body and – within the change of perspective - turns out to be uncomfortable riddle for the mind. The exhibition is accompanied with the artist's text written in English on the side wall of the entrance. 'I miss the Big Brother's eyes. - states the artists - Because my friends and I dreamt about how nice it would be when the Big Brother's eyes would be gone forever. Yes, they are gone now but they have been replaced by much more, even though not so big, pairs of eyes following you – as a citizen of a democratic country – and trying to take things away from you that in the past belonged to the Big Brother by default, but now you are supposed to deliver them voluntarily. Of course, almost all of these things are money and feeling-free related'.



The text does not elaborate the notion of 'maybe', it seems to be however, the fundamental idea that underlines his oeuvre. Solakov's 'maybe' represents the essence of the Marxist dialectics. 'Maybe' is the verbal essence of his dialectical thinking, which is presented in his numerous works and actions ('The dialectics of good and bad news'). In his work 'A life (black and white)', Solakov introduces the dialectics into the space of various (20 different venues) art institutions. In the theoretical instruction he focuses on the tangible, practical aspects of the performance, instructing to hire two 'professional painters', who would constantly – for the duration of the exhibition – circle the room covering its walls with black and white paint. The concept of the 'professional painter' seems to be a political statement in itself. It is not exclusively opposed to 'the amateurishness' of these untrained, but primarily to the amateurishness of the over intellectualized, educated painters. Therefore the space should be interpreted as the social sphere and the work as its interpretation as the area of the essential social conflict – a radical democracy<sup>11</sup>. The project of Laclau and Mouffe is similarly rooted in the Marxist dialectics and 'A life (black and white)' by Solakov partially functions as a realization of the postulate of authors of 'Hegemony and Socialist Strategy' - to reveal the conflict. Solakov, however rather reveals the mechanism, than the conflict itself.



In the case of his work 'I miss socialism, maybe', Solakov reflects upon the approach of Mao, described by Žižek<sup>12</sup>, emphasizing the primacy of contradictions particular for a Chinese context – the so called 'socialism with Chinese characteristics'. The subject in the sentence - 'I miss socialism, maybe', might be recognized as not merely the artist himself – there is another possibility to identify it with the Communist China. Thus 'I miss' would refer to the lack of socialism within the economy of China – the concept invalidated immediately with 'maybe' – so the construction of the sentence would be parallel to the mechanism of the Chinese economy.

The 'big brother' visualized by Solakov is therefore both vigilant and dulled – his eyes can be perceived simultaneously as closed and open. Such an attribution becomes apparent if we observe the usage of the room construction, which is quite explicit. The significant juxtaposition of Solakov's image of the 'Big Brother' and Chinese propaganda postcards and posters ascertains the visual analogy between the party line and the sentence of the title.

Solakov employs the complex machinery of Maoist dialectics to demonstrate its limits and advocate the clear cut between the socialist and capitalist economy. In one of the video installations the artist is approaching his own photograph taken in his youth. Solakov is reacting Lacanian mirror stage – the completion of previously fragmented image into a coherent one. He experiences the discontinuity of his own existence. He is not able to recognize himself in a mirror of the old photograph any more. In his struggle for a coherent identity he turns to images of capitalism. His body shows striking resemblance to numerous representations of Disney's Winnie the Pooh gathered by his daughter. The possibility of reuniting his identity, however, comes to nothing. Rather – he appears to be a reflection of his consumerist way of life. The subject of the other side of the mirror is lost.

Solakov therefore condemns capitalism for its lack of the subject and the lack of possibility to overcome the mirror stage and reach maturity. Bulgarian artists define it as regressive both in terms of the personal and social growth.

In 2009 'Fabrika Nadyonii Odezhdii' (the Factory of Found Clothes) – a group established in 1995 in Saint Petersburg by two Russian artists – Olga Egorova and Natalya Pershina-Yakimanskaya – created a project entitled 'Utopian Unemployment Union'. Inspired by a story of a man ashamed of losing his job, which caused his depression, the Factory of Found Clothes arranged the ballet lessons for unemployed men, performed by Ballerinas from The Vaganova Ballet Academy in Saint Petersburg – the eighteenth century school for classical ballet.

Artists intended to question social roles, traditionally ascribed to opposite sexes in the Russian society, strengthened by the aggressive capitalism, and overcome the binary oppositions it evokes<sup>13</sup>. According to their observation a male role involves a particular burden<sup>14</sup>, therefore the female dancers were teaching exclusively unemployed men.



During the performance thus constructed group of people – consisting of three couples – was dancing not to a music tune, but to a verbal accompaniment -the male voice repeatedly saying 'I will never marry you. If you force me, I will kill myself. I will jump out of the high tower (...)'. The discursive impossibility of the union, however is overpowered on the visual level. Unemployed men and ballet dancers attempt to synchronize in classical ballet, the routine and – eventually – in a freestyle. Ballerina, interpreted by the Factory of Found Clothes as a figure of a constant self-discipline, which rarely leads to a success<sup>15</sup>, is both a teacher and a student. Ballet dancers repeat clumsy moves of men as well, as both groups are trying to conquer the mutual discursive alienation with their bodies. The lightness of the dance, paradoxically only emphasizes the ideological weight of the structure. Significantly – one of the dancing men has the portrait of Che Guevara on the back of his shirt – the symbol of resistance. Thus constructed – the Union of Unemployed, appears to be a form of a Marxist deed – the union of the revolutionary forces of proletariat.

Eight years earlier – in 2000 – a similar project was realized by Nomedas and Gediminas Urbonas – a pair of Lithuanian artists. Artists asked workers of the last state-owned bank in the country – to volunteer for the project, which consisted in singing the song 'Money, money, money' by Abba, which words were displayed on a video screen. On the video of the recorded performance, one can experience the oppressive moment of bodily identification of the bank employees with the capitalist regime. The vibration of the melody, transferred with the speakers, affects the body of the viewer/listener. The visual part of the work of art is similarly burdensome. Although the rhythm evoked by the song impacts bodies of both participants and observers in a way they share a common experience and seem to create a social body thus united – the visibility of the video discloses the essential crack in the system. Bodies of the LTB employees, subjected to a dress code, unified by the centralized power of the

financial company, appear as stiffened. Apparent spontaneity is being ridiculed. Volunteers make eyes to the camera. The goal-orientation, which structures their behavior reveals the striking inefficiency to build the democratic society. Despite their similarities, they do not attempt to synchronize – on the contrary – each of them is doing its best to be noticed as a solo singer, which results in duplicity.

The text of the song, however it is rooted in the reality of the singers - 'I work all night, I work all day, to pay the bills I have to pay', it develops into the utopian project – 'so I must leave, I will have to go', 'always sunny in the reach man's world'.



The almost erotic behavior of the Bank's employees can be linked with the Marxist theory of the 'commodity fetishism'. The relationship between the workers dispersed and is clearly mediated by their relationship with the capital. Nomeda and Gediminas Urbonas, among other artists from the former communist Europe, are interested in the process, which inflicts serious injuries on the democratization of the Post-Communist societies.

The status of the criticism of capitalism in Central-Eastern Europe is therefore special. The democratization of the society, which was paralleled by the appearance of the capitalism, needs to be reevaluated with the tools, which require the similar reevaluation. The very process of recreating the identity on the basis of the identity once rejected if of the dialectical nature.

Artists of the former communist Europe tent to reject 'the spectacle of capitalism' for the sake of turning to the social and economical reality, which is often interpreted after Karl Marx.

Although the criticism of capitalism has had a long tradition and it origins in 1990s, the recent crises has strengthened the tendency and sublimated the tools of the criticism. It seems to be an essential part of the transformation of Post-Communist countries and their democratization.

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- 1 A. Badiou, *The Communist Hypothesis*, London, 2010, p.95
  - 2 B. Buden, *Strefa przejścia*, Warszawa 2012, p. 139
  - 3 Ibidem.
  - 4 Ibidem.
  - 5 selection of the object in which the libido investment: S.Freud, *Studies On Hysteria*, in: *Complete Works*, I. Smith (ed.), 2000, pp.1-269, passim
  - 6 S.Žižek, 'Coke as *object petit a*', in: *The Fragile Absolute – or, why is the christian legacy worth fighting for?*, London, 2001, p.21-39
  - 7 Ibidem, p. 22
  - 8 Ibidem, p.23
  - 9 Ibidem
  - 10 G. Agamben, *We, refugees*, Symposium. 1995, No. 49(2), Summer, p.117
  - 11 Ch. Mouffe, E.Laclau, 'Hegemony and Socialist Strategy', passim.
  - 12 S. Žižek
  - 13 Olga Egorova, NatalyaPershina-Yakimanskaya, *Utopian unemplment union N1*, <http://factoryoffoundclothes.org/?p=43#more-43> (access: the 25<sup>th</sup> of March of 2012)
  - 14 Ibidem.
  - 15 Ibidem.

## ORIGINAL PAPER

**Radu RIZA**

### **Political power from potentia to potestas**

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**Abstract:** *Different definitions of the concept of political power help us only on an analysis of each of them. But that to be also effective must be in an imperative need to take an analytical strategy that starts from the concept of power. An analysis of various political dimensions, only with relationship concepts of legitimacy and authority, but adjacent to political freedom, becomes a solution in its understanding.*

**Key words:** *politics, power, political power, political freedom, legitimacy.*

## 1. Sociological, political and legal controversy

“Must ..... be sought a more precise definition of power and also more limited power to distinguish itself or power <<policy>> other forms of authority.”

Maurice  
Duverger

Theoretical debates on political power are as old as the reflections on the state and forms of government, many of them representing conceptualizations and approaches of some internal social conflicts at a time. These allow us to conclude that discussions about power in general and political power in particular, go up to Confucius's China and ancient India of Manu's code of laws or Archacastrei's Kautilia.

The appearance of various sociological and political-legal controversy was determined by the variety of types and forms of power, as the fact that it can not be conceived outside the society, on the one hand, and on the other hand it never became manifest only through the social relations. Which means that human society cannot be conceived outside the diversity of power forms, within which a central place is occupied by the political power defined the functions of coordination, organization and defense. From Burdeau's legal perspective, the power is reduced at what is the social phenomenon, the power being a condition of order, and the freedom is possible only within an order. Here we are dealing with a reductionist view, knowing that there is power outside an organized society according to order principles, which is provided by the institutional device. And this is due because Burdeau's conception, which lying outside the social studies, concludes that the power must be defined not only as a social phenomenon but also as power itself, thus making the evidence of rupture between history and the conceptual plan in the interpretation of power.

Therefore, the sociological perspective, power can be treated so that the influence of directional, and that can use that influence, equally. Such power, in its broadest sense is directional or the possibility of this influence. Under this definition, one must distinguish between real power and potential power. In the same context Mueller-Dehan distinguishing between social powers, political, administrative power etc. In terms of sources, the author speaks about primary power and about the transmitted power.

J.W. Lapiere, in *Le pouvoir politique*, P.U.F. Paris, 1959, concludes that there is a social group outside of power relations, in each individual case there is at least one of the three forms of power: immediate, individualized and institutionalized.

Taking old sociological perspectives, M. Crozier sustain himself the idea that we can not imagine a society existing outside relations of power, any social relationship as carrying with it a certain power.

French sociology gives us an etymological analysis of the term "political power". M. Prelot distinguishing between *puissance* and *pouvoir*, was associating their correspondents in Latin terms, *potentia* and *potestas*. *Puissance* is the right word for natural and personal authority (*potentia*) and *pouvoir* for established authority and magistracy. From the perspective of Burdeau's legal theory, one can say that the political power - *potestas* came much later than *potentia*, the origin the first term must be searched in the appearance of public powers related to the company organized and structured according to a specific power distribution. *Potestas* is so well shaped with social hierarchy, other than archaic societies in which only age and sex were the sources of inequality.

Following Burdeau's idea of the virtual nature of power, R. Aron examines social power, in the sense of command, influence or coercion came from an individual or social group. Power in her state of potentiality is the *puissance*, which once manifested, enters the semantic space of *pouvoir* term.

Trying to separate itself from the theory of American power, Duverger considers that the definition that R. Dahl gives to power puts the terms of power (*puissance*) and inequality in a synonymy relationship. In American literature power is depicted as a particular form of manifestation of influence (*puissance*): the influence of "a special case involving severe penalties for those who refuse to comply."

But, this way of defining power is applicable for what could only rather coercion, says Duverger in *Sociologie de la politique*(1973), trying to propose a definition of power that based on the same source of authority as American authors Lasswell and Kaplan, indicating that Locke's definition makes reference equally the terms "right" and "regulation". Reinterpreting Locke's original definition, Duverger gives of power concept a sense that other authors give it to authority: "power is that form of influence (*puissance*) witch is determined by norms, beliefs and values of the society in which is exercised." In these terms power is "...a legitimate influence, other forms of influence not having this character."

Duverger try in the same Chapter III of Part II of his work (*Structures sociales cap. Hierarchies et pouvoirs*) to distinguish between *pouvoir* (the power) and *puissance* (which is synonymous with the influence). The influence refers to a situation of fact - one can impose their point of view on the part of others, in a relationship or social interaction, says the author; the power is a normative concept - it defines social interaction situations in which one has the right to ask the others to action in some wise in virtue of a system of norms and values that regulate social interaction in the community where this relationship produces. At Duverger's, political power stands in relation to other forms of power by some features that lead to the idea circulated by Talcott Parsons in 1969: global dimension and characteristic of sovereignty in relation with other

types of power in a specific territory. This feature triggers the second, which is the sovereignty, political power having no other power over them in the determined social space. In a synthetic redefinition of political power, by Duverger we now can refer to "...global power exerted at the level of whole communities (group or global society)." From such a perspective, political power can be defined as that power whose functions are organizing the community (society), maintaining its structure, development and protect them against attacks of other communities. Political power is distinguishing of power that one identified the particular sectors of the community or global society to which we made reference.

Other awards and details of the political power in terms of its exercise area were made in French literature of R. Aron, who stances a transformation relationship of political power according to different contexts in which they occur. So, if *legitimate political power* calls in French power in the state, when they exceed the State it becomes "puissance". More so as, continues Aron, one does not speak in French about international political powers in terms of "grand pouvoir", but "grand puissances".

Commenting French sociologists definition of power, V. Magureanu proposes to pouvoir significance of "...institutionalized power, legitimized, that state power and the second is devoid of these attributes, although as a force can be a constituent of the first."<sup>1</sup> Political power becomes institutionalized and legitimized power.

As can be seen, analytical perspectives on political power can not leave aside its relation to concepts of legitimacy, authority and political freedom, given fact that all political power is a relational social fact that employed at least two political actors be they individuals or institutions or social groups. Need for this reporting comes from the rationale of political power that you maintain order and to ensure the institutional framework necessary for carrying out social life.

## 2. Political power - political freedom

R. Aaron distinguishes formal *political freedom* from *formal freedoms* that ensure citizen participation in "public work" and "...which gives him the feeling that, through its elected representatives, and possibly through the views of his, he exercised a certain influence over the destinies of the community."<sup>2</sup> *Political freedom*, intimately connected to *political power* has also a social nature, a social actor is free only in a relation to a social actor or a social group. To could choose between two actions unimpeded by others and without being punished for the choice we did, Aron continues, is to go out outside the relationship of dependency on others, in a particular area of social life<sup>3</sup>.

*Political freedom* is related to the type of political power, nature, forms and limitations are caused by nature, form and type of political power. If we accept the definition of political freedom of Aaron, then we can easily identify regimes in which it is manifest, appearing as real freedom not as a freedom

written on paper. Started out to outside institutional frameworks that support the manifestation of political freedom such tyrannical regimes, autocratic, revolutionary dictatorships and totalitarian regimes of our century. Real *political freedom* is related to the power of democratic politics, which can occur only in a pluralistic political regime type, whose ideal model was presented by R. Dahl in *polyarchy regime*. Taking in 1989 the older idea of polyarchy, which has developed successively for several decades, Dahl proposed understanding polyarchy as a historical process of democratization and liberalization of the political institutions of nation-states as a distinct type of political order that differs substantially from nondemocratic political systems and the various city-states ; polyarchy is seen as a system of political control in which the highest officials in the state are forced to change to and adjust their behavior so won in competition with other candidates, parties or political groups, it is equally a political right set of institutions necessary democratic process on a wider territory.

*Political freedom* manifests the largest in the policy regimes in which the order that restores and holds political power is essential dimension broad participation of citizens entitled to vote in the delegation of political power and citizens' rights include the ability to oppose or representatives sanctioned political power. Polyarchy can be defined and through its institutions. It is such a *political regime type polyarchy* any form of political organization in which: the rulers are elected, the election for it is based on free elections and honest, exists and is respected the right to be elected in the state, exists the freedom of expression, exists and other sources of information than formal ones; citizens have the right to associate to protect the rights and freedoms, including independent political parties or interest groups. Polyarchy appears here as a political system where political power is delegated, exists a control of its and its citizens' fundamental rights are protected. Dahl suggests why this term for such a political organization is that democracy remains an ideal rather reached anywhere today.

### **3. Polyarchy - legitimacy and political authority**

This type of political regime raises the question of *legitimacy* of political power and *authority*. As a political regime to be polyarchy, it must have a *legitimate political power*, in the sense of recognition to individuals upon which it acts. Irrespective of the political system structured and ordered by a political power, it can not keep out of *legitimacy*, which is prerequisite to political stability. Taking the typology of legitimacy through various forms of authority, which introduces Max Weber in 1920, political power remains in polyarchy type regimes legitimacy through a *rational-legal* type. Starting from the idea that politics is based on conflict, Weber believes that *political legitimacy* is tied to political authority, both being necessary conditions to maintain a certain type of political power. *Legitimacy of legal rational type*, you formalized systems of political freedoms, systems that exist in social and political interaction rules

that are sanctioned by a legal framework. Political power remains, it is and acts in such forms of political organization by obedience to law. Another form of *legitimacy/authority* is the traditional one. In such a political formula and governing power is stable through faith in the sacredness of the governed and customs regulations, which provide governors the right to rule. There are companies that owe their dominance and political power has its source in the stability in *legitimacy of charismatic type*. Founded on the belief that progress and common good, aspirations and needs of the members of a society are related to exceptional qualities of a recognized leader of a *group / community* as an entitled to impose "the best of political orders".

Between power approaches in general and particularly on political power, the work of Keith Dowding is part of the analysis that we could call it, "positivist". Attribute that I proposed along K. Dowding's analysis is based on at least two essential features of how to define power. *The first* refers to the fact that individuals engaged in such relationships are considered more as "rational individuals", able to choose, "rationally" between behaviors alternative in relation to other individuals. *The second feature* refers to the analytical model known as *the game theory*, a mathematical model that balances the choices of elections more actors in a social determined framework.

The author proposes as a starting point in analyzing the distinction between "the power to do" and "power over" an individual or group (power to, power over). However, the distinction between two types of power rather serves analytical purposes, because "power over" involves the "power to do" because we are saying that A has power over B, in that it determines B to do x action. By default, the two concepts proposed by the author, are related to the idea of potentiality, on the one hand, the social relationship, on the other. Thus, returning to the primary concepts "power to" and "power over", he considers that "the power to do" (first concept) is designed as a finalist in perspective as "a player's ability to induce or assist another in making a particular social action." Concept of power over is defined as "social power" and consists in the capacity of a player to deliberately change the structure of interest of an actor (group) causing it to engage in a particular social action.

Through the two concepts of power, power to define the problem is solved, in many cases only seen from one point of view - that of domination. Thus, "the power to do" is rather the idea of cooperation, while "the power over" seems to refer rather to the conflict.

What distinguishes Dowding's analysis of the theories described above is well. Mechanism to formalize power relations through game theory. Thus, the prospect of social cooperation and social conflict perspective is found in two arrays that offer formal analysis of power relations in terms of "pure conflict" and perspective, cooperation pure (pure conflict, pure coordination). In terms of results that appear after two players options, the first case we have a game where winning is one other default loss, find similar scores regardless of the order in which players choose. The conclusion of this, "constant sum game", is that loss of one of the players is determined by the misfortune of being in that

position power in this relationship. The matrix of pure coordination "is the game with variable sum", both players having to choose between best options.

*Zero-sum game and variable sum game*, says the author teaches at least two things about the nature of power in society: "First, the strength of individuals can be enhanced through cooperation, when the benefit of individuals to cooperate. Second, the power of individuals varies functions the nature of the situation that was at one time themselves."

K. Dowding<sup>4</sup> built, based on these assumptions, the concept of "positional luck" positions with reference to the positions that individuals have in social groups, collective action and political power. From this perspective he approaches the relationship between social groups, collective action and political power. The distribution power in society, nature and amount of power that has one group or another, you a number of factors among which, perhaps most importantly, what might be called "social structure factor", which determine the success or failure a collective action, regardless group in question is among those who have power to act or not. Both types of social groups are caught in a whom are part system that has its own operating rules that determine a course of events or other: Composite change people, says K. Dowding, adding that social structures not only change the way people act, but how to be of their thinking, perceptions and ways of evaluating the behavior in different situations is even standardized manuals and books.

Using K. Dowding's theory about the distribution of power in society, easily reaches the conclusion that he begins he's Chapter IV: systematic positional luck (Systematic luck). Thus, some social groups are lucky because they receive from society what they want "without even being forced to work for it." Other groups are "systematically lucky ": they get what they want fare to be forced to act because of the way in which society is structured.

Individual or group power, viewed in terms true concept, "the power to do" raise a *normative problem*. Emerging from the positivism, the author seems to give the address type, technician, putting the issue of the relationship between social power and freedom: "power and freedom are two closely related concepts, but they are not equivalent. Individuals may be free to do anything, but may not have power to do, or they can do things that are not free actions to do." Then, we should distinguish between freedom and skill, considering that the author has defined two forms of power ("power to" and "power over") through the term ability. Also, to *legal liberty* can easily set limits, which does not happen with *social freedom*, given that social actors find interests other than the state may have.

Taking into account however, Dowding considers that power analysis should not necessarily have a normative dimension type, because the relationship between power and freedom, relationship involving debates on citizenship and the distribution of property. Moreover, "the power to do great good is also the power to make a great evil", which means, again, the prospect of power morals, character and its distribution in society must be part of the analysis.

Perspective "positivist" that K. Dowding is using in analyzing the power in society can not provide an ideal solution for distributing it. In fact, the author has not proposed such a purpose. I think is extremely difficult to achieve an analytical model of the eel and game theory to provide an answer to this question. Individuals and social groups often act rather non-rational (not necessarily irrational, but emotionally) than rational. Even the author admits that, saying it is sometimes difficult and guess which option will have a social actor given that he prefers to lose in a given situation, because waiving the other has done in previous situations, or because of feelings towards it, so as was the case paradigm, "battle of the sexes". And this is one of the limitations of the analysis assumed power through game theory.

It is hard to imagine a definition and an analytical perspective able to account for all aspects of this concept - *power* - given the complexity and multitude of angles from which I can analyze. K. Dowding's work represents a certain perspective, less used in the socio-political space Romanian - game theory. Reference to other analytical and methodological perspectives, I think can be a hierarchy between strategies of analysis of one and the same phenomenon or socio-political fact, than in that one fits you better or less than the object of analyzed. Nothing can match paradigms but an analytical value, "integrated paradigm", resulting combinations and harmonize strategies and analytical methods can highlight different aspects of the analyzed object.

In such a *pluriparadigmatica analysis* on political power, strategy and methods used by K. Dowding would come to make a contribution mainly from structural perspective. In this way we can understand how social actors react to the strategies of other actors, why they can not all work together to increase their social power, or why similar results are obtained in different situations, "if we imagine the games as representing social structures, we can see how different groups of people he structures different sets of interests." After all, it is very specific game theory as *a theory of strategic interaction* and giving the seams on the most appropriate or inappropriate strategy to meet others in different types of situations. "Integrated paradigm" analysis of power in society could combine and harmonize with *the systemic perspective of strategic interaction, structural-functional* or *interpretive*, for example, resulting in an analysis of the paradigms, competing to explain one and the same phenomenon, complement each other.

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<sup>1</sup> V. MĂGUREANU, *Puterea politică*, Bucharest, 1979, p. 100-101.

<sup>2</sup> R. ARON, *Essai sur les libertés*, C. Levy, Paris, 1965, p. 148-149.

<sup>3</sup> Idem, p. 209-210.

<sup>4</sup> Keith DOWDING, *Puterea*, Du Style, București, 1998, p. 41-43.

**POLITICS TODAY:  
HOW TO DEAL WITH THE RECENT  
ISSUES?**

## ORIGINAL PAPER

Mladen KARADJOSKI

### Democracy in the countries of the Western Balkans: nominal or crucial transformation of the political systems after the end of communism

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**Abstract:** *The goal of this paper is to analyze the democracy in the countries from the Western Balkans. The transition of the political systems from a communist to democratic ones, and the transformation of the economies from planned to market ones have created a lot of practical problems for Macedonia, Albania, Serbia, Montenegro, Bosnia and Herzegovina, Croatia and Kosovo (under 1244 UN Resolution). These countries had adopted the so-called "Western values", like: democracy, rule of law, freedom, human rights, minority rights etc., but the problem is the concrete implementation of all these values. Although each of the Western Balkans' countries is attached to the gains of the democracy, still the way of practicing of the power is close to autocracy, dictatorship or some other undemocratic regime.*

*The methods which will be used in this paper will be: descriptive, comparative, method of content analyses, historical method, etc.*

**Keywords:** *Communism, Western, Balkans, European, Union, democracy, transformation..*

## Introduction

"Democracy is the ideal that all the citizens of a nation determine together the laws or actions of their state, requiring that all citizens have an equal opportunity to express their consent and their will" [1]. This general definition of democracy is too much theoretical, because its practical implementation is almost utopian vision. However, when we discuss about democracy in its essential sense, we consider the level of democracy in different countries. For example, Scandinavian countries are nominally as much democratic as the countries from the so-called "Western Balkans", but that is not the case in the reality. The "democracy" is applied in a very different manner in these two groups of countries.

"Communism is a theory or system of social organization based on the holding of all property in common, actual ownership being ascribed to the community as a whole or to the state". [2] From the other side, the socialism is defined as "a theory or system of social organization that advocates the vesting of the ownership and control of the means of production and distribution of capital, land, etc. in the community as a whole". [3] In this paper, for practical reasons, we will not make a distinction between the communism and socialism.

"Western Balkans" is geographic and political construction which comprises the countries from former Yugoslavia, excluding Slovenia, including Albania and Kosovo, due to their territorial position and their economic and political performances.

All these countries have had a communist past, and now they are declared as democratic countries in which there is rule of law, human rights, etc. So, the main goal of this paper will be to examine the reliability of the transformation of Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro and Serbia from communist into democratic countries.

## Institutional transformation from communism to democracy

"Montesquieu argued that the best government would be one in which power was balanced among three groups of officials. He thought England - which divided power between the king (who enforced laws), Parliament (which made laws), and the judges of the English courts (who interpreted laws) - was a good model of this. Montesquieu called the idea of dividing government power into three branches the "separation of powers." He thought it most important to create separate branches of government with equal but different powers". [4]

Western Balkans countries have accepted this model of "division of powers", even during the communist regimes in their countries. But, the main dilemma is whether this paradigm was a daily life of the citizens, or just a nice cosmetic make-up for hiding the reality "which was not very pink".

The source of "real power" has lied in the Communist party, which has created the policy of the Parliament, Government and Courts. Anyway, the role

of the institutions in the democracy has changed, regarding the legal acts (constitutions, laws, by-laws, etc.), but also regarding their activities and results. So, the outcomes of the parliament (assembly) in the period of communism have a different content than in the period of parliamentary democracy. Also, the governments and presidents actions are oriented to the cooperation and integration of the citizens and states in the democracy, compared to the autarchy and limited contacts in the communism. The judiciary also has accepted the Western values, organizational modalities and rules, leaving the Marxist-Leninist ideology and communist "judiciary pattern".

But, the most interesting segment in this parallel is the public administration, i.e. public and state servants. Namely, the conversion of the "bureaucracy" from "welfare state servants" to "service-oriented public servants" is the most ambiguous part of the institutional transformation. Public servants have experienced a "transition shock" and have manifested a "change resistance". Their "communist habits", like: law effectiveness and efficiency, inactive access to the daily activities, law job-dedication, lack of competences, etc., could not be changed in a year or two. For these reasons, each of the countries from Western Balkans has started different types of reforms of their public administration. They have changed the legislation and enacted laws and by-laws compatible with the ones in the Western European countries. And the "story was over". The level of effectiveness and efficiency was the same, the working habits were the same, contribution of the public servants was the same as in the communist period. Why did this happen?

First, the mentality and behavior of the public servants in the countries from the Western Balkans is not equal as of their Western Europe "colleagues". So, the way of reforming the public and state administration should have been more realistic and closer to the "spirit" of these countries and their citizens.

Second, the long period of functioning in "communist circumstances" (45-50 years), meant acceptance of some values, interests and goals close to the communist regimes, which could not be removed from the awareness of the public servants in such a short period.

Third, the expectations from the servants have risen very rapidly, because the processes of EU and NATO integration were very demanding, and the capacities of the public servants were not in the same line as the obligations that have suddenly arisen.

Fourth, the age of the employed public servants in each of the countries from the Western Balkans was very inconvenient, because most of them were employed 30 or even more years ago, and they could not adapt to the new constellation (computerization, high level of effectiveness and efficiency, flexibility, etc.)

So, all of these information confirm the claim that reforms should be well-planned, realistic, but also should not be partial, but essential. It means that the reform of the public administration in each of the countries from Western Balkans should be followed by employment of younger servants, which are well educated and capable of facing with the new challenges, like

integration towards the European Union and NATO, and which possess high level of computer and communication skills, which use many foreign languages and whose attitudes are deprived of any influence by the communist regimes and communist ideology.

### **Political parties, non-governmental organizations and media transformation from communism to democracy**

“The role of the Communist Party lay in the first place in the fact that it led that struggle, which was a guarantee that after the war the national question would be settled decisively in the way the communists had conceived long before the war and during the war. The role of the Communist Party in this respect today, in the phase of building socialism, lies in making the positive national factors a stimulus to, not a brake on, the development of socialism in our country. The role of the Communist Party today lies in the necessity for keeping a sharp lookout to see that national chauvinism does not appear and develop among any of the nationalities. The Communist Party must always endeavor, and does endeavor, to ensure that all the negative phenomena of nationalism disappear and that people are educated in the spirit of internationalism”. [5]

This part of the speech, held by Josip Broz Tito, the head of former Yugoslavia (1945-1980), was only a “declarative justification” of his autocracy and the monopoly of the Communist party, led by him. Membership in the Communist party was a condition sine qua non for getting a job and “visa” for leading positions in the administration. But, after the end of communism, in each of the Western Balkans countries, a multiparty system has been established. Although people have expected more democracy with the constitution of the multiparty system, but, in practice they got “one communist party with two or more heads”. Unfortunately, the “experiences” acquired in the communism were applied by the new political parties, of course, in more sophisticated way. So, there wasn’t essential, but more nominal and declarative transformation of the political parties.

Concerning the NGOs, we can not discuss about some kind of transformation, but about establishment of the NGOs in the newborn democratic states from Western Balkans. The reason is very simple, we didn’t have classical NGOs during communism. There were sort of youth organizations, craftsman organizations, etc. but they can not be identified as NGOs. The number of NGOs in the countries from Western Balkans has increased rapidly after 1990. Their role was very positive and their activities were very stimulating for the citizens in Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro and Serbia. They have helped in the enhancement of the human rights, minority rights, gender issues, etc. Still, these organizations often are determined as “tax evaders”, “money laundries” etc. If we analyze the costs and benefits of the NGOs activities, we can say that they

are impetus for development of the democracy in the societies and inspiring factor for economic, political, cultural and educational improvement.

The media had very different roles in the communism versus post-communism i.e. democracy. During communism, the function of the media was to be "the voice of the state", i.e. only to distribute the "convenient and reliable" information, checked by the authorities. After the end of communism, the number of media had a significant increase, but also the media property has been changed. The impact of the state in the regulation on the media activities has been marginalized, and the influence of the political elites was modified. So, the owners of the media managed the editorial policy in each of them and cooperated with the state. But, the interaction between media owners, politicians, and businessmen has generated not objective information by favoring political parties, giving selective information and using speculations. So, although there was a huge change in the organization and functioning of the media after the transformation of the political systems, still, the effect for the people were not so visible.

### **Economic transformation from communism to democracy**

"Today the Western Balkans region contains the poorest places in Europe. Albania, for instance, has the lowest standard of living and the lowest per capita income in all of Europe. The region of Kosovo, to give another example, was the poorest part of the former Yugoslavia, and it had the highest rates of illiteracy and infant mortality. Not all of the Balkans are poor, by any means, but in general the economic modernization has lagged behind that of Western Europe and even the rest of Eastern Europe, where other such communist countries as the Czech Republic and Poland have considerably more advanced economies." [6]

The economic transformation meant not only liberalization and free movement of goods, services and capital, but also a creation of a financial oligarchy which dictates the market conditions and relations. Also, there is an element which is inherent for a democratic transition process, which is likely to undermine (at least in the short to medium term) democratic support among at least some sections of the population, i.e. individuals who benefited either politically or economically under the authoritarian regime are unlikely to embrace democratic values, especially if they know or fear that they will do worse under democracy. [7]

The new economic imperatives had a serious implications on the daily live in the post-communist period in the countries from Western Balkans. The big state enterprises were bought by most of their communist managers, which now have converted into "democrats and entrepreneurs". This transformation of the enterprises has generated very big unemployment in each of the countries from Western Balkans and incapability of creation of a functional economy.

At the end of the nineties in the last century, the European Union has launched the process for stabilization and association, which relates to the countries from the Western Balkans. These states which are involved in the process for stabilization and association, undoubtedly are territorial, geographical, civilizational and cultural part of Europe. One of the main strategic goals of these states is the membership in the European Union, and consequently all of the administrative, judicial, executive, human and infrastructural capacities are pointed to the realization of this essential goal. But, the "European road" is full of different obstacles and challenges, so fulfilling of many criteria and standards, which are incorporated in acquis communautaire is needed.

The economic criteria for membership in EU are: functional market economy of the state and capacity for management of the competition pressure and market forces in the European Union. If the countries from Western Balkans want to have a functional market economy, a few preconditions should be fulfilled: market liberalization, liberalization of the prices and trade exchange, complete privatization of the state-owned enterprises, efficient law system, especially concerning property rights, macroeconomic stability, state consensus about the fundamentals of the general economic policy, well developed and stable financial system, etc.

From the other side, the capacity for management of the competition pressure and market forces in the European Union depends on the physical and human capital, infrastructure, the success of the enterprises, foreign direct investments, etc.

"The communist economic heritage" was a big obstacle for the transformation of the planned to market economy, in each of the countries from Western Balkans. Working habits of the people were very weak, the contribution of the workers was evaluated inadequately and their expectations were very big and unrealistic.

After the redistribution of the state-owned capital, few powerful enterprises with a monopolistic position have been created. De facto, these countries created "dragon with several heads", replacing the "communist monster". What really happened was "change of entities", but not system changes in its essence.

Western Balkans countries went through a turbulent development in the 1990s, partly because of the violent conflicts on the territory of Yugoslavia, partly because of the lack of political support for transition, and partly because of the confused international involvement and intervention. In any case, the whole region has started to report good economic news only after the year 2000. Even after that date, Macedonia went through a costly internal conflict in 2001, Serbia suffered a setback after its Prime Minister, Dr. Zoran Djindjic, was assassinated in early 2003 and Montenegro gained its independence only in spring of 2006. Also, in parts of Bosnia and Herzegovina economic development started to improve only in the last couple of years while the situation in Kosovo is still quite difficult and economic growth is yet to return to that place. With

these caveats in mind, it is clear that economic growth did return to the region and has stayed, for the most part, at a relatively high level ever since. Average growth rates in most countries of the region have been between 4 and 5% in the last few years and can be assessed to be sustainable. In fact, indicators of macroeconomic stability have been improving in most countries in the region. Inflation has been relatively low or has been decelerating or stabilizing. Public sector balances have been improving and the fiscal balances are mostly sustainable even with foreign aid decreasing. In the last few years, exports have also been growing, though the region still remains reliant on large inflows of imports. [8] Having the above mentioned in mind, we can note that the "real" start of the transformation of the Western Balkan economies, began after 2000, after the establishment of the Process for Stabilization and Association, by the European Union.

Two "great reasons for forcing" Western Balkan countries for democratization were United States of America and European Union. USA has had a big influence and impact on the political and security issues (through NATO), and EU on the economic and social issues. These combined activities have contributed for democratization and trade liberalization of the Western Balkan countries political systems and economies.

If the developments in the Balkans are compared to those in the Central European economies in transition, now new member states in the European Union, an argument can be made that the former are following in the footsteps of the latter. They are exhibiting the characteristics of the catching up economies. It may make sense to list similarities and also dissimilarities between these two groups of countries. The purpose would be to determine how much of a difference there is between transition and development and how much of a mixture of the two can be found in the Western Balkan countries. To facilitate the comparison a review of some stylized facts about the process of economic transition may be useful. These stylized facts of the process of transition refer mostly or exclusively to the European post-communist countries and in particular to those that are on the periphery of the EU and have been seen as eventually joining the Union as indeed those in the Central Europe, and now even two from the Balkans have already done.

### **Integration of Western Balkans towards European Union**

Since the enlargement of 1 May 2004, the EU and the Western Balkans have become even closer neighbors, and so the situation in the Western Balkan countries, their progress on the road to European integration and their present and future relations with the EU really are of immediate concern to the EU itself. After Bulgaria and Romania became EU members, the entire Western Balkan region is surrounded by Member States of the European Union. This situation has important repercussions for both the countries of the region and the EU in a number of areas, in particular where the free circulation of goods,

services and persons are concerned. These challenges have to be addressed in the broader context of south-eastern Europe. [9]

The approximation of the Western Balkans countries to the European Union means, not only adoption, and implementation of the so-called *acquis communautaire*, but also creating a mentality which is compatible with the mentality of the citizens of the member states in EU. The rules and procedures without the emotive components are like a shape with no contents, and the emotions without the shape are like an amorphous mass. For these reasons, a dialectical unanimity of the informal and formal segments of the integration processes for the countries from Western Balkans is needed, so they can easily become part of the European Union.

The transition of the political systems from a communist to democratic ones, and the transformation of the economies from planned to market ones have created a lot of practical problems for Macedonia, Albania, Bosnia and Herzegovina, Serbia, Montenegro, Croatia and Kosovo. These countries had adopted the so-called "Western values", like: democracy, rule of law, freedom, human rights, minority rights etc., but the problem is the concrete implementation of all these values. Although each of the Western Balkans countries is attached to the gains of the democracy, still the way of practicing of the power is close to autocracy, dictatorship or some other undemocratic regime.

### Conclusion

As a resume, we can emphasize several notes. First, the communism and state socialism have had very big impact on the daily life in all of the Western Balkan countries, with no exceptions. Still, we should make a distinction between two "categories of citizens". The first group of citizens is more educated, democratically inclined, market oriented, flexible and aware of the real values. The second group is less educated, susceptible for manipulation and indoctrination. Actually, the second group represents the majority of the citizens in Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro and Serbia, and that is a big obstacle for real democratization and transformation of the political and economic systems, and of course, for leaving communism and joining democracy.

Second, the mentality and behavior of the citizens in the countries from Western Balkans is not compatible with the citizens in Western Europe "countries. For an essential acceptance of the "Western values and practices", a legislative and normative copy-paste of the so-called *acquis communautaire* is not enough.

Third, only concrete and completed reforms can contribute for a crucial transformation of Western Balkans countries from communism to democracy, i.e. partial and selective "moves" generate only "frame and shape reforms", "cosmetic interventions" and "fake results".

Finally, we can conclude that nominally, Western Balkans countries are “full of democracy”, but, in reality “the communist shadow” is still above all these countries and it hinders their way to the crucial transformation into democracy.

**Endnotes:**

1. <http://en.wikipedia.org/wiki/Democracy>
2. <http://dictionary.reference.com/browse/socialism>
3. <http://dictionary.reference.com/browse/communism>
4. <http://www.rjgeib.com/thoughts/montesquieu/montesquieu-bio.html>
5. [http://en.wikiquote.org/wiki/Josip\\_Broz\\_Tito#Speeches](http://en.wikiquote.org/wiki/Josip_Broz_Tito#Speeches)
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8. Gligorov, V., *Transition, Integration and Development in Southeast Europe*, pp. 266, EKONOMSKI PREGLED, 58 (5-6) 259-304 (2007) pp.266, 267
9. European Commission, *Regional cooperation in the Western Balkans-a policy priority for the European Union*, Luxembourg: Office for Official Publications of the European Communities, 2006), pp. 3

## ORIGINAL PAPER

**Cătălina Maria GEORGESCU**

# **Performance versus Corruption within Public Administrations: Does the Issue of Political Discretion Become Inevitable?**

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**Abstract:** *Although failing to come to the same set of measures to analyse organizations' performance within public administrators, researchers agreed to one point: there are multiple variables that test the level of performance within such organizations. In this study, using data gathered by the Metro Media Transilvania research institute for a study commissioned by the Romanian Agency for Governmental Strategies (April 2007) we test the assumption that logistics, public communication, public management, the relations with the hierarchical superior – nature of hierarchical relations, perceived degree of independence in decision-making process, possibility to contribute with opinions in decision-making of hierarchical superiors (consultation), corruption within public administration, autonomy/level of decentralization, financing/resource allocation for public administration, legislative stability are all part of the behavioral portrait of Romanian public administration under external political influence. The study is aimed at finding a suitable answer to the main research question: How does political discretion and corruption reflect upon the perceived performance of public organizations? It is also aimed at building a model of analysis of the perception of public employees on organizational performance and at revealing civil servants' perception on the phenomenon of corruption and bureaucratization within Romanian public administration.*

**Key words:** *autonomy, bureaucratization, corruption, decision-making, financing, politicization, public management, stability.*

## Introduction

Managing performance within public organizations appears to be a demanding activity since organizations differ as regards their mission, goals, size, personnel, leadership style, environment etc. which makes it even more challenging for managers to discover the most appropriate performance measures and indicators for their organization. Since it seems that one performance model cannot fit all types of public organizations writing about performance in the public administration is a challenging task as one can easily claim the existence and usefulness of as many performance measures and models as there are theorists, researchers and practitioners who tried to impose them<sup>1</sup>.

The literature on the performance of public administrations has dwelt extensively on the relationship between performance and legislative stability (Simon Calmar Andersen, Peter B. Mortensen, 2010), political support (Stephen Greasley, Peter John, 2011; Edmund C. Stazyk, Holly T. Goerdel, 2011), red tape (Jason Webb Yackee, Susan Webb Yackee, 2010; Gene A. Brewer, Richard M. Walker, 2010), management (Richard M. Walker, Fariborz Damanpour, Carlos A. Devece, 2011; Donald P. Moynihan, Sanjay K. Pandey, 2010, 2005; Laurence J. O'Toole Jr., Kenneth J. Meier, 2003; Sean Nicholson-Crotty, Laurence J. O'Toole Jr., 2004; Melissa Forbes, Laurence E. Lynn Jr., 2005; Christopher Pollitt, 2006; Holly T. Goerdel, 2006; Kenneth J. Meier, Laurence J. O'Toole Jr., George A. Boyne, Richard M. Walker, 2007), democracy (Oliver James, 2011; Chris Skelcher, 2007), networking (Jelmer Schalk, René Torenvlied, Jim Allen, 2010), merit-based system (Anirudh V. S. Ruhil, Pedro J. Camões, 2003), institutional design (George A. Krause, James W. Douglas, 2005) and centralization (Rhys Andrews, George A. Boyne, Jennifer Law, Richard M. Walker, 2009).

Sally Coleman Selden and Jessica E. Sowa (2004) have tested a multi-dimensional framework of organizational performance by seeking to combine both objective and perceptual factors in their analysis in early-care educational units<sup>2</sup>. Although failing to come to the same set of measures to analyse organizations' performance within public administrators, researchers agreed to one point: there are multiple variables that test the level of performance within such organizations.

Sally Coleman Selden and Jessica E. Sowa (2004) have used in their study several measures of management and program performance (viewed as critical components of organization performance): management outcomes and capacity and program outcomes and capacity<sup>3</sup>.

Moreover, these measures are operationalised under the form of both objective measures – management outcomes (employee turnover), management capacity (IT systems, mission statement, written financial policies, training expenditures per staff member, annual performance evaluation, starting annual teacher's salary) and program capacity (classroom quality, diversity of services offered, education of lead teacher, years of experience in early education) –, and perceptive measures – management outcomes (job

satisfaction – teacher’s perception), management capacity (teacher’s perception of management infrastructure, teacher’s perception of training provided, teacher’s perception of feedback, teacher’s perception of satisfaction with salary) and program capacity (parent’s perception of teacher quality).

Organizational effectiveness and performance has often been conceptualized as an aggregate of a set of indicators. Edmund C. Stazyk and Holly T. Goerdell (2011) have modeled the relationship between goal ambiguity, hierarchical authority, political support and organizational effectiveness/performance. In their study they tried to demonstrate that high organizational performance is linked to low political performance, high goal ambiguity and high hierarchical authority, while, at the same time, low organizational performance is linked to low political support, high goal ambiguity and low hierarchical authority<sup>4</sup>.

Their model thus tests the relationship between independent variables political support, goal ambiguity, hierarchical authority, developmental culture, external communication and the dependent variable organizational performance. In their view hierarchical authority acts as a moderator of goal ambiguity so that, even if the model includes high values of ambiguity, which normally should hinder organizational performance and staff commitment towards the goals of the organization, high values of hierarchical authority moderate the negative effect of ambiguity. Moreover, political support in itself acts as an inhibitor of goal ambiguity<sup>5</sup>.

There is an entire literature on whether organizational performance is enhanced or hampered by bureaucracy (organization formalization, hierarchical authority) and political support – enhanced, as previous studies have shown that authority inhibits the ambiguity and performance is raised by external environment, including political, support (see Aldrich (1979) with his study on the influence exerted by external pressures), and hampered because of red tape and extreme formalization<sup>6</sup>.

This study aims at building a model of analysis of the perception of public employees on organizational performance and, at the same time, revealing civil servants’ perception on the phenomenon of corruption and bureaucratization within Romanian public administration.

### **Research questions**

The main question which this study aims at investigating is: How do political discretion and corruption reflect upon the perceived performance of public organizations?

Along with the main research question in this paper we will also investigate other seven additional research questions:

1) How is the leadership of public administration institutions perceived by civil servants in executive and management positions?

2) How do civil servants perceive public communication and management within the administration?

3) How is the phenomenon of politicization of Romanian public administration perceived by civil servants?

4) What is the administrators' perception on the decision-making process, consultation and nature of hierarchical relations in public organizations?

5) What is the general perception among public employees on resources allocation/financing and logistics within organizations in the public domain?

6) How is corruption in public services perceived from the inside?

7) How is the process of aligning practices in public administration to the standards of the EU perceived by civil servants?

This study renders the employees' perceptions of organizational performance in four types of public organizations:

(1) central public administration,

(2) local public administration,

(3) de-concentrated public services,

(4) councils and mayoralities.

The study tests the following theory: There are several factors which determine the manner in which both employees and management of public organizations perceive the degree of organizational performance.

### Research variables

The present study on the perceived degree of organizational performance within public organizations was accomplished through the selection and thorough analysis of 20 variables from the questionnaire made by the Metro Media Transilvania Research Institute, the study *Public Bureaucracy in Romania* being ordered by the Romanian Agency for Governmental Strategies. The study our analysis is based on was carried out on 1105 respondents, both management and public employees in the four types of organizations described above. The questionnaire, database and report containing descriptive statistics is downloadable on the webpage of the Agency for Governmental Strategies: <http://www.publicinfo.ro/pagini/sondaje-de-opinie.php>; [http://www.publicinfo.ro/library/sc/s\\_bp.pdf](http://www.publicinfo.ro/library/sc/s_bp.pdf).

The next table illustrates the operationalization process of the variables. All variables are indicative to the degree of performance within public administrations. The following variables were selected:

- Two variables – the *nature of hierarchical relations* variable and the *evolution of the nature of hierarchical relations* variable – measure the worsening, constancy or betterment of the interviewee's relations with his/her hierarchical superior. For selecting these variables we found support in Gjal't de Graaf's study published in 2011 who wondered where do the loyalties of top public administrators lie<sup>7</sup> to arrive to the conclusion that there can be identified four basic types of public administrators as regards their behavior ranging from obedience to decision-making autonomy.

- Two variables – the *logistics* variable and the *evolution of logistics* variable – measure the employees' perception of the constancy or change of the technical display at their disposal that clearly influences the quality and efficiency of their meeting the tasks.

- Two variables – the *public communication* variable and the *evolution of public communication* variable – were selected in order to test the assumption that communication influences the degree of perceived performance.

- Two variables – the *public management* variable and the *evolution of public management* variable – were developed after studying the literature on public management and bureaucratization. Mary K. Feeney and Hal G. Rainey (2010) test the administrative constraints which limit organizational performance as perceived by public and non-profit managers<sup>8</sup>.

The results of their study show differences between the two types of managers as regards bureaucratization and personnel flexibility, with higher levels of bureaucratization and lower levels of perceived personnel flexibility in public organizations. Another study we rely our approach on uses various variables to test the influence of external and internal factors over organizational performance.

Donald P. Moynihan, Sanjay K. Pandey (2005) have successfully integrated the influence of elected officials, the public and the media as environmental variables and the influence of organizational culture, goal clarity and decentralization of decision-making authority in a model centered on government by performance management<sup>9</sup>.

An original type of study was developed by Melissa Forbes and Laurence E. Lynn Jr. (2005) who designed an analytical framework from apparently not-connected studies but whose theoretical foundations, empirical techniques and results make a complex picture of the relations between public management and government performance<sup>10</sup>.

One study we base our theoretical construction on tested the relations between the bureaucratization of administrative procedures/red tape and organizational performance.

Developed by Jason Webb Yackee and Susan Webb Yackee (2010), the study did not validate the assumption that administrative constraints slow or hamper public organizations ability to formulate policies<sup>11</sup>. Also stability of the management – especially the personnel stability dimension – has been analysed in order to prove that performance and stability within public administration are not necessarily correlated<sup>12</sup>.

- In selecting the two variables – the *degree of independence in decision-making* variable and the *evolution of degree of independence in decision-making* variable – the study of Kutsal Yesilkagit and Sandra van Thiel (2008)<sup>13</sup> on the relation between political influence and bureaucratic autonomy impacted heavily being indicative for an efficient analysis of the level of independence in public administrations.

Also, the *decision-making* model as regards public services can be applied to the sphere of political institutions in their relations with the state<sup>14</sup>.

- The two variables *possibility to contribute with opinions in decision-making of hierarchical superior(s)* and *evolution of the possibility to contribute with opinions in decision-making of hierarchical superior(s)* were chosen in order to measure the degree of consultations within the hierarchy in decision-making.

- The *corruption within public administration* variable and the *evolution of corruption within public administration* variable measure the perceived degree of corruption within the administration.

- We selected the *autonomy/level of decentralization* variable and the *evolution of autonomy/level of decentralization* variable after studying the articles of Stephen Greasley and Peter John (2011) for the perceptions of citizens on the relation between political leadership and performance outcomes<sup>15</sup>, the article of Eran Vigoda-Gadot (2007) for the perceptions of citizens of politics and ethics in public administration<sup>16</sup> and the study of Rhys Andrews, George A. Boyne, Jennifer Law and Richard M. Walker (2009) which tested the relation between centralization, organizational strategy and public service performance<sup>17</sup>.

The South-Eastern European model is distinctive in this sense due to the differences in applying the concept of consolidated democracy in which the citizen should have the right to sanction elites which politicize public service delivery institutions<sup>18</sup>.

- The *financing/allocation of budgetary resources* variable and the *evolution of financing/allocation of budgetary resources* variable were selected due to the importance granted to performance budgeting and the so-called "dialogue theory" based on performance information assumed to be a major source of influence to decision-making and funding variants selection (the study of Donald P. Moynihan from 2006)<sup>19</sup>. Also, we found great interest in the study of John B. Gilmour and David E. Lewis (2006) which tested the influence of a performance assessment mechanism over budget decisions<sup>20</sup>.

- For the selection of the two variables – the *legislative stability* variable and the *evolution of legislative stability* variable – we found a great resource in the article of Simon Calmar Andersen and Peter B. Mortensen (2010) who discuss the issue of stability versus change, development and reforms in ensuring public organizations' performance and efficiency<sup>21</sup>.

**Table 1. Operationalization of selected variables**

Operationalization	Question*
Relations with hierarchical superior (nature of hierarchical relations)	Q6.4: During the period you performed as civil servant, did things change or not as regards your relations with hierarchical superior(s)? (1-Changed for the better; 2-Remained the same; 3-Changed for the worse; 98-Don't know; 99-Don't answer).
Technical display at employee disposal (logistics)	Q6.5: During the period you performed as civil servant, did things change or not as regards the technical display at your disposal? (1-Changed for the better; 2-Remained the same; 3-Changed for the worse; 98-Don't know; 99-Don't answer).
Public communication	Q6.7: During the period you performed as civil servant, did things change or not as regards public communication? (1-Changed for the better; 2-Remained the same; 3-Changed for the worse; 98-Don't know; 99-Don't answer).
Public management	Q6.8: During the period you performed as civil servant, did things change or not as regards public management? (1-Changed for the better; 2-Remained the same; 3-Changed for the worse; 98-Don't know; 99-Don't answer).
Degree of independence in decision-making	Q7.6: During the period you performed as civil servant, did things increase, remain the same or reduce as regards the degree of independence in decision-making? (1-Increased; 2-Remained the same; 3-Decreased; 98-Don't know; 99-Don't answer).
Possibility to contribute with opinions in decision-making of hierarchical superior(s)	Q7.7: During the period you performed as civil servant, did things increase, remain the same or reduce as regards the possibility to contribute with opinions in decision-making of hierarchical superior(s)? (1-Increased; 2-Remained the same; 3- Decreased; 98-Don't know; 99-Don't answer).
Corruption within public administration	Q7.8: During the period you performed as civil servant, did things increase, remain the same or reduce as regards corruption within public administration? (1-Increased; 2-Remained the same; 3- Decreased; 98-Don't know; 99-Don't answer).
Autonomy/level of decentralization	Q7.9: During the period you performed as civil servant, did things increase, remain the same or reduce as regards autonomy/level of decentralization? (1-Increased; 2-Remained the same; 3- Decreased; 98-Don't know; 99-Don't answer).
Financing/allocation of budgetary resources	Q7.10: During the period you performed as civil servant, did things increase, remain the same or reduce as regards financing/allocation of budgetary resources? (1-Increased; 2-Remained the same; 3- Decreased; 98-Don't know; 99-Don't answer).
Legislative stability	Q7.11: During the period you performed as civil servant, did things increase, remain the same or reduce as regards legislative stability? (1-Increased; 2-Remained the same; 3- Decreased; 98-Don't know; 99-Don't answer).
Evolution of relations with hierarchical superior (nature of hierarchical relations)	Q9.4: With the accession to the EU, in the next two years will things change or not as regards your relations with hierarchical superior(s)? (1-Will change for the better; 2-Will remain the same; 3-Will change for the worse; 98-Don't know; 99-Don't answer).
Evolution of technical display at employee disposal (logistics)	Q9.5: With the accession to the EU, in the next two years will things change or not as regards the technical display at your disposal? (1-Will change for the better; 2-Will remain the same; 3-Will change for the worse; 98-Don't know; 99-Don't answer).

Evolution of public communication	Q9.7: With the accession to the EU, in the next two years will things change or not as regards public communication? (1-Will change for the better; 2-Will remain the same; 3-Will change for the worse; 98-Don't know; 99-Don't answer).
Evolution of public management	Q9.7: With the accession to the EU, in the next two years will things change or not as regards public management? (1-Will change for the better; 2-Will remain the same; 3-Will change for the worse; 98-Don't know; 99-Don't answer).
Evolution of the degree of independence in decision-making	Q10.6: With the accession to the EU, in the next two years will things increase, remain the same or reduce as regards the degree of independence in decision-making? (1-Will increase; 2-Will remain the same; 3-Will decrease; 98-Don't know; 99-Don't answer).
Evolution of the possibility to contribute with opinions in decision-making of hierarchical superior(s) (consultation)	Q10.7 With the accession to the EU, in the next two years will things increase, remain the same or reduce as regards the possibility to contribute with opinions in decision-making of hierarchical superior(s)? (1-Will increase; 2-Will remain the same; 3-Will decrease; 98-Don't know; 99-Don't answer).
Evolution of corruption within public administration	Q10.8 With the accession to the EU, in the next two years will things increase, remain the same or reduce as regards corruption within public administration? (1-Will increase; 2-Will remain the same; 3-Will decrease; 98-Don't know; 99-Don't answer).
Evolution of the autonomy/level of decentralization	Q10.9 With the accession to the EU, in the next two years will things increase, remain the same or reduce as regards the autonomy/level of decentralization? (1-Will increase; 2-Will remain the same; 3-Will decrease; 98-Don't know; 99-Don't answer).
Evolution of financing/allocation of budgetary resources	Q10.10 With the accession to the EU, in the next two years will things increase, remain the same or reduce as regards financing/allocation of budgetary resources? (1-Will increase; 2-Will remain the same; 3-Will decrease; 98-Don't know; 99-Don't answer).
Evolution of legislative stability	Q10.11 With the accession to the EU, in the next two years will things increase, remain the same or reduce as regards legislative stability? (1-Will increase; 2-Will remain the same; 3-Will decrease; 98-Don't know; 99-Don't answer).

*\*Note: The inquiry whose instrument is the questionnaire containing the questions in the table above was accomplished by the Metro Media Transilvania research institute on behalf of the Romanian Agency for Governmental Strategies. The questionnaire, database and descriptive statistics report can be freely downloaded from the website of the Agency for Governmental Strategies, at the section Studies and researches (source: <http://www.publicinfo.ro/pagini/sondaje-de-opinie.php>, [http://www.publicinfo.ro/library/sc/s\\_bp.pdf](http://www.publicinfo.ro/library/sc/s_bp.pdf), [http://www.publicinfo.gov.ro/library/Chestionare/birocratia\\_publica\\_in\\_romania\\_2007.pdf](http://www.publicinfo.gov.ro/library/Chestionare/birocratia_publica_in_romania_2007.pdf)).*

*Source: Author's own illustration based on Metro Media Transilvania questionnaire.*

In this study, using data gathered by the Metro Media Transilvania research institute for a study commissioned by the Romanian Agency for Governmental Strategies (April 2007) we test the assumption that logistics, public communication, public management, the relations with the hierarchical superior – nature of hierarchical relations, perceived degree of independence in decision-making process, possibility to contribute with decisions in decision-making of

hierarchical superiors (consultation), corruption within public administration, autonomy/level of decentralization, financing/resource allocation for public administration, legislative stability are all part of the behavioral portrait of Romanian public administration under external political influence. Consequently, we can outline the *research hypothesis* which assumes that: *At the level of Romanian public administration there are several representations associated to organizational performance: logistics, public communication, public management, the relations with the hierarchical superior – nature of hierarchical relations, perceived degree of independence in decision-making process, possibility to contribute with decisions in decision-making of hierarchical superiors (consultation), corruption within public administration, autonomy/level of decentralization, financing/resource allocation for public administration, legislative stability.*

We employed as technique the factor analysis as it allows us to build a complex model of analysis for responses to a questionnaire by identifying a pattern capable of rendering the factors explaining the variance of our variables. Basically, by reducing the number of variables initially selected to a smaller number of factors capable to explain the total variance, the model thus created brings forward a logical conclusion and may validate the study's hypothesis.

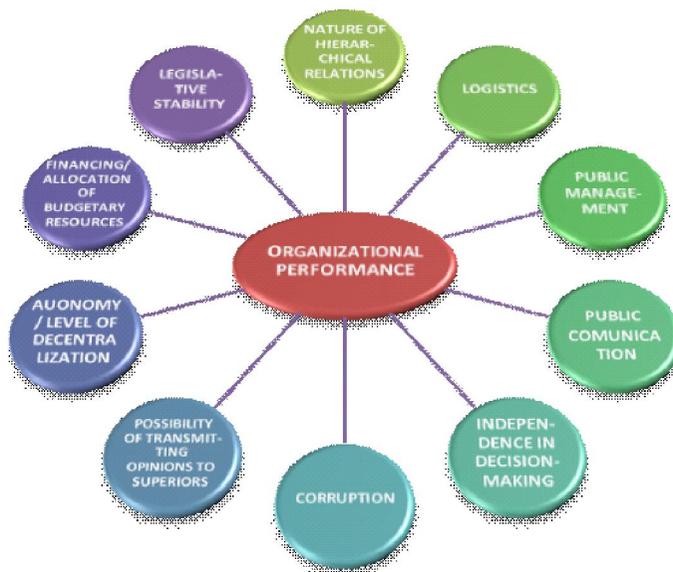
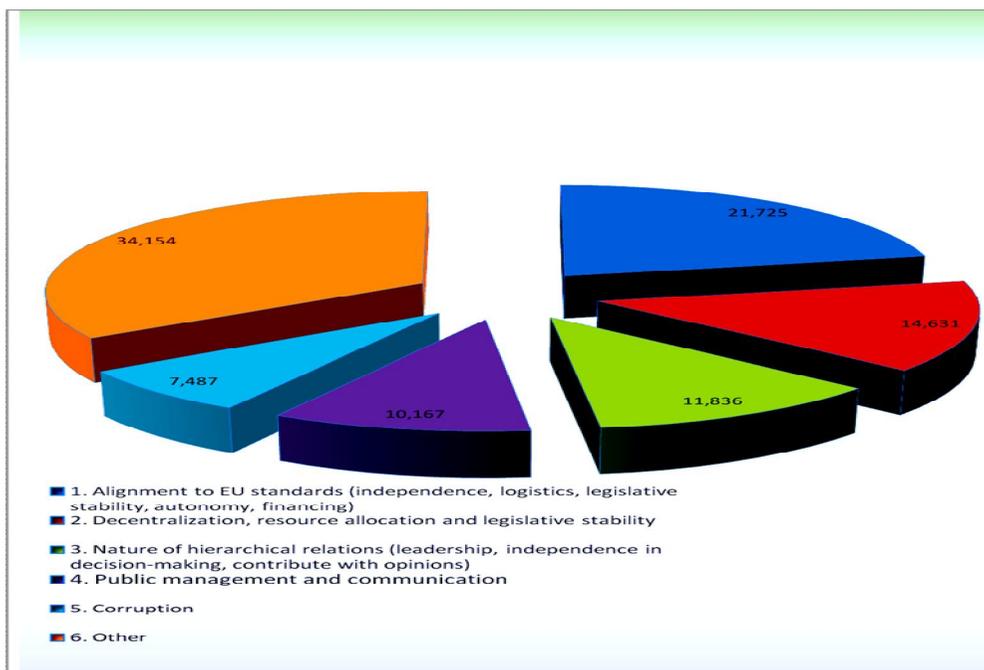


Figure 1. Expected model of perceived Romanian public administration performance under external political influence

### Discussion

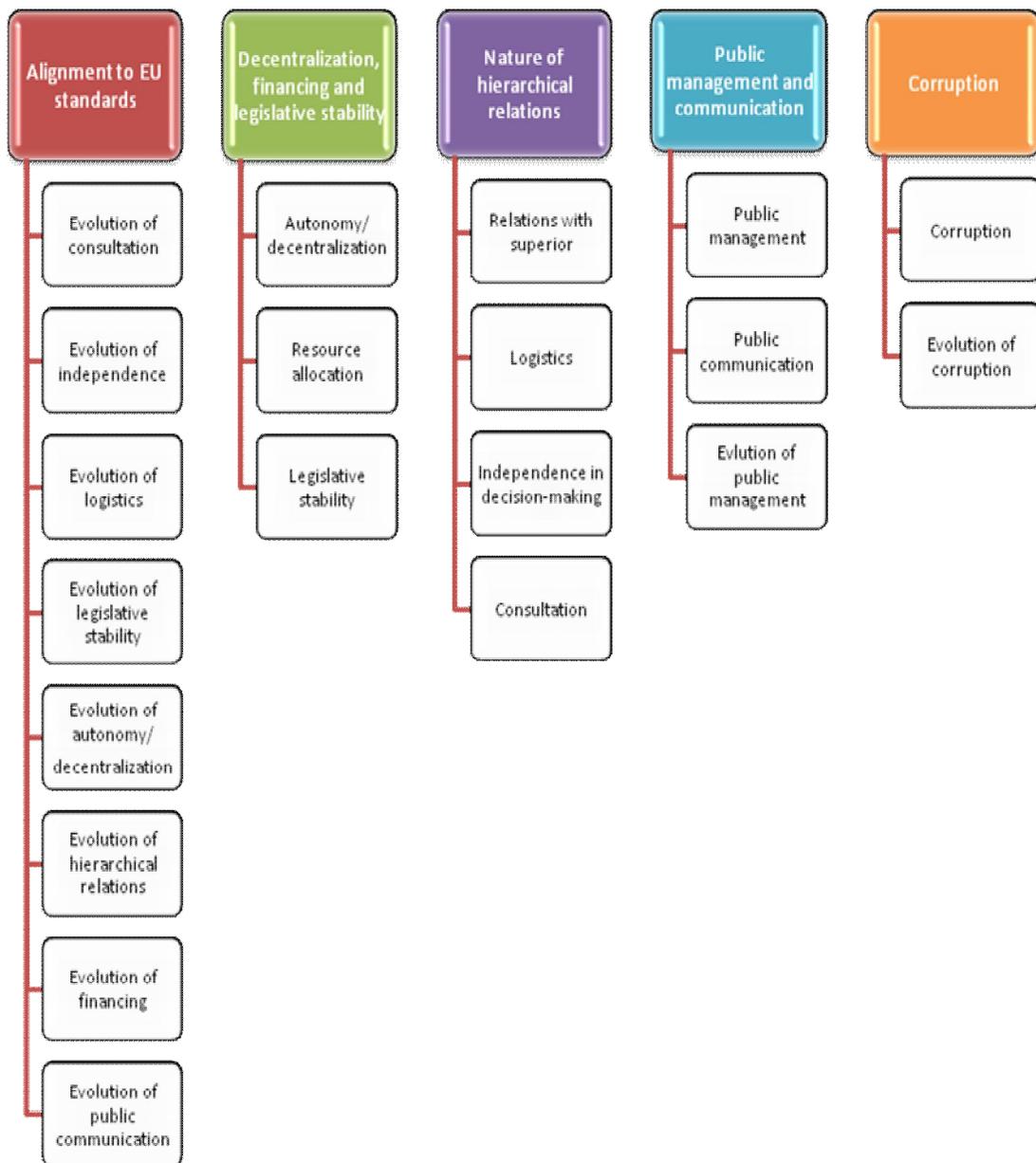
We interpreted the significance of the five determinant factors according to the variables which compose them. The rotation of the factors' matrix has determined the following situation: the first factor representing 21,725% of the variance is *alignment to*

*EU standards as regards independence, logistics, legislative stability, autonomy and financing* is composed of the *evolution of the possibility of sharing opinions/consultation* variable with the highest share (0,803), the *evolution of the degree of independence in decision-making* variable with 0,775, the *evolution of logistics* variable with 0,668, the *evolution of the legislative stability* variable with a share of 0,669, the *evolution of the nature of hierarchical relations* variable with 0,656, the *evolution of financing* variable with 0,655 and the *evolution of public communication* variable with 0,558. The second factor, *decentralization, resource allocation and legislative stability* represents 14,631% of the total variance and is saturated by the *autonomy/decentralization* variable with a share of 0,742, the *financing/resource allocation* variable with a share of 0,711 and the *legislative stability* variable with 0,656. In the third factor, representing 11,836% of the total variance – *nature of hierarchical relations (leadership, independence in decision-making, possibility to contribute with opinions in decision-making)* – the highest share is represented by the *nature of hierarchical relations* variable (0,744), followed by the *logistics* variable (0,649), the *degree of independence in decision-making* variable with 0,634 and the *possibility to contribute with opinions in decision-making of hierarchical superiors* variable with 0,591. We named the fourth factor (representing 10,167% of the total variance) public management and communication as it is saturated by the *public management* variable (0,748), followed by the *public communication* variable (0,729) and the *evolution of public management* variable (0,540). Last, the *corruption* factor explains 7,487% of the total variance and is saturated by the *corruption* variable (0,786) and the *evolution of corruption* variable (0,782).



**Figure 2. Hierarchy and interpretation of the extracted determinant factors**

**Source:** Author's own interpretation based on the results of the factor analysis of the 20 variables selected for the Metro Media Transilvania questionnaire and database (downloadable from the webpage of the Agency for Governmental Strategies: <http://www.publicinfo.ro/pagini/sondaje-de-opinie.php> and [http://www.publicinfo.ro/library/sc/s\\_bp.pdf](http://www.publicinfo.ro/library/sc/s_bp.pdf)).



**Figure 3. Hierarchy and saturation of the determinant factors**  
 Source: Author's own interpretation and illustration based on the output of the factor analysis.

## Conclusions

The program has identified five factors which explain 65,846% of the variance of the 20 selected variables and outline a base structure of perceptions over organizational performance of public organizations. However, the rest of 34,154% of the variance has to be explained through other factors. The relatively high percentage explained by the five identified factors determines us to accept the research hypothesis which claimed the existence of a set of factors which affect public employees and managers' perception on organizational performance of public administration.

The results indicate a desire for change throughout the public administration with the integration to the European Union, the leadership and execution civil servants' perceptions being influenced strongly by this aspect.

## Notes:

<sup>1</sup> Sally Coleman Selden, Jessica E. Sowa. 2004. Testing a Multi-Dimensional Model of Organizational Performance: Prospects and Problems. *Journal of Public Administration Research and Theory*. 14 (3): p. 396.

<sup>2</sup> Ibidem, pp. 395-416.

<sup>3</sup> Ibidem, pp. 395-416.

<sup>4</sup> Edmund C. Stazyk, Holly T. Goerdel. 2011. The Benefits of Bureaucracy: Public Managers' Perceptions of Political Support, Goal Ambiguity, and Organizational Effectiveness. *Journal of Public Administration Research and Theory*. 21 (4): p. 663.

<sup>5</sup> Ibidem, p. 665.

<sup>6</sup> Ibidem, p. 666.

<sup>7</sup> Gjalte de Graaf. 2011. The Loyalties of Top Public Administrators. *Journal of Public Administration Research and Theory*. 21 (2): 285-306.

<sup>8</sup> Mary K. Feeney, Hal G. Rainey. 2010. Personnel Flexibility and Red Tape in Public and Nonprofit Organizations: Distinctions Due to Institutional and Political Accountability. *Journal of Public Administration Research and Theory*. 20: 801-826

<sup>9</sup> Donald P. Moynihan, Sanjay K. Pandey. 2005. Testing How Management Matters in an Era of Government by Performance Management. *Journal of Public Administration Research and Theory*. 15 (3): 421-439.

<sup>10</sup> Melissa Forbes, Laurence E. Lynn Jr. 2005. How Does Public Management Affect Government Performance? Findings from International Research. *Journal of Public Administration Research and Theory*. 15 (4): 559-584.

<sup>11</sup> Jason Webb Yackee, Susan Webb Yackee. 2010. Administrative Procedures and Bureaucratic Performance: Is Federal Rule-making "Ossified"? *Journal of Public Administration Research and Theory*. 20 (2): 261-282.

<sup>12</sup> Laurence J. O'Toole Jr., Kenneth J. Meier. 2003. Plus ça Change: Public Management, Personnel Stability, and Organizational Performance. *Journal of Public Administration Research and Theory*. 13 (1): 43-64.

<sup>13</sup> Kutsal Yesilkagit, Sandra van Thiel. 2008. Political Influence and Bureaucratic Autonomy. *Public Organizations Review*. Nr. 8: 137-153.

<sup>14</sup> In this sense, we recommend the observations made in Anca Parmena Olimid, *Politica românească după 1989*, Craiova: Aius PrintEd, 2009, p. 126.

<sup>15</sup> Stephen Greasley, Peter John. 2011. Does Stronger Political Leadership Have a Performance Payoff? Citizen Satisfaction in the Reform of Subcentral Governments in England. *Journal of Public Administration Research and Theory*. 21 (2): 239-256.

<sup>16</sup> Eran Vigoda-Gadot. 2007. Citizens' Perceptions of Politics and Ethics in Public Administration: A Five-Year National Study of Their Relationship to Satisfaction with Services, Trust in Governance, and Voice Orientations. *Journal of Public Administration Research and Theory*. 17 (1): 285-305.

- <sup>17</sup> Rhys Andrews, George A. Boyne, Jennifer Law, Richard M. Walker. 2009. Centralization, Organizational Strategy, and Public Service Performance. *Journal of Public Administration Research and Theory*. 19 (1): 57-80.
- <sup>18</sup> Anca Parmena Olimid. 2008. Tranziție și consolidare democratică în Sud-Estul Europei: strategii, modele, teorii și concepte. *Revista de Științe Politice/Revue des Sciences Politiques*. 18-19: 64-69.
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## ORIGINAL PAPER

Sonja BUNČIČ

### Twenty years after the Yugoslav break-up: privatization models and results

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**Abstract:** *The key to success transition lies in efficient privatization. The former Yugoslav republics began the process of privatization twenty years ago with the same social prefix (social ownership and worker self-management), but the attained results were uneven. Heavily influenced by the legacy of worker self-management and social property, the newly elected political structures in all the former Yugoslav republics, more or less, tried to keep old patterns despite new changes and thus put the pressure on the choice of privatization models. The paper aims to present the models of privatization applied in the former Yugoslav region and link them with the achieved results. The misuse of social ownership specifics, weak public institutions and corruption, according to the author, are the cause of poor privatization's results in the Yugoslav confines. Some of the countries, after twenty years have become members of the European Union, while others are considered to be the poorest countries in Europe .*

**Key words:** *transition, model of privatization, former Yugoslav republics, social ownership transformation*

### The Transition - a request for an overall reform leap

The transition is an overall project of social reform, according to some authors it may even be considered as a kind of revolution (Pečužlić, Taboroši 1997, 190). It is a set of actions to be undertaken in an economic system in order to adjust to a new model of integrated global economy and in particular, (emerging) market economy. Broadly speaking, the transition is another term for the introduction and operation of the rules of market economy, with a noted role of the state in ensuring compliance with established rules. The inviolability of property rights and enforcing contracts, are marked as *conditio sine qua non* - a condition precedent, for starting the path, which we call the transition. (Hiber, 1998, 22). The transition in the former Yugoslavia brought about the changes, at the very least, at two levels.

**First**, it established new property relations, or the system of private property in societies that previously didn't have this kind of property. This lack of knowledge about the institute of private property has created difficulties in understanding and applying the criteria of its acquisition, as compared to social ownership. The developed market systems recognize, as a basic criterion of acquiring property, only legal transactions based on the principle of equivalent benefits.

**Second**, the functioning of the new ownership regime requires a new, effective legal system. This implies applying law as a method of regulating social norms, which become binding only when sanctioned by a legal provision. The law was required and necessary to foresee, provide and standardize the development of social relations, in other words, to be ahead of the established social practice so as to sanction all social aspects including even those for which, at the time of creation of a law norm, there was not a need for regulation of certain social features/factors.

Perhaps the most important part of the process of transition is privatization or conversion of state and social property into private property. It represents the means and the presupposition/premise of transition, a condition which, in conjunction with other components, especially those related to macroeconomic organization, should create an institutional basis for a more efficient economy. From the point of law, privatization is a regulated process, and concrete act of privatization which consists of a number of legal procedures. (Hiber, 1998, 24). Empirical research has indicated that a transformation of state to private ownership brings prosperity, and "that companies almost always become more efficient and profitable, increase their capital investment and become financially healthier" (Meggison, Netter 2011, 40). What has been determined by studying the effects of privatization in transition countries (Havrylyshyn, McGettigan 1999, 1) is the necessity of a reform regulation leap, which would enable the positive developments in newly established economies. But, the experience of countries from the former Yugoslavia has brought opposite claims too. Contrary to the aforementioned,

the effects of privatization in Slovenia made an evident reduction of public debt and enabled its entry into the European Union (Dolenc, 2010, 10), while Bosnia and Herzegovina has not yet achieved a level of development that it used to have as a part of Yugoslavia. The disparity is obvious when we compare data of gross domestic product (GDP) for each of the former republics: Slovenia, by the time of leaving the old country, developed a GDP that was almost twice as big as the average GDP of Yugoslavia, whilst the GDP of Bosnia and Herzegovina at the same time only reached a level of 60% of the total Yugoslavian GDP. Today, 20 years later, considering the same parameter, Slovenia has progressed in many ways, both in absolute and in relative terms of GDP, while we clearly observe complete failure of Bosnia and Herzegovina, which is struggling to return to its former levels.

### **Creating market economy: Privatization**

Privatization is the key to successful transition and its success is primarily linked to the choice of implementation models. The models that have been used in privatization in the Eastern European countries (The Czech Republic, Hungary) were partly the basis for implementation of the privatization model in the territory of the former Yugoslavia. However, the models were not completely applicable to the former Yugoslavia, for two main characteristics.

**The first** of them is the existence of social property. In Yugoslav legislation, this form of property was without a legal-property owner thus the transfer of property became an insolvable legal issue. Socially owned companies would not be in a situation to transfer the property to a future owner, i.e. an investor via a legal transaction. The 1989 Law on Transformation of Social Capital into Private Capital offered a solution for this legal lacuna, thus creating the conditions for the commencement of privatization. The main concept was to enable acquisition of private property as a form of co-ownership along with social property. In the beginning, it seemed a practically and economically justified solution but it functioned only when additionally issued shares were purchased by the employees and not solely by 'proper' investors. This further deteriorated the principles of legal security and transparency and adversely affected economic feasibility as well. In such a situation, certain authors proposed etatisation as the intermediary phase in the approach to privatization (Taboroši, 1993), which was implemented in the early period of privatization.

**The second** reason for the specific character of privatization in the former Yugoslavia was the existence of a unique legal system. A unique legal system itself would not have been the decisive element in the selection of a privatization model since a number of factual circumstances that were the result of war destruction and splitting of the former Yugoslavia, determined its specific character (Pečujlić, Taboroši, 1997, 214) After the war, the new states failed to establish a new, stable legal system and its efficient control. Newly

built legal systems still functioned on the basis of socialist institutions – both the formal ones (organizations, institutes) and the informal ones (ethics, norms, customs). This resulted in weak new institutions, partly deriving from inadequate legal solutions and partly from improper implementation of regulation and/or its politicization. Publicly, in the daylight, privatization was carried out through the formal-legal framework, while in the grey zone the capital was leaking into private hands through thousands of invisible loopholes in almost all republics of the former Yugoslavia. Such artificially created obstacles and maintaining of sub-standardization of privatization process were suppressing the legal control of the process and allowed “illegal-grey” privatization model to emerge. Whilst this did not stop the privatization process, its effects significantly re-shaped these new market economies, taking them further away from a standard model found in developed countries.

### **Legal framework of privatization**

The analysis of legal frameworks for privatization in each of the former 6 Yugoslav republics makes a comparison between the legal frameworks and their commitment to a certain privatization model.

#### **Slovenia**

Privatization of socially owned companies in Slovenia started in 1992 with the enactment of the Law on Ownership Restructuring of Social Enterprises, which was changed and amended several times.

Slovenia implemented a combined model of privatization that included different models in addition to partial assigning (free of charge) of shares to the employees. All three models included 40% of the capital to be transferred to three public funds (Development Fund -20%, the state - 10%, and Pension Fund - 10%), while the remaining part was privatized in the following different ways:

1. *Privatization through a public sale of shares* – 40% was offered to the public, 20% of shares was assigned to enterprises' employees;
2. *Privatization by employee buyout* - 40% of shares were sold to employees with a deferred payment, 20% was assigned to employees free of charge;
3. *Privatization by management buyout* - 40% of shares was sold to a group of managers or enterprises that were established specifically for the purpose of buying shares (the so-called bypass corporations), 20% was assigned to employees, former employees and their relatives free of charge.

The companies were independent in selecting the privatization model while the Agency for Privatization of Slovenia had to approve it.

The results of privatization models implemented in Slovenia are difficult to evaluate empirically as a compromise prevailed in practice. Negative consequences of the first model were particularly emphasized: concentration of

wealth and, in the case of credit-financed management buyouts, the credit was actually paid off by the enterprise. (Kržan, 2011, p. 19) .

### **Croatia**

The first phase of privatization started with the Law on Transformation of Socially Owned Enterprises 1991, according to which all socially-owned enterprises had to become joint stock companies. The process of transformation was to be carried out through the sale of an enterprise as a whole or in parts, through investing of capital or transformation of investments and liabilities into shares.

The next phase targeted all enterprises that had not been privatized and they came under a direct supervision of the Croatian Privatization Fund (2/3) and the Pension Fund (1/3). The Funds were in charge of privatization and the selection of privatization models. Different models were used, primarily public sale of shares at the Zagreb Stock Exchange or direct sale of the whole or part of an enterprise. The new Law on Privatization was enacted in 1996 and all the non-privatized enterprises were transferred to the Funds, which meant that property was transformed into the state ownership. According to this Law, the Funds could sell the stocks, shares and rights via public sale or public tendering. All the proceeds were transferred into the Croatian Bank for Reconstruction and Development and, pursuant to the consequent changes and amendments of the Law in 1997, the funds were paid into the Republic's budget. The aims of privatization were formally declared but were overshadowed by political objectives (Gregurek, 2001, p. 161). Afterwards, a decision was made to include a large-scale voucher privatization as one of the privatization models. This caused numerous problems due to a low quality of the portfolio (illiquidity of the shares and/or the issuer). The following privatization phase was marked with the enactment of the Law on Responsibilities of Ministries of the Republic of Croatia in 1999. The transactions related to privatization, restructuring and remediation, as well as the supervision of the Croatian Privatization Fund were entrusted to the Ministry of Economy. The packages with up to 25% of ownership were sold via the Stock Exchange and public tendering procedures, while the remaining part was prepared for financial consolidation, namely initiation of the bankruptcy procedure.

Pursuant to changes and amendments of the Law on Privatization in 2000, small shareholders were enabled to buyout the unpaid and subscribed shares with 80% discount. So, the model of employees' shareholding was also included. The efforts to end the privatization process and investigate/correct possible wrongdoings of legally questionable privatizations have yielded fruit and Croatia has signed the EU membership agreement in 2011.

## **Macedonia**

The first model of privatization in Macedonia was based on the internal shares being offered to the employees of socially owned enterprises. The privatization pace accelerated/speed increased in 1993 by the enforcement of the Law on Transformation of Socially Owned Enterprises. The objective of this law was to transform all socially owned enterprises into companies with completely defined ownership. The model of privatization that was applied in Macedonia was also a combined one. During the first phase of privatization 30% of social capital was offered to the employees at favorable conditions (a sort of voucher substitution), 15% of capital was automatically transferred free of charge into the state Pension Fund, while 55% of the capital was available for sale as ordinary shares under the same conditions for both domestic and foreign investors. The law set forth a special procedure for a discount sale to the employees. In addition, the following models of privatization were also used in Macedonia:

1. Employee buy out – 51% of the capital, with payments in installments over a 5 year period;
2. Public sale of medium-size enterprises (in the form of shares or stocks) - organised by the Agency for Privatization;
3. Management buyout - tenders organised by the agency;
4. Issue of shares for raising additional equity – up to 30% of the capital;
5. Debt equity swap – this model suited the creditors since they could convert the existing debt into shares.

Furthermore, direct sale of enterprises started in 2000. By the end of 2006, with the privatization process still incomplete, Macedonia was granted the status of an EU candidate country.

## **Montenegro**

The privatization regulation of 1990 advocated the model of insider privatization, which was mainly based on the sale of shares (part of the capital) to employees under privileged conditions. From 1992 to 1999, the state became the largest individual shareholder. The Development Fund, the Fund for Pension and Disability Insurance, and the National Employment Bureau were also involved in the transformation of the economy. Privatization of small and medium-sized enterprises was carried out at public auctions with the possibility of deferred payment (the sale of the so-called control package of shares).

The second phase of privatization started in 1999 with new privatization models: 1. large-scale voucher privatization; 2. sale to strategic investors via tenders; 3. sale to all interested investors via public auctions or capital market. It was designed to encompass all enterprises, in the fields of telecommunications, tourism, postal services, electric distribution enterprises,

etc. Vouchers were issued on the basis of the estimated (unrealistically high at that moment) value of property of socially owned enterprises (Vukotić, 2000, p. 11). Large-scale voucher privatization resulted in new owners not being interested in business operations of the companies, in the impossibility to issue additional shares and the creation of a control share package. In spite of all that, this model contributed to the development of the capital market and emerging of privatization funds (Fabris, Jandrić 2011, p. 114).

Sale through international tenders followed large-scale voucher privatization. The main shortcoming of this model was that only the highest bid (price) was taken into account, regardless of the reputation and actual financial strength of the new owner. The sale through auctions and capital market was also used as a privatization model in the period from 2000 to 2001, mainly for small and medium-sized enterprises. This form of privatization was carried out relatively fast and successfully without larger omissions and deviations from the prescribed rules.

### **Bosnia and Herzegovina**

The Dayton Peace Agreement established the responsibilities for the development of an institutional and legal framework for privatization of enterprises in Bosnia and Herzegovina. The specific state organization invoked numerous difficulties in conducting privatization.

#### **Federation of BH (FBH)**

The basic privatization regulation in the FBH has been changed and amended ten times to reflect various changing conditions.

The first segment of a large-scale privatization (purchase of shares via public tenders) commenced in 1997 and ended in 2002. This finalised a large-scale transfer of ownership to citizens and investment funds. Simultaneously, in the year 2000, the second segment of privatization started with sale of the state owned capital and additional issue of company shares. In 2004, the third segment of privatization was initiated and transformation of the state property in the fields of electricity, telecommunications, water, natural gas, and utilities began. However, the results have been quite poor in this domain.

#### **Republic of Srpska**

The privatization was carried out at a slow pace through several phases. In the first, war phase, from 1991 to 1995, there was practically no privatization. The Declaration on Privatization was passed as a legal basis for transformation of the whole economy into state property. The second phase could commence only after the war, namely in 1995 with the enactment of a new legal framework. The new regulation set the models of voucher privatization and transfer of the state property (shares) to state / para-public funds.

The third phase was the turning point and in cooperation with the international community; a new regulation was passed to create a comprehensive institutional environment for privatization. The whole privatization procedure was bureaucratized since the key role in implementation of the project belonged to the Government and Directorate for Privatization. According to the European Commission (EU Enlargement Report 2011), the non-readiness of BH (of both of its statutory parts) for the candidate status in 2011 derived mainly for the absence of institutions that would carry out and control the development of the country.

### **Serbia**

The privatization in Serbia had commenced as the insider privatization (20% of capital to be bought by employees) in 1991. In 1997, the second privatization phase continued with the insider privatization but the capital limit was raised to 60%. Radical changes occurred in the year 2000 with the overthrowing of Milosevic's regime and plans to make a turn towards market economy. That was also the objective of the new Law on Privatization of State and Social Property (2001), which introduced completely new models of privatization. The auction sale of enterprises and tenders became basic privatization models. In addition, it became mandatory to allocate 30% of the capital to the employees. If there were no interested investors, the state could start the enterprise reconstruction programme. Finally, the privatization of public enterprises has allowed free distribution of shares to the general public. The Commission for Auctions that was established by the Agency for Privatization has been entrusted with the control over the auction sale of enterprises. Privatization could not any more be initiated by employees but only by the state.

Privatization revenues were paid into the republic budget. A significant part of those revenues were spent for covering budget deficit made by the state 'investments' in social peace. The abandoning of the model of fast privatization that had promised recovery opened the door for politics to enter into that process, which increased the probability of corruption and reduced transparency.

There is no doubt that privatization is the key process in the transition but it only creates a basis for market economy.

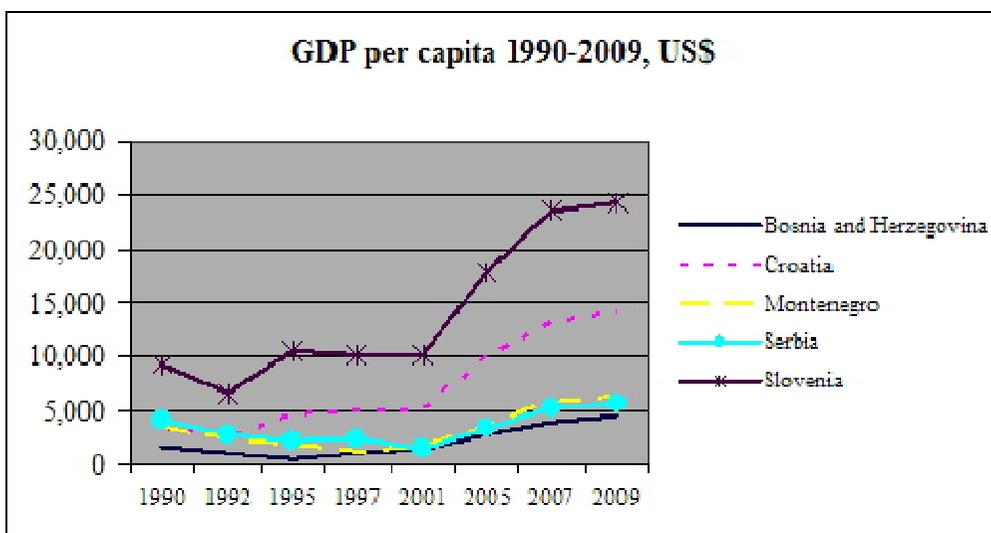
### **Results of the transition and the privatization of ex-Yu area after 20 years**

In the republics of former Yugoslavia, independent states today, the initial conditions of the transition, according to economic indicators, were not identical (see Table 1). Despite the economic differences, there was a common connection. It was reflected in the existence of social ownership and worker self-management, together with a unique legal system. Although equal in the

quoted common point, the results after 20 years of transition, particularly privatization, are completely unexpected. Apart from Slovenia and Croatia, other countries, the former Yugoslav republics, have results below expectations, both from an economic point of view and in terms of overall development of society. Compared with the results achieved in the transition countries of Eastern Europe, which had a more difficult starting point (both economic and social), the results in individual republics of the former Yugoslavia are unsatisfying.

For the analysis of achieved results, we will take GDP (gross domestic product), as a universal and synthetic measure of economic development.

Table 1.



Thirteen years after gaining independence from Yugoslavia, Slovenia joined the European Union, and in 2007 entered the euro zone, and in that way has become the first transition country that has met the requirements for entering that "exclusive club". According to the data, in 2010 Slovenia had more than 24,000 USD per capita compared to 1990 when it made less than 10,000 USD per capita. On the contrary, in the year 2010, Bosnia and Herzegovina accomplished only 1/4, and Macedonia 1/3 of GDP achieved in Slovenia. In Serbia the result for 2010 was about 5,200 USD GDP per capita. The differences within the Yugoslav confines were developing more and more with progress in transition, especially after 2001, when Slovenia and Croatia significantly intensified their development. In the period from 1990 to 2009, Croatia achieved a quadruple increase in GDP per capita, whilst in Serbia it was only 40% over the same period. (Filipović, 2011)

More recent theories put the emphasis to institutional development and the appropriate role of the state in transitional societies to create a wider social

good. "Efficient market systems require: functioning of legal system which can protect the performance of contractual obligations, the regulatory framework which can cope with external influences and provide protection of property rights and facilitate the functioning of competition rules." (Besley, Dewatripont, Guriev, 2010, 8)

### **Weaknesses and uneven privatization results-causes and possible solutions**

As our analysis has demonstrated, in all six former Yugoslav republics the legal framework and privatization models were similar, but the results after twenty years are uneven. Some countries have joined the European Union, while others are among the poorest countries in Europe. The question is what has caused these uneven results.

Besides the widely known consequences of war, sanctions, economic decline, in our opinion, *the misuse of social ownership particularities, weak institutions and corruption* have contributed to the failure of specific privatizations.

*Social property* contained in itself only a right of disposition, which was decided on the basis of the labor right (worker self-management) and the decision-making upon such disposition was done by delegating the right to management of company. The right of decision-making, that is conveyance/disposal of social property, which was derived from worker self-management, in fact, belonged to the management function, precisely to the Director. The executive functions were typically acquired by belonging to a certain political structure. The appointment of the director's office was made by a decision of the political party and depended on a person's suitability to serve the party by performing the role of the Director. If we go back to the beginning of this text, we could come to the conclusion that given structure within the former Yugoslavia, social property and worker self-management, despite good initial conditions (decentralization in decision-making, early commencement of a reform process) in relation to the other countries in transition (Eastern Europe), have set a number of difficulties and have aggravated the process of privatization. Heavily influenced by the legacy of worker self-management and social property, the newly elected political structures in all the former Yugoslav republics tried to keep the old patterns despite new changes and thus put the pressure on the choice of privatization models. The consequences of inherited ways of decision-making was the fact that legislators (elected majority party) had the choice of privatization methods and so instead of striving for answers faster and overcoming the gap between old and new systems, they resorted to maintaining ties with the old system. In the review of the legal framework for privatization we noticed that instead of the model of privatization by sale of public enterprises, a tendency was more often to opt for a model of labor or management purchase. The consequences of those politics are that the present structures of management and control of privatization are largely in the hands

of "insiders", who, assisted by political structures, have acquired private property. They, therefore, have no interest to share control of the company with new "external" (foreign) investors. (Kušić, 2007, 101). From the foregoing we can infer that public property or state property in all the former Yugoslav republics more or less has taken features of a "political party" property, which represents a form of its abuse (Pečujlić, 1997, 100).

*Weak institutions* are also one of the reasons for the insufficient results of the privatization. The term "institutions" we use to mark the rules/norms of a society, both formal and informal, that govern relationships between people. (North, 2003, 87) At the same time the informal institutions in the theory refer to: gentlemen's agreements, arrangements, ethical rules, customs, while by the formal institutions are meant: organizational units, procedures and regulatory framework. (Budak, 2008,170) In simpler terms, implementation of the rules of positive law is organized through the formal institutions, through the state. The institutional framework is therefore very important for the efficiency of the economy, particularly in the implementation of the overall social changes, because it needs to ensure enforcement of the adopted rules. In the former Yugoslav republics, the formation of a new legal system is determined by the construction of similar institutions (sometimes these were the agencies and funds, other times the Ministry for Privatization). The institutions, as part of the state bodies of the newly established countries, together with a slow release from socialist informal institutions (rules of ethics, customs) have not positively affected the process of privatization. Initially, the reasons were insufficient legal framework and, later, weakness in law enforcement. The state institutions, although responsible for the implementation and control of the privatization, have failed to make that process efficient and transparent. The key problem in their operation was the fact that they were controlled by the political parties, in the old-fashioned style of political parties-dominated states, so the state institutions have not done anything to tackle the emerging model of "gray-illegal" privatization. Nonetheless, Slovenia and Croatia have succeeded in sustaining/confronting the impact of such a scheme and started to develop institutionally (in Croatia it was demonstrated in the cases of Hypo Alpe-Adria-Bank, Podravka and so on). The implementation of "gray-illegal" privatization model, that co-existed contemporaneously with legal privatization, has favored the growth of *corruption*, being yet another reason for the failure of transition processes. Basically speaking, corruption can be defined as undertaking illicit forms of influence in the performance of state, public, economic and other duties and tasks in order to gain material benefits, advantages or profits. Therefore, in the privatization process, the political influences were often used to convey ownership of public property into private hands.

The World Economic Forum listed a level of corruption as one of the factors that hinder further economic development. Having conducted analysis on the degree of corruption in the ex-Yugoslav territory, it was concluded that the corruption in Serbia is a significantly limiting factor for business development, whereas in Croatia, Macedonia, Bosnia and Herzegovina the

corruption was ranked at the fourth, and in Montenegro in the fifth place on the list of limiting factors for further market development.

## CONCLUSION

The incomplete process of transition has resulted in a social crisis that reinforced the economic crisis, so they continuously furthered one another. (Kovačević, 2011, 56). The only possible way of solving the current situation in this region is the strengthening of economic and state institutions. We conclude that this is possible only throughout the entire system of a democratic society, which must be strengthened, and only then can the desired economic results be attained.

In support of this thesis, there are the results obtained by the Economist survey Intelligence Unit, which has recently begun to evaluate 165 countries based on the achieved level of democracy, through a kind of index comprising of 60 indicators. The countries classification was divided into four categories: mature democracy, imperfect democracy, hybrid regimes and authoritarian regimes. Observation of the index of democracy shows us the state of the institutions in single countries, in the widest sense of the term. Indices show a large gap between The Czech Republic, which is now in a group of mature democracies (Slovenia in 2010 lost that index, probably due to the outbreak of the global economic crisis, and today is ranked after The Czech Republic) and all the other countries in transition. (Uvalić, 2011, 22) The countries in the former Yugoslav territory are mainly placed in the category of "imperfect democracy" (Croatia, Serbia, Montenegro, Macedonia), while Bosnia and Herzegovina continues to belong to the category of "hybrid regimes".

By implication, we have come to a conclusion that only a regulated society with developed economic and state institutions can achieve economic prosperity. Unless the societies in the above-mentioned countries approach the implementation of programs to strengthen the basic functions of economic and state institutions, the results of economic reforms will remain only partial. Strengthening of the institutions is the path which those countries need to take to progress from an imperfect to a mature democracy.

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## ORIGINAL PAPER

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### **Soviet Heritage and Export Trade - Cross-Country Evidence from Georgia, Russia and Ukraine**

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**Abstract:** *The dissolution of the Soviet system in 1991 caused an economic collapse in all the successor states of the Union of Soviet Socialist Republics. The immediate consequence of the breakdown was the emergence of previously non-existent trade barriers. Further, economic and social instability spread and a huge proportion of the population in these countries sank into poverty. In the 1990s, most of the successors recorded a dramatic decline both in production and trade. Particularly the economies poor in resources still suffer the consequences of those events. It was not only the arbitrary distortion of trade relations, due to central planning, which required an adjustment of foreign trade relationships after 1991. To a greater degree, there was a country-specific reorientation in exports. However, for several decades, the integration in the economic space of the USSR has been essential for all these countries. Therefore, we expect that in recent years traditional economic relations are a major driving factor of foreign trade in the successor states. This paper deals with the impact of the traditional economic relations on the countries in the former Soviet Union. For that reason, an empirical analysis of foreign merchandise export trade is conducted for the period 1996-2009 and evidence for the importance of initial conditions is derived. The study focuses on Georgia, Russia and Ukraine as those countries efficaciously reflect and proxy the ambivalent economic development in the successor economies and present different paths of trade reorientation.*

**Key words:** *traditional economic relations, export trade, Soviet Union, transition.*

**JEL Classification:** C33, F15, O57

## Introduction

The end of communism in the Soviet Union and its European satellite states presented the world with a challenge never seen before: the collapse of a political and economic system dominating a considerable part of the globe. For the process of transforming the affected states from communist, centrally planned economies into democratic and capitalist, free market ones a new term has been coined: transition. This term, although applied before to democratization in certain countries, acquired a completely new meaning, once relating to almost the entire communist world.

However, the economies, which after 1989 became independent entities, for decades have been part of a vast empire, both politically and economically integrated. The successor states of the former Soviet Union (FSU)<sup>1</sup>, but also the satellite states, were highly interdependent – the integration of their markets was both horizontal and vertical. First, the whole production was coordinated and controlled by the state institutions. Second, elements of value chains were dispersed among republics, so that – gaining independence<sup>2</sup> – most successors did not overtake any complete industry but merely companies supplying certain goods, valuable only if further elaborated in other successor states.

We assume that this interdependence is a significant factor when analyzing the dramatic decrease in and evaluating the actual relations in foreign trade of the FSU countries. The political and economic integration of this area prior to 1989 is what we define in this paper as Soviet heritage.

Over the last 20 years, there has been an impressive amount of empirical work done on the magnitude and direction of trade between countries. Despite the variety of these studies, the evidence on the factors influencing the trade relationships of the FSU countries is negligible. With our study we aim at filling in the gap and at providing empirical evidence on the economic effects of traditional trade relations for Georgia, Russia and Ukraine. We evaluated trade data for the Soviet Union and its single republics prior to the breakup, as well as in the two decades after that event, for the successor states. The analysis is focused on three FSU states: Georgia, Russia and Ukraine, chosen on the basis of differences between them, such as economic and geographic size, trade policies, and geopolitical importance in the region. Further, the countries reflect distinct initial conditions and transformation strategies, leading to different and ambivalent outcomes.

Our main findings confirm that the traditional trade relations increase the volume of exports between countries and significantly affect the economies within the former Soviet Union. However, we ascertained that the initial conditions, e.g. country's abundance of natural resources, has major impact on the adjustment process of foreign trade and current development of trade relationships in the successor economies. Emphasizing the role of economic integration of space in the Union of Soviet Socialist Republics and its consequences for the post-Soviet states, we conclude that those countries' heritage will continue to influence their economic development in the future.

### **Two Decades of Transition - Assessing the Economic Performances**

The political breakup of the Soviet Union in 1991, accompanied by the collapse of trade and industry relations, and by the abolishment of the common price and currency system, caused dramatic changes in the social and economic structure of the successor states. In Georgia, Russia and Ukraine, the vertically and horizontally strongly integrated Soviet economy fell into pieces and the countries recorded a decline in production, consumption and trade. The successors' performance, subsequent to the Soviet disintegration, was driven by the country-specific initial conditions and by the implemented policies, i.e., reforms of market structures and institutions, in the early 1990s.

In all of the successor economies, the adjustment process was characterized by a rapid economic liberalization. Particularly in Russia the encouraged reforms had ambivalent results. After a period of gradualist reforms under Mikhail Gorbachev in the late 1980s, Moscow implemented the so-called shock therapy (SACHS, 1992), with still visible devastating consequences (STIGLITZ, 2003). Critics state that the policy advisors failed in regarding the characteristics of the post-Soviet states, e.g. weak institutions, high transaction costs, demonetization of the national economies and institutional weakness (MAU, 1999 and POPOV, 2012). As a matter of fact, the advisors sent by Western governments had little knowledge about the system and the countries they should help to reform. In Poland, they were called the "Marriott Brigade" as they preferred to stay in Warsaw, in good hotels, and did not come into touch with the social and economic reality (WEDEL, 1995). Similar problem was common to all the nations in transition.

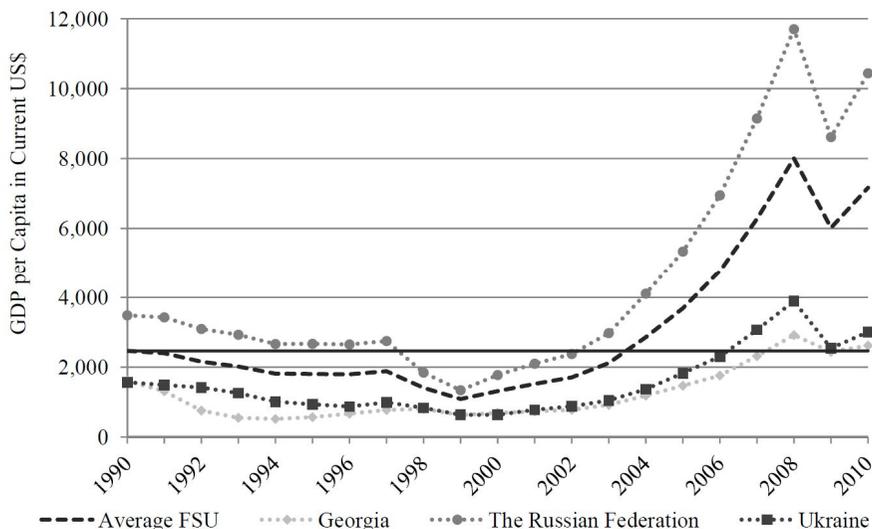
In economics, shock therapy, applied by several of these nations, refers to a sudden release of price and currency controls, the abolishment of state subsidies, and an immediate liberalization of trade in a country. It usually includes the privatization of public assets. On the other hand, there is the gradualism that stands for stepwise reform processes. The goal is still the same, but it is to be achieved through a tactic of incremental adjustments, gradual steps (GLIGOROV, 1994). Tackling the need of reforms by sudden changes, i.e. economic shocks, was successfully carried out for instance in Chile and Bolivia. Thus, it was a "state of the art" in the 1980s. The overall performance of the transition countries in the early 1990s reveals that the shock therapy belied the expectations in the case of the FSU. By contrast, in Central Europe, e.g. in Poland or in the Baltic countries, the strategy was successful. Therefore, critics claimed that the shock therapy was not applied appropriately in unsuccessful transition countries.

However, Vivek Harsha DEHEJIA (1997) points out that even if shock therapy failed, there is no *a priori* presumption that gradualism would have worked. This is because it has conflicting effects in a dynamic general equilibrium. Any modification of the model parameters has ambivalent effects on the outcomes. The country-specific initial conditions make it impossible to define any one-fits-all solution. Vladimir POPOV (2000) showed that the differences in the economic performance can be explained exactly by those

uneven starting points. But it is noteworthy, that the fastest growing transition economy, Poland, mitigated its own shock therapy by a more gradualist approach to the reform process (STIGLITZ, 2003). The countries of the former Soviet Union performed exceptionally poor also in comparison to China, which followed a solely gradualist approach of transformation, starting in the 1980s.

Astonishingly, on the eve of the Soviet political breakup, the Union's GDP amounted to about one-tenth of the United States (US) GDP, equaling US\$709.8 billion. Compared to other regions in the world, the GDP per capita was relatively high. It compiled US\$2,466 in 1990. But, the income differences among the republics were dramatic, ranging from US\$459 in Tajikistan to US\$3,485 in Russia. For the same time, it totaled up to roughly US\$1,600 in both, Georgia and Ukraine. **Figure 1** presents the development of the GDP per capita (in constant US\$) in Georgia, Russia, Ukraine and aggregated for all countries of the former Soviet Union, for the period 1990-2010. The solid black line indicates the combined Soviet income per capita in 1990. Common for the economic development in all the successor states is that all countries experienced a sharp decline in the GDP, falling in the FSU to a global minimum of US\$312.7 billion in 1999. This indicates the peak of economic depression in the region.

**Figure 1: GDP per Capita (in constant US\$) in Georgia, Russia, Ukraine and in the FSU for the Period 1990-2010**



The Black Line Indicates the Soviet Union's GDP per capita in 1990.

Sources: Authors' Calculations and Illustration, WDI Databank (2012)

Still, Georgia, Russia and Ukraine followed different patterns. While the depression in Russia peaked slowly and reached its crest in 1997, Ukraine's

overall economic performance steadily decreased till 2000 and Georgia was affected immediately by the disintegration. The last-mentioned country's economy collapsed, reducing in 1994 the income per capita to one third of the 1990's level. In retrospect, the overall economic consequences of the breakup were twice as intense as the Great Depression in the countries of Western Europe and in the US in the 1930s. The recovery efforts in the successor states were thrown back twice, first by the economic crisis of 1999 and recently by the global economic crisis in 2008. While the Russian GDP increased almost eightfold since 1999, the growth in Georgia and Ukraine was less impressive, amounting to a fourfold rise in the GDP. Further, **Figure 1** reveals that the former Soviet republics demanded in average 14 years to get back to the 1990's level of GDP per capita. Some countries, e.g. Georgia and Uzbekistan, required even 16 years in order to regain their former level of income.

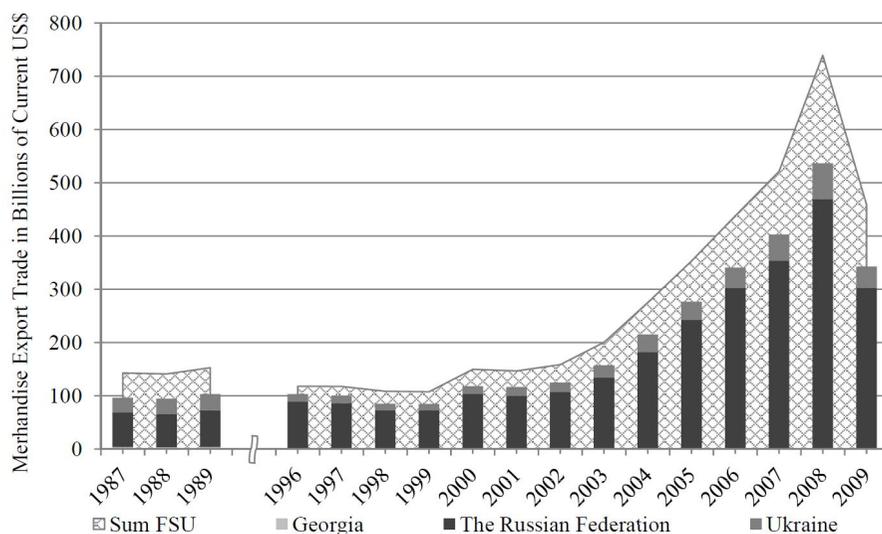
### **Foreign Export Trade in Georgia, Russia and Ukraine**

The inter-republic and foreign export trade showed a substantial growth performance in the 1980s. Prior to the breakup, its value increased from 225,971 millions of Rubles in 1987 to 242,240 millions of Rubles in 1989. The Russian Federal Soviet Socialist Republic was by far the most important economic space of the Soviet Union, occasioning almost 50 % of the export trade. But, compared with other regions in the world, the Soviet's then growth rate was considerably small, reaching approximate 6.83 % for the period 1987-1989. The growth of the export trade showed different patterns in all the republics. While the growth rate was low in Georgia (5.66 %), Ukraine's exports grew strongly, equaling 8.86 %. This indicates the importance of the mentioned initial conditions. **Figure 2** presents the development of the merchandise export trade and depicts the triannual growth rate of the export trade in the Soviet Union, for the period 1987-1989, as well as in Georgia, Russia, Ukraine and in the whole FSU, for the period 1996-2009. Based on trade data derived from the database of Stuart BROWN and Misha BELKINDAS (1993), the inter-republic and foreign export trade in the Soviet Union was converted to current US\$. For that reason, the weighted average foreign exchange rate for the years 1987, 1988 and 1989 was calculated, using monthly data for the Soviet official exchange rate of Rubles to US\$. The data was provided by the BANK OF RUSSIA (2012). The average rate equaled to 0.63 in 1987, 0.61 in 1988 and 0.63 in 1989. Due to the collapse of institutions, accompanying the break up, and the following uncertainty in the early 1990s, trade data is not available for the countries of the former Soviet Union for the first 6 years of their independence. Since 1996, the Comtrade Database (2012) provides country-specific data. But, some of the former Soviet republics do not report to the United Nations Statistical Division. Particularly data for the successor states in Central Asia and for Belorussia are missing. However, as the volume of export trade in this countries negligible small, the provided data allows to evaluate the current state of export in the FSU.

The data indicates that the breakup of the Soviet Union caused a dramatic reduction of the export trade. In the period 1989-1996, the regional volume of exports diminished by 22.72 % to US\$ 118,009 million in 1996. Noteworthy, **Figure 2** reveals that some of the successor states benefited from the breakup. This is due to the fact that price distortions were a major characteristic of the Soviet economy. While the prices for raw materials, like crude oil, fertilizer and gas, were heavily undervalued, consumer goods, like textiles and processed food, were strongly overrated. This led, according to Lucjan ORLOWSKI (1993), to a fall in incentives regarding the setting of prices and to a deficiently operating consumer goods industry. Thus, Russia increased its exports by 28.37 % to US\$88,703 million in 1996 and its share of exports in total regional exports increased from 50 % to almost 75 %. On the other hand, Georgia's and Ukraine's foreign trade was negatively affected by the disintegration of the Soviet Union. The volume of exports decreased by 94.82 % to US\$198 million and by 52.47 % to US\$14,400 million respectively. This made Georgia economically to the major loser of the breakup. Also other successor economies were strongly influenced as their volume of export trade decreased by 70.27 %.

The economic crisis of 1998 induced further changes in the region (see **Figure 2**). In the period 1996-1998, the regional export trade decreased by 8.06 %. The following growth period lasted till 2008, causing an increase in the FSU exports amounting on average to 581.41 %, 678.63 % in Georgia, 547.51 % in Russia, 429.79 % in Ukraine and 767.29 % in the other FSU countries. The crisis of 2008 almost halved the volume of export trade in the region and caused a dramatic drop in the economic performance of the successor states. Interestingly, the decline in exports was not as strong in Georgia as in the other countries, amounting to merely 24 %. The different development points towards the importance of traditional trade relations, not evenly exploited by the former Soviet republics. Further, it indicates the fact that such trade has a lower price vulnerability.

**Figure 2: Merchandise Export Trade in the Soviet Union for the Period 1987-1989 and in Georgia, Russia, Ukraine and in the whole FSU for the Period 1996-2009**



**Triannual Growth Rate of Export Trade in the Soviet Union for the Period 1987-1989 and in Georgia, Russia, Ukraine and in the FSU for the Period 1996-2008**

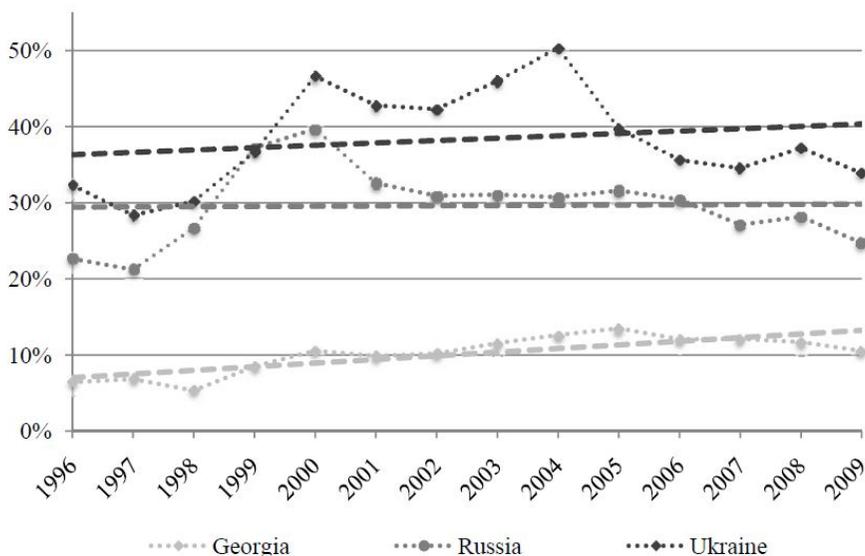
	87-89	89-96	96-98	98-00	00-02	02-04	04-06	06-08
Georgia	5.66	-94.82	-3.24	67.82	7.18	87.00	44.56	60.13
Russia	6.35	28.37	-18.52	42.64	3.49	70.21	65.88	55.35
Ukraine	8.86	-52.47	-12.24	15.31	23.02	82.21	17.45	74.50
Other FSU	6.38	-70.27	59.02	35.56	5.86	79.02	61.89	108.54
Average FSU	6.83	-22.72	-8.06	37.97	5.90	73.47	59.21	68.86

Sources: Authors' Calculations and Illustration, MIKHAYLOV (1990), BROWN and BELKINDAS (1993), BANK OF RUSSIA (2012) and Comtrade Database (2012)

To reveal the dependency on export trade in the post-Soviet states, the export propensity index was calculated for all three analyzed countries. The results are presented in **Figure 3**. The index shows the overall degree of reliance of domestic producers on foreign markets. It provides a better indicator of vulnerability to external shocks and is similar to the trade dependence index. Such shocks can be caused by falls in export prices or fluctuations in exchange rates and by reduction of foreign demand. The index also provides evidence for export-oriented growth policies and gives a better understanding of the economic characteristics in the transition countries.

According to the data, Georgia, Russia and Ukraine increased their shares of export trade in GDP in the reviewed period. However, the initial conditions determined different directions for each economy. The economies of Ukraine and Russia are much more export-oriented than the Georgian one. Interestingly, Georgia recorded the strongest increase, expanding the index by 63.9 %. It points towards a highly export-oriented growth in Russia and Ukraine. This places the countries at the same level with Germany, where the propensity index complied 44 % in 2009 (DADUSH and EIDELMAN, 2010). On the other hand, economic prosperity in Georgia is mainly based on domestic growth and therefore, the Georgian economy is less vulnerable to foreign market shocks.

**Figure 3: Export Propensity Index (Share of Merchandise Export Trade in GDP) for Georgia, Russia and Ukraine for the Period 1996-2009**



The Broken Line Indicates the Trend of Share of Merchandise Export Trade in GDP for Each County in the Period of 1996-2009

Sources: Authors' Calculations and Illustration, WDI Databank (2012) and Comtrade Database (2012)

### Inter-republic Trade in the Soviet Era

Since the first central economic plan was implemented in the 1920s, the Soviet government pursued a policy of economic integration across its vast geographic expanse. Its aim was to strengthen the social cohesion and to increase the stability of the system by deepening the economic relations among

the single republics. As a direct result, the dependencies in the production of certain goods increased heavily and, finally, the government of the Soviet Union established a united national economic space. The industrial activities were widely dispersed and highly specialized regionally. The Soviet planners put even further effort in extending the integration, disregarding the costs of this policy. Timothy SNYDER (1993) claims that particularly the production of machineries and light industry goods was extremely concentrated and therefore vulnerable to shocks. This is due to the fact that in the case of an economic shock and abolishment of intra-industry relationships, the production is effected immediately.

The national development strategy of regions in the Soviet Union caused large economic dependencies among the republics (CLAUDON and GUTNER, 1991). James W. GILLULA (1979, 1982) gives an idea of the overall size of the dependencies in 1966. He assesses that the dependencies increased significantly since 1972. In 1988, inter-republican trade flows made up to 85-90% of total trade in the Soviet Union. The relative importance of foreign trade for Georgia, Russia and Ukraine is presented in **Table 1**.

**Table 1: Percentage Share of Soviet Inter-republic Trade in Total Export and Import Trade for Georgia, Russia and Ukraine in 1988**

	Percentage Share of Inter-republic Trade in Total Trade (1988)	
	Exports	Imports
Georgia	80	93
Russia	51	68
Ukraine	73	85

Sources: Authors' Illustration, *Vestnik Statistiki*, (1990). № 3: p. 36; *Narkhoz SSSR* (1990). p. 639

Particularly the countries of Transcaucasia heavily relied upon the inter-republican trade. In the case of Georgia, almost 80 % of goods were export to the other Soviet republics. Russia's dependence on the Soviet republics was smaller, as it realized merely 50 % of total export trade within the Soviet Union. Furthermore, **Table 1** shows that the import dependencies were even higher than the export ones. This indicates the distortion of trade by central planning intervention and reveals the importance of initial conditions during the process of disintegration. Lee KENDALL METCALF (1997) points to the fact that the Soviet inter-republic trade was larger than the one of the European Community (EC) in 1989.

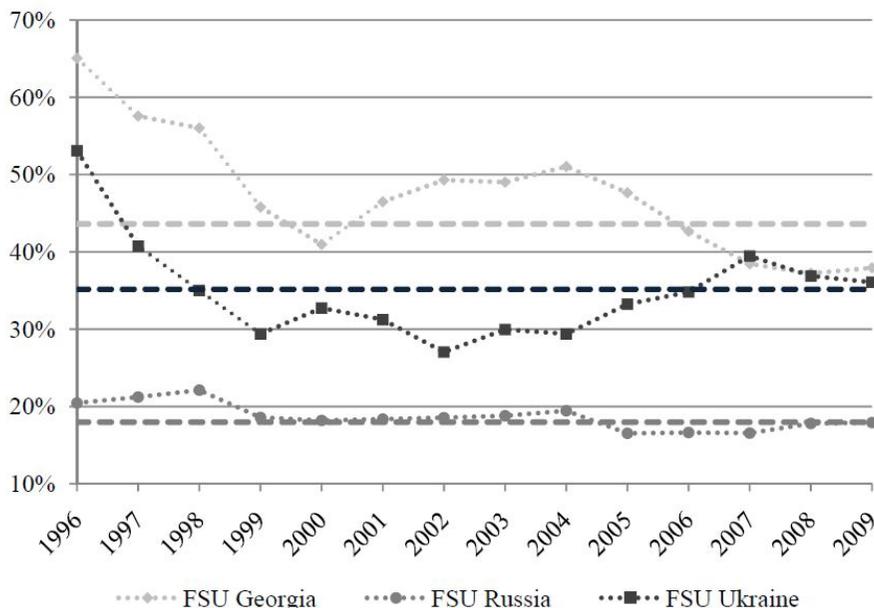
The communist party and the government of the Soviet Union regarded those increasing dependencies between the republics as a success of the Soviet regional integration policies. It should be also considered that the official Soviet statistics did not reveal the "true" trade situation as the distortion of prices was

of major importance. For instance, the internal prices for fuels and raw materials did not reflect the real costs and values of these products. If calculated in world market prices, the trade balance for most of the Soviet republics would look even worse. Especially Georgia, as a supplier of light goods and fertilizer intensive agricultural commodities, heavily depended on the price discount in the Soviet Union. All Soviet republics, except the Russian one, run commodity trade deficits on overall trade in world market prices for 1987 and 1988.

### **Traditional Export Trade Relations in the Post-Soviet Period**

Prior to the economic breakup of the Soviet Union, the trade dependencies were huge among the republics. Besides, trade relations were distorted by central economic planning. This caused an adaptation process in the newly independent countries. While some countries, like Russia and Kazakhstan, shifted their exports immediately in other directions, others, like the countries of Transcaucasia and Central Asia, were not able to do the same. This is due to the fact that the nature of the goods differed among the successors. For instance, Russia mainly exported crude oil, gas and energy, while Georgia produced cloths and processed food. In fact, this made some successor economies highly vulnerable for shocks. The demand for low-value goods, produced in the successor states, shrank dramatic in the early 1990s as Asian countries supplied this type of goods at lower prices and higher quality. **Figure 4** shows the share of export trade with the FSU countries in total exports for Georgia, Russia and Ukraine, for the period 1996-2009. Among the investigated economies, particularly the Georgian one reduced its exports dramatically, falling to US\$198 million in 1996. Exports to former Soviet states amounted to 65.1 % in 1996, with a strongly decreasing tendency observed in the reviewed period. Likewise, Ukraine and Russia reduced their share of export trade with the FSU countries to 53.1 % and 20.5 % respectively. The average share of the FSU export trade for each country in the period of 1996-2009 is indicated by the broken line. Again, there are huge differences among the transition economies. In the reviewed period, it is on average 18 % for Russia, but 35.2 % for Ukraine and 43.6 % for Georgia. This development confirms that the Soviet economic heritage is highly relevant for Ukraine and Georgia, and less determining for Russia.

**Figure 4: Share of Export Trade with the FSU Countries in Total Exports for Georgia, Russia and Ukraine for the Period 1996-2009**



The Broken Line Indicates the Average Share of FSU Export Trade for Each Country in the Period of 1996-2009

Sources: Authors' Calculations and Illustration, WDI Databank (2012) and Comtrade Database (2012)

To underpin the graphically derived evidence, the Pearson product-moment correlation coefficient was calculated for Georgia, Russia and Ukraine, for the period of 1996-2009 (PEARSON and FILON, 1898). The results of the correlation test are presented in **Table 2**. The test yields a positive coefficient for all three countries. This means that a mutual affiliation to the FSU of the trading economies has a positive impact on the volume of export trade. While for Georgia 1,123 trade events were recorded in the reviewed period, Russia traded with 2,421 and Ukraine with 2,283 countries. The correlation coefficients are highly significant ( $p < 0.05$ ). The effect is strong in Georgia and Ukraine and rather weak in Russia.

**Table 2: Correlation Coefficient Matrix between Export Trade and FSU for Georgia, Russia and Ukraine in the Period 1996-2009**

	Export Trade		
	Georgia	Russia	Ukraine
FSU	0.24***	0.12***	0.25***
Observations	1,123	2,421	2,283

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Sources: Authors' Calculations and Illustration, Comtrade Database (2012) and Developed Correlation Dataset

### Conclusion

Recognizing the economic importance of the export sector in transition countries, the study aimed at analyzing the characteristics and at evaluating the importance of traditional trade relations. For that reason, we conducted a qualitative analysis of the Georgian, Russian and Ukrainian export trade, covering the periods of 1987-1989 and 1996-2009. Furthermore, we also measured the importance of the sector for each economy, computing the export propensity index. Lastly, we calculated the Pearson product-moment correlation coefficient to underpin our findings with quantitative evidence.

On the basis of our analysis, we state that there is a strong relationship between the traditional economic relations and export volumes. However, the revealed evidence requires further underpinning by empirical analysis. It is both possible and recommendable to simulate this relationship with a trade model, for example, the gravity model of international trade. Such an analytic tool allows to quantify the correlation between these two variables and to measure the exact effect they have on each other. This is of high importance, once effective and scientifically well-founded policy advices should be formulated.

We infer from our results that there is no ultimately correct answer to the question: Which transition strategy is the appropriate one: a shock therapy or gradualist reforms? Still, to our astonishment, we discovered that the disintegration even stimulated trade in some of the successors. Therefore, a successful transition process is - in our opinion - less dependent on the chosen reform scheme and more on the initial conditions in the country concerned.

Considering the country-specific conditions is crucial also for recognizing the political implications of the reforms and the development potential of the economy. The traditional economic relations may be disregarded or be implemented into the strategies increasing exports and thus wealth of a country. Since our paper reveals evidence for the impact of the

Soviet economic heritage, the former choice would be not wealth-maximizing and therefore harming.

### Acknowledgement:

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<sup>1</sup> Armenia, Azerbaijan, Belarus, Georgia, Estonia, Kazakhstan, Kyrgyz Republic, Latvia, Lithuania, Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

<sup>2</sup> Although the satellite states of the Soviet Union, like Poland, East Germany or Hungary, were formally independent, all relevant processes within their borders had to comply with Moscow's directives, official or unofficial ones. In this sense, after 1989, they "regained" their independence.

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## ORIGINAL PAPER

**Ancuța POPA, Andreea STOICIU**

### **The structural and cohesion funds – an opportunity for Romania**

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**Abstract:** *One of the main goals of the Structural Policy is to decrease the regional disparities and to promote economic growth within the European Union. Structural and cohesion funds are the most intensively used instruments by the Union to achieve this goal. The purpose of this study is to examine the framework of European funds and their impact on the member states' economies. In order to access EU structural and cohesion funds for the 2014 - 2020 period, Romania has to take into account the EU's vision regarding the horizon of 2020, and specifically the Europe 2020 Strategy objectives. The document highlights a comparative analysis between the current and future programming period in order to identify the requirements which have to be considered by member states.*

**Key words:** *structural and cohesion funds, Romania, cohesion policy, EU budget, Europe 2020 Strategy.*

### **I. The structural and cohesion funds as a tool of cohesion policy**

At the budgetary level, the member states contribute to the budget of the European Union and receive a certain ratio from the budget. The funds are distributed to the member states by means of two funds: Structural Funds and Cohesion Fund, and two complementary actions European Fund for Agriculture and Rural Development and European Fisheries Fund.

The Structural and the Cohesion Fund are financial instruments of the policy of economic and social cohesion. The Structural Funds are granted so that each member states to reach a minimum level of infrastructure development in proportion to the European standards, the investments being orientated towards the economic growth, the employment and the development of the regions less developed. The Cohesion Funds aim to reduce the differences between the European regions, financing projects in environmental protection and trans-European transport networks, projects concerning the sustainable development.

Financial instruments have been used for delivering investments for Structural Funds since the programming period 1994-1999. Their relative importance has increased during the current programming period 2007-2013. In the light of the current economic situation and the increasing scarcity of public resources, financial instruments are expected to play an even stronger role in cohesion policy in the next programming period 2014-2020.

In May 2004, ten countries join to EU, of which eight were post-communist countries; and two other countries (Romania and Bulgaria) joined in 2007. The countries that joined the EU in 2004 received an amount of 24.4 billion euros as structural funds for the period 2004 - 2006.

The amount allocated (175 billion euro) to the new member states for the period 2007 - 2013 is considerably higher than in the first period 2004 - 2006.

The funds allocated to support the cohesion policy were limited to 0.45% of the EU GDP, which made Spain, Portugal, Greece and many other new EU members to demand an increase of this level considering the requirements for financing the accomplishment of the cohesion policy goals. The reaction of the states which were net contributors (Germany, Great Britain, Sweden, Austria and the Netherlands) to this proposal was not in favour of increasing this level. The methodology of allocation restricted the transfer of European funds to just 4% of the member states GDP. In order to facilitate the fund absorption by the new member states - Romania and Bulgaria - the highest level of co-financing from structural funds was increased from 80% to 85%, some procedures and regulations became more flexible and the financing rule "n+2" became "n+3" for 2007 - 2010. The funds spent according to the n+2/ n+3 principles, assume that Commission's funds can not be indefinitely available to the member state, but rather there is a deadline until these amounts can be spent. Even if, it is discussed about a multi-annual allocation, this does not mean that the member state may use the funds anytime during those seven years, because there is an annual allocation which was initially established and clearly defined for each Operational Programme. Also, within each Operational

Programme, Priority axis and key areas of intervention a certain amount was allocated for the entire period (2007-2013); and the allocated amounts are in concordance with the annual forecast.

The general requirements for managing the EU funds are defined by EU regulations, but the countries are free to find their own solutions according to this framework. Nanu, Buziernescu, Spulbar (2010) identify two models within the new member states: Baltic countries, which establish the management round the Ministry of Finance which actuates both as payment authority and as management authority, and the Central Europe countries which ground on framework-systems less centralized, where the payment and management authorities are situated within the structure of some distinct institutions (the payment authority is always situated within the Ministry of Finance).

It is difficult to determine which model is more efficient: the leaders of the absorption process – Slovenia and Estonia – represent different models. However, there are two general lessons (Rosenberg, Sierhej, 2007): the first underlines that in the beginning the frameworks were over-regulated, usually in order to prevent the inadequate use of the European funds, and the second lesson indicates that the absorption process is aided by the existence of some powerful central management authority. Indeed, some countries seem to have learnt these lessons. For instance, at the end of 2005, Poland created a new ministry regarding the regional development, in order to consolidate the surveillance of the funds which in the beginning had been distributed to different ministries. At the end of 2011, Romania also created a new ministry regarding the European affairs in order to speed up the absorption process.

## **II. The effects of the European funds on cohesion countries**

Structural funds represent an important resource to develop the new member states, but there are some problems associated with them. One of the most important is the absorption capacity. Most member states have experienced difficulties in absorbing European funds, especially in the first years after accession. The global economic crisis produced contractions among different European countries, but most affected were the new member states.

An introspection of the literature regarding the absorption of European structural and cohesion funds reveals a lack of adequate conceptual framework while the subject of better ways to manage these funds is less addressed. As the explanation could not be related to the lack of interest in studying such a problem, the reasons are essentially linked to its relative novelty, to the difficulties in assessing the impact of structural funds on the convergence of EU countries in the long term, to construction of appropriate indicators, including for the measurement of the absorption capacity (Georgescu, 2010). Most often, the absorption capacity is understood as the extent to which a member state is able to spend the financial resources allocated from European funds, in an effective and efficient manner.

UNDP (United Nations Development Programme) made a comparative analysis of the absorption of structural funds in Ireland, Portugal, Czech

Republic and Poland. The experiences of the new member states show that the absorption of the structural funds requires a solid preparation of central administration in order to establish the national frameworks of solid policies, the coordination between ministries, well made national programmes and the implementing ability. The partnership with local and regional governments, private business sectors and non/governmental organization are also essential.

Voinea *et al.* (2010) take into account the administrative component of absorbing capacity as a determining factor in creating an institutional environment which supports the application and the approving of the projects that are intended to be funded. The authors believe that designing an active informing policy is extremely important. Furthermore, it is also considered that ministerial coordination and partnerships between local authorities, non-governmental sector, private and civil society within democratic mechanisms that take into account the needs and priorities of all stakeholders, is the main base for an intrinsic social capital.

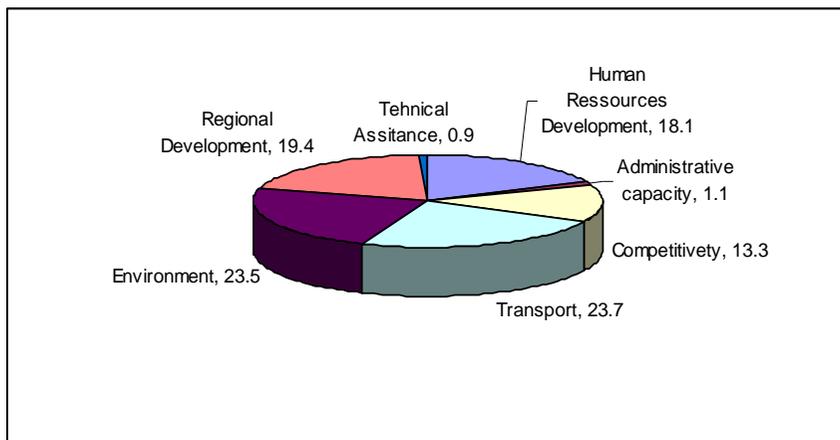
Several studies have been conducted to analyze the relation between European structural policy and convergence of member states by economists. Some of them are negative on convergence within the EU, but some of them have positive findings on convergence. Ederveen, de Groot, Nahuis (2002), in a study on the effects of European funds on the 13 beneficiary countries, have found that there is a different efficiency depending on country's institutional framework. Thus, in 10 out of 13 analyzed countries, could not be established a direct correlation between the European support and improved performance in terms of economic growth. Dall'erba S., Le Gallo (2003), using the formal tools of spatial econometrics, show that structural funds have positively benefited to the growth in the least developed regions suffer from the small extent of regional spillover effects. Beugelsdijk, Eijffinger (2005) studied empirically on the effectiveness of structural policy in the EU for the old 15 member states. In this study, the convergence of the old member states was tested for the period 1995 – 2001 by touching on the problem of moral hazard. They conclude that structural funds do indeed appear to have had a positive impact and poorer counties like Greece appear to have caught up with the richer countries. Secondly, according to their results, users of structural funds in some cases are not really eligible and may therefore use the funds inefficiently.

Bradly (2004) emphasizes the importance of taking account of other factors; the research suggests that the direct impacts of the structural funds in isolation are modest, and that the real long term benefits of EU cohesion policy are associated with the responsiveness of lagging economies to external opportunities for trade and investment.

Varga, Veld (2009) provide a model-based analysis of the potential macro-economic impact of European Union Structural and Cohesion Funds payments on the economies of the new member states. The model simulations indicate that this can lead to significant gains in output, both in the short as well as in the long run. Regarding Romania, most of the structural funds (19.2 billion) are for "Convergence" objective, through the seven operational

programs - established by an official document, the National Strategic Framework. This focuses mainly on increasing economic competitiveness, human resources development, transport and environment development, regional development, technical assistance, public administration and European territorial cooperation.

Figure 1. Financial allocation on operational programmes



Source: *Operational Programmes, authors' own processing*

Romania can't praise in terms of its performances regarding the absorption capacity. Within unfavourable absorption factors, Voinea *et al.* (2010) highlight the poor operation of justice, failure to comply with competition principles, low capacity of institutions involved in this process, lack of adequate coordination between them, the allocation of money which is often in disagreement with real economy.

Taking into consideration these aspects, it should be mentioned the fact that 40% of Romania's population belongs to rural environment and this fact involves a low degree of information and involvement. The resilience to change is another factor which diminishes the percentage of funding absorption. In terms of predicted flows of structural mechanisms, distortions of the truth and the unprofessional are additional unsuccessful factors.

Romania has recorded progresses on most levels, but this effort is prolific only on long term and requires perseverance and patience, constant political support granted to the relevant authorities and also independently from the political changes.

Most of the empirical results and the economic situation of the member states benefiting from the structural funds demonstrate that the impact and the importance of structural funding cannot be neglected.

The way in which Romania will benefit from cohesion policy in the multi-yearly absorption 2007 - 2013 programming period it depends on public-private partnership and civil society and the favourable environment built in order to support the absorption of European funding. On the other hand,

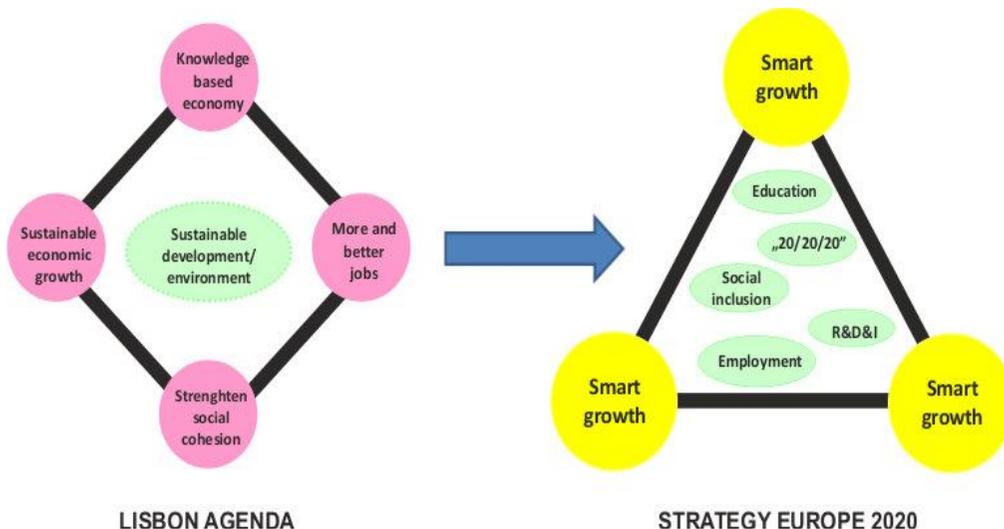
structural funds do not represent the most important issue, even in the case of a high degree of absorption because the main problem is maintaining their efficiency when there is lack of consistent reforms.

### III. The future of the European funds – the programming period 2014 - 2020

For 2014 – 2020 programming period, the member states have to take into consideration the new framework of structural and cohesion funds when they are designing the operational programs. The European Commission has decided that the cohesion policy remains the essential package of the future financial package and it emphasizes the primary role in order to support Europe 2020 Strategy.

Europe 2020 Strategy is a strategic document of the European Union regarding the economic and social area, in the context of the European model of social market economy. In this document, the fundamental directions of economic and social development of the European Union in the 21st century have been designed. In order to highlight the priorities of Europe 2020 Strategy, we have briefly presented them in comparison with the Lisbon Agenda 2010.

Figure 2. Comparative design of the Lisbon Agenda and of the Europe 2020 Strategy



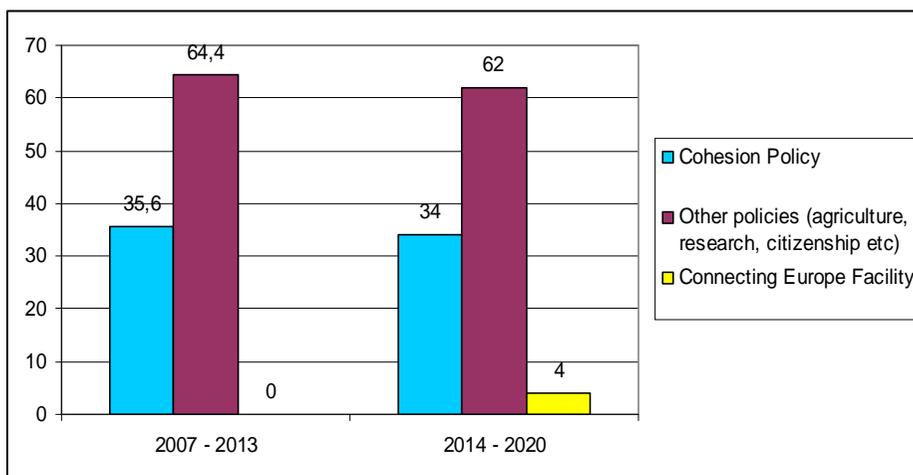
Source: Dinga E. et al., *The new European strategy for growth and jobs (Europe 2020): goals, instruments to monitor its implementation, institutional resources, implementation recommendation Study no. 2*, European Institute of Romania, Bucharest, 2010

Although Lisbon Agenda results are not satisfactory, Europe 2020 Strategy has not decreased ambitions regarding the objectives / targets. Thus, the European Commission proposes the following main objectives (targets):

- 75% of the population aged between 20 and 64 should have a job;
- 3% of EU GDP should be invested in research and development (R&D);
- Objectives "20/20/20" climate / energy would be met (including the increase of the emission reductions of greenhouse gas, from 1990 to 30% if conditions are right)
- Early school dropout rate would be reduced below 10% and at least 40% of younger generation should have higher education;
- The number of people at risk of poverty would be reduced by 20 million.

In order to achieve these objectives, the European Commission presented, in June 2011, the EU budget for the 2014-2020 period.

Figure 3. Comparative data concerning the EU budget for the period 2007 – 2013 / 2014 – 2020



Source: EC data – authors' concept

It can be noticed that EC is also paying a lot of attention to cohesion policy during 2014 – 2020 period.

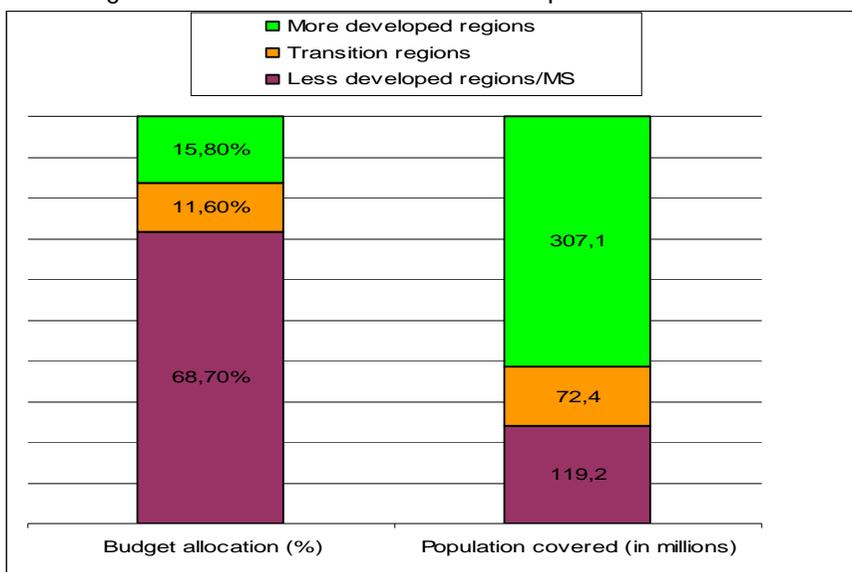
The newest element is represented by Connecting Europe Facility for transport, energy and ITC, which worth 40 billion euros plus 10 billion euros ring fenced inside the Cohesion Fund.

The European Commission also wants a more coherent use of structural and cohesion funds. To increase the effectiveness of cohesion spending, it is considered 3 categories of regions (according to GDP/capita): less developed

regions (< 75% of EU average), transition regions (75 – 90%) and competitiveness regions (>90%).

Transition regions and competitiveness regions would be required to focus the entire allocation of cohesion funding (except for the ESF) primarily on energy efficiency and renewable energy; SME competitiveness and innovation. In these regions, investments in energy efficiency and renewable energy will be at least 20%. Convergence regions will be able to devote their allocation to a wider range of objectives reflecting their broader range of development needs.

Figure 4. The funds allocation for the period 2014 – 2020



Source: DG Regio information - authors' concept

To encourage and increase the use of financial instruments in cohesion policy for the 2014-2020 programming period, the Commission's proposals:

- offer greater flexibility to EU Member States and regions in terms of target sectors and implementation structures;
- provide a stable implementation framework founded on a clear and detailed set of rules, building on existing guidance and experiences on the ground;
- capture synergies between financial instruments and other forms of support, such as grants; and
- ensure compatibility with financial instruments set up and implemented at EU level under direct management rules.

Experience with the current financial framework indicates that many Member States have difficulties in absorbing large volumes of EU funds over a limited period of time. Furthermore, the fiscal situation in some Member States has made it more difficult to release funds to provide national co-financing. In

order to facilitate the absorption of funding, the Commission is proposing a number of steps:

- to fix at 2.5 % of GDP the capping rates for cohesion allocations;
- capping co-financing rates at the level of each priority axis within the operational programmes at 75-85 % in less developed regions and outermost regions; 75 % for European Territorial Cooperation programmes; 60 % in transition regions; and 50 % in more developed regions;
- to include certain conditions in the Partnership Contracts regarding the improvement of administrative capacity.

In order to highlight the goals of structural and cohesion funds, we have presented the two programming periods in a comparative manner.

Table 1. Cohesion policy architecture

2007 - 2013		2014 - 2020		
Objectives	Funds	Goals	Category of regions	Funds
Convergence	ERDF ESF	Investment in Growth and Jobs	Less developed regions	ERDF ESF
Convergence phasing out			Transition regions	
Regional Competitiveness and Employment phasing in				
	Cohesion Fund			Cohesion Fund
Regional Competitiveness and Employment	ERDF ESF		More developed regions	ERDF ESF
European Territorial Cooperation	ERDF		European Territorial Cooperation	

*Source: DG Regio information - authors' concept*

Comparing the two programming periods, the Commission's proposal for the programming period 2014 – 2020 provides greater flexibility for Member States and managing authorities when designing programmes, both to choose between delivering investments through grants and financial instruments, and to select the most suitable financial instrument. It also gives more clarity and certainty in the legal framework for financial instruments.

From a budgetary perspective, the strengthening of financial instruments, as catalysts of public and private resources, will help Member

States and regions to achieve the strategic investment levels needed to implement the Europe 2020 Strategy.

Moreover, with financial instruments being applied more widely and being well-tailored to the specific needs of regions and their target recipients, access to finance can be significantly improved for the benefit of a wide range of socio-economic stakeholder. For example it can encourage enterprises to invest in innovation, households wishing to improve the energy efficiency performance of their dwelling, individuals pursuing their business ideas, as well as public infrastructure or productive investment projects that meet the strategic objectives of cohesion policy and deliver the expected outputs of its programmes.

### Conclusions

The recent studies based on the impact of cohesion policy are very optimistic, but they also warn that expectations should be regarded cautiously due to the fact that there are many limitations. The predictions can become reality only if some hypotheses regarding the quality factors involved in implementation process are confirmed.

Romania has the change to step into the project of second modernization, throughout the full benefits of structural and cohesion European funds.

Even if Romania was among first member states whose operational programs were approved by the European Commission, the implementation of agreed strategy was not easy. This happened because of the specific type of problems relating to the implementation process of a new and complex funding system.

For successfully absorb and benefit from the EC funding, Romania should guide itself by the "money for projects" principle.

Thus, the new National Strategic Framework for 2014-2020 period should include a modernization strategy, based on best practices experience and project oriented approach, ready-to-implement through specific operational programs.

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## ORIGINAL PAPER

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### A Failure of Europeanization? The Case of Hungary

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**Abstract:** *This article assesses the impact of 'Europeanization' process in Hungary. This will be done by looking at the EU's policy approaches to various political issues in Hungary and Hungarian responses to the EU policy stances during the accession period and the post-accession period in a comparative perspective. This paper argues that while Europeanization process had been to, a large extent, successful in influencing policy developments in the country during the accession period, it has been less effective in post accession period.*

**Key words:** *European Union, Europeanization, Hungary, minority rights.*

## Introduction

This article presents an analysis of Europeanization process in Hungary. Therefore, the first section of this article provides a general framework for the concept of conditionality in a political context. The second section assesses EU's impacts on Hungarian politics during the accession period. The third section examines the Europeanization process in Hungary during the post-accession period. Finally, the conclusion section summarizes the findings of the study.

### 1- A General Framework for the Concept of Conditionality

Since the end of the Communism, the notion of Europeanization has become a popular policy discourse in European integration. However, there seems to have been a lack of clear definition about the concept of Europeanization in the existing literature on the subject; as Olsen rightly pointed out that:

*"Europeanization is a fashionable but contested concept. Measured by the number of titles using the term, research on Europeanization is an academic growth industry. Yet, the term is applied in a number of ways to describe a variety of phenomena and process of change. No shared definition has emerged and definitions are often delimited to a specific article or book chapter."*<sup>1</sup>

Although the concept of Europeanization has been subject to debate, it has mainly concerned with institutional, political and legal changes shaped by the European integration.<sup>2</sup> According to Ece Ozlem Atikcan, Europeanization as the process of establishment of 'political', 'legal', and 'social institutions' with common rules and norms governing EU and national politics.<sup>3</sup>

However, since the end of the Cold War, there has been a growing literature about the impact of Europeanization process on the candidate states.<sup>4</sup> In the enlargement context, although there is 'no shared definition', the notion of Europeanization has been taken seriously by the candidate states for EU membership: they have considered EU membership as an opportunity to undertake the necessary policy reforms to comply with accession criteria for accession.<sup>5</sup> In other words, enlargement process and a strong accession commitment of the EU has not only encouraged policy makers of candidate states to undertake fundamental policy reforms, but also has provided a legitimate policy instrument for them to overcome political oppositions to the reform process at the domestic politics.<sup>6</sup> Furthermore, the EU has applied a strong policy of conditionality for the candidate states to influence domestic and foreign policy choices in the applicant countries. In this regards, conditionality can be defined as a foreign policy strategy of the EU, involving 'stick' and 'carrot' instruments to exert pressure on candidate states to influence their policy in accordance with the EU norms. As Karen Smith puts it; *"positive conditionality entails promising benefits to a state if it fulfils the conditions; negative conditionality involves reducing, suspending, or terminating those benefits, if the state violates the conditions."*<sup>7</sup> By implications, the

conditionality of the EU refers to way in which satisfactory completion of EU norms by the candidate state would lead to the award of membership.

Basically, as is evident from the previous enlargement policies, the EU has successfully used the accession carrot to persuade the candidate countries to accession criteria for accession. At the same time, all the candidate states seem to have been vulnerable to the influence of the EU, due to the costs/risks calculations associated with their exclusion from the European integration process.<sup>8</sup> In fact, the perceived political, economic and security benefits of EU membership seems to have provided an important motivation for the candidate states to fulfil accession criteria for EU membership.<sup>9</sup>

However, as is evident from some issues and shortcomings in the participatory democracy and human rights records in some EU members, the EU has been less effective in influencing domestic politics and human rights records of the EU member states. The recent developments at domestic politics in Hungary have been a clear evidence for this contention.

In this context, there seems to have been some factors that have weakened the EU's human rights policy towards the EU member states. These included:

- The EU seems to have been less rigid and critical to human rights situation in EU members, as compared to its policy of conditionality in the enlargement process (in the enlargement context, the EU has made it conditional that accession to the EU must depend upon compliance with the accession criteria by the candidate states.)<sup>10</sup>

- Some policy issues related to human rights and minority rights have been very sensitive to the public; thus, governments in some new EU member states have been reluctant to implement the EU norms in this regards.

- The EU's human rights policy towards the member states seems to have suffered from a lack of legal and proper institutional framework to scrutinize human rights situation in member states.

- Human rights situation and respect for minorities in EU member states seem to have been, to a large extent, determined by the member states' commitment to implement European common values.

- The EU seems to have failed to develop a comprehensive human rights policy with a proper administrative institution, as the existing structure of the EU provides member states with an immense flexibility in relations to their policy approach to human rights.<sup>11</sup> Indeed, the EU needs to have a specific and forceful common human rights policy to be applied for EU member states, similar to the Common Agricultural Policy (CAP) and the Common Competition Policy of the EU.<sup>12</sup>

The above contentions might be questioned on the grounds that human rights provisions and the principle of democracy have already been introduced into the EU's legal structure. As an example, the Charter of Fundamental Rights of the European Union has been included in Treaty of Lisbon.<sup>13</sup> Yet, it should be noted that although the Charter makes an explicit reference to 'universal values of human dignity', 'freedom', 'equality', 'the principles of democracy' and

'the rule of law', in the preamble,<sup>14</sup> the general provisions related to the interpretation and application of the Charter seems to have been subject to question. In other words, while the Charter calls for member states to respect the fundamental rights listed in the Charter, it does not seem to have provided a solid implementation mechanism or application framework. Furthermore, the Charter provides the member states with the 'opt -out' preference, as the United Kingdom and Poland have stayed out from the Charter.<sup>15</sup> In fact, some members including the United Kingdom seem to have been concerned with the possibility that the Charter would ultimately extend the competence of human rights law and impose it on the member states.<sup>16</sup>

Yet again, the above analysis does not necessarily imply that human right is an area in which the EU does not attach greater degree of importance in human rights situation in member states. In fact, the preamble of Lisbon Treaty underlines the importance of 'the principle of liberty', 'democracy', and "respect for human rights and fundamental freedoms", and 'the rule of law' in the European integration.<sup>17</sup> Furthermore, Article 2 of the consolidated version of TEU stated that:

*"The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member states in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail."<sup>18</sup>*

Additionally, in the case of serious breach of human rights in a member state, Article 7(3) of the consolidated version of the TEU provides a suspension of some membership rights.<sup>19</sup> Likewise, Article 7 of the consolidated version of the TEU includes a legal procedure, to be applied in the event of a serious violation of human rights by a member state.<sup>20</sup>As the Article 7 (1) of the TEU reads as follows;

*"On a reasoned proposal by one third of the Member States, by the European Parliament or by the European Commission, the Council, acting by a majority of four fifths of its members after obtaining the consent of the European Parliament, may determine that there is a clear risk of a serious breach by a Member State of the values referred to in Article 2. Before making such a determination, the Council shall hear the Member State in question and may address recommendations to it, in accordance with the same procedure."<sup>21</sup>*

Nevertheless, as Hartley rightly points out that *"the Treaty does not specify any particular consequences of such a decision. No doubt it would have a political effect."*<sup>22</sup> In addition, as is seen in the Article 7(1) of Treaty, there seems to have been a lack of clarity in the procedure, as it makes more difficult to assess seriousness of violation of human rights by a member state, due to complexity of long procedure. In other words, it appears that the article 7 of Treaty provides a vaguely worded statement about decision making procedure with regard to human rights in member states, rather than providing sufficient institutional framework for proper implementation of human rights provisions.

The following section is devoted to analyse the way in which the EU has approached the human rights issue in Hungary. In this respect, it firstly assesses EU's human rights policy towards Hungary after Hungary's application for membership, and then focuses on the EU's human rights policy since Hungary joined the EU

## **2- EU's Impacts on Hungarian Politics during the Accession Negotiations**

During the communist regime, opposition movements in Hungary had made some attempts to make demand for changes in the existing political structure. Political movement of 1956 was a clear example for opposition to the system in the country. As Andras Bozoki has argued:

*"In the late seventies there appeared a new, intellectual opposition group to champion human rights and this changed in time from a kind of political subculture to a counterculture. This group broke with Marxism and the idea of the system's internal reform, gave up the language of the party bureaucracy and created an independent press and a new oppositional style of behaviour."*<sup>23</sup>

Similarly George Schopflin suggested that *"Unlike several other East European states, the last years of Communism were relatively relaxed..."*<sup>24</sup> These indicate that there had been a strong civil society elements acting as agencies for the political transformation in Hungary during the communist regime.

After the collapse of the communist regime in the country, like other Central and Eastern European Countries (the CEECs), the concept of *"return to Europe"* had dominated developments in domestic politics and foreign policy of Hungary.<sup>25</sup> By implications, Europeanization process had acted as a mechanism to influence political transformation in the country. This is, to a large extent, because of the fact that Hungary's desire to join the EU had brought the country under close scrutiny from the EU. For example, the EU had identified a number of areas in which Hungary needed to undertake policy reforms to comply with accession criteria. These included some shortcomings in functioning of the executive, ineffectiveness in combating organized crime and corruption, some shortcomings in functioning of the judiciary and a number of issues over respect for minorities.<sup>26</sup> Indeed, one of the most important areas in which the EU had attached importance in its relations with Hungary was that of minority rights in the country. As the Commission's opinion on Hungary's application for membership underlined that Hungary's approach to minorities was not compatible with the EU norms; in particular Roma were subject to social exclusion.<sup>27</sup>

Furthermore, a tension with neighbour countries over minority rights was another issue in Hungarian external relations. In that respect, the Europeanization had been an effective tool for the establishment of good neighbourliness and friendly cooperation with Romania and Slovakia. As Andrew Cottey noted that:

*"the Socialist (MSP)-Free Democrat (SZDSZ), coalition committed itself to a 'historic reconciliation' with Hungary's neighbours, unconditionally recognized existing borders and dropped controversial minority rights demands and*

*supported Romania and Slovakia's bid for membership of Western Organizations –resulting in a significant improvement in relations, including the signing of the bilateral treaties with Slovakia and Romania in 1995 and 1996”<sup>28</sup>*

Similarly a dispute with Slovakia over the Gabcikova was the other evidence that the EU membership expectation had influenced both parties to sign a London Agreement.<sup>29</sup> Basically, as is evident from the analysis, Hungary had been, to a large extent, open to the EU influence. During the period of 1995-2004 (from membership application of 1996 up to EU membership of 2004), Hungary had undertaken significant policy reforms to comply with the accession criteria. As the European Commission noted that: since Hungary's application, *“the country has made considerable progress in further consolidating and deepening the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for the protection of minorities. This has been confirmed over the past years.”*<sup>30</sup> This provided that the EU had a substantial leverage to influence democratization process in Hungary during the negotiation process for accession.

### **3- EU's Impact on Hungarian Politics since Accession**

Since the accession, Europeanization process in Hungary has experienced a slow down. A continued tension between Hungary and the neighbouring countries, including Romania and Slovakia over the status of Hungarian minorities in abroad is a good example in that sense. In this context, the debate over the 'Status Law', referendum on dual citizenship for ethnic Hungarian in 2004, and National Security Strategy of the Republic of Hungary in 2004 had generated some concerns for Romania and Slovakia, as it involved the rights of ethnic Hungarians in the neighbouring countries.<sup>31</sup>

As far as the credential of the Hungarian participatory democracy is concerned, Hungarian system has not yet reached the level of Western European standard, due to the legacy of the strong state inherited from the authoritarian type of Communist era and also a limited involvement of civil societal actors in policy-making process in the country. In other words, there seems to have been insufficient institutional structure to act as agencies of political participations in the political life of the country.<sup>32</sup> As a result, the impact of Europeanization on the effectiveness of public administration and improvement of political participations of societal actors in policy making process seems to have been limited during the post accession period.

To some extent, political fragmentation in the Hungarian society is another area of a matter of concern: During the period of 2002-2006, the right-wings political groups and political parties had organized a number of protests against the left-wing political parties on the grounds of accusation for manipulation and the mismanagement of the country.<sup>33</sup> The 2006 mass demonstrations against the government seem to have offered a clear evidence for the seriousness of political fragmentations within the Hungarian society. Apart from severe human injuries and material losses, the 2006 Hungarian riots can be interpreted as a political legitimacy crisis in Hungary.<sup>34</sup>

Adoption of the new 'Fundamental Law of Hungary' in April 2011-called a new Constitution- is another area to which the EU has attached importance in its relations with Hungary. Indeed, this new development of constitutional changes in the country has come under close scrutiny of the EU. The EU's criticisms over the 'Fundamental law' have been centered on the concern for the independence of judicial system, the Central Bank, and autonomy of the data protection authority and separation of the state powers in the country.<sup>35</sup> The President of the European Commission Jose Manuel Barroso formally warned Hungary stating that "*the Commission is determined to take any legal steps necessary to ensure that the compatibility with European Union legislation is maintained.*"<sup>36</sup> Similarly, the European Parliament took a more critical policy stance by issuing a motion for a resolution in which it expressed its serious concern about democratic constitutional and legal structure in Hungary with regards to the rule of law, respect for human and minority rights, the *de facto* separation of powers of the state and equality and non-discrimination.<sup>37</sup>

As is seen from the above analysis, the post accession process has not brought a substantial dynamism and further developments in consolidation of participatory democracy in Hungary. In other words, it seems that some policy developments with regards to consolidation of democracy in Hungary and of establishing a friendly relationship with neighbour countries have not been entirely consistent with the EU norms of standards. However, all this does not necessarily imply that Hungary has serious shortcomings in representative democracy and in complying the EU *acquis* in that respects. Instead, this paper suggests that Europeanization process had been more visible during the accession process due to a strong conditionality of the EU, while it has been less visible since post accession period. This has been due partly to a lack of conditionality of EU's relations with member states. Also, it has been due to a decrease of attractiveness of EU membership among the EU citizens.<sup>38</sup>

#### **4- Conclusions**

As is seen from the analysis of this study, in terms of the legal approximation of integration process, the Europeanization has to a large extent been completed in Hungary, as the country has been successful in complying with EU *acquis communautaire*. Nevertheless, since the accession, Europeanization has been less effective in influencing the development of the participatory democracy and also in influencing institution –building process in Hungary. As Attila Agh suggest that "*...the new democracies (the East –Central European democracies) need a 'genetic' approach, since these countries have not yet completed their social economic and political structure, and they are still in the process of making.*"<sup>39</sup>

There seems to have been a number of factors that provide rational explanation for the failure of Europeanization process in Hungary after accession:

- During the accession process EU *acquis communautaire* were considered as a legal requirement for membership. Therefore political and legal transformations have been imposed by the EU, rather than through participation of societal actors within the Hungarian society. Due to this 'top-down' approach, Europeanization process has not been effectively internalized in the country.

- After the accession, the EU's leverage to influence in development of internal affairs seems to have been becoming less apparent in Hungary. A similar pattern can be observed in the other new members of the EU. As Levitz and Pop-Eleches argue that "*having achieved the goal of returning to Europe by joining the European Union, the new CEE EU members no longer have the same incentives to implement reforms*"<sup>40</sup>

- The economic crises in Europe and the global crises have, to some extent, generated populism and political cleavages in Hungary creating backsliding in some circles of the society.<sup>41</sup>

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<sup>2</sup> Exadaktylos, Theofanis and Radaelli, M. Claudio (2009), "Research Design in European Studies: The Case of Europeanization", *Journal of Common Market Studies*, Vol. 47, No 3, p.508.

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<sup>4</sup> Grabbe, Heather (2001), "How Does Europeanization Affects CEE Governance? Conditionality, Diffusion and Diversity", *Journal of European Public Policy*, Vol.8, No 6, pp.1013-1031

<sup>5</sup> A detailed account on the subject, see Grabbe, Heather (2001).

<sup>6</sup> Arikan Harun (2006), *Turkey and the EU: An Awkward Candidate for EU Membership?* (Second edition) Ashgate: Aldershot, p. 24.

<sup>7</sup> Smith E. Karen (2005), "Engagement and Conditionality: Incomplete or Mutually Reinforcing", in Youngs Richard and Emerson Michael and Smith Karen E. and Whitman Richard (eds.), *Globe Europe Report 2: New Terms of Engagement*, Foreign Policy Centre: London, p.23.

<sup>8</sup> Arikan, Harun (2006), *Turkey and the EU: An Awkward Candidate for EU Membership* (Second Edition), Ashgate: Aldershot, p.242.

<sup>9</sup> For a detailed analysis on the subject, see Ram, H. Melanie (2003), "Democratization through European Integration: The case of Minority Rights in the Czech Republic and Romania", *Studies in Comparative International Development*, Vol.38, No. 2, pp. 28-56; and also see, Arikan, Harun (2006)

<sup>10</sup> A further analysis, see Harun Arikan (2006).

<sup>11</sup> For a detailed discussion on the subject, see Bogdany, Von Armin (2000), "European Union as a Human Rights Organization? Human Rights and the Core of European Union", *Common Market Law Review*, Vol. 37, p.1317.

<sup>12</sup> For a detailed account and discussion on the subject, see Bogdandy, Von Armin (2000), "European Union as a Human Rights Organization? Human Rights and the Core of the European Union", *Common Market Law Review*, Vol.37, p.1309.

<sup>13</sup> See Treaty of Lisbon, "Charter of Fundamental Rights of the European Union", *Official Journal of European Union*, C. 83/ 389, Vol.53, (30 March 2010).

<sup>14</sup> See "the Preamble of the Charter of Fundamental Rights of the European Union", *Official Journal of the European Union*, C.83/389, Vol. 53, (30 March 2010).

<sup>15</sup> Zahn, Rebecca (2009), *The EU Lisbon Treaty: What Implications for Anti-Racism*, The European Network against Racism, Brussels, p.18.

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- <sup>16</sup> Hartley, Trevor, C. ( 2010), *The Foundations of the European Union*, ( Seventh Edition), Oxford University Press, Oxford, p.156.
- <sup>17</sup> See the Preamble of the Treaty of Lisbon, *Official Journal of European Union*, C. 83/ 389, Vol.53, (30 March 2010).
- <sup>18</sup> Treaty of Lisbon , Article 2 of the consolidated version of the Treaty on European Union, *Official Journal of European Union*, C. 83/ 389, Vol. 53, (30 March 2010).
- <sup>19</sup> Treaty on Lisbon, Article 7(3) of the consolidated version of the Treaty on European Union, *Official Journal of European Union*, C.83/389, Vol.
- <sup>20</sup> Treaty of Lisbon, Article 7 of the consolidated version of the Treaty on European Union, *Official Journal of European Union*, C. 83/ 389, Vol. 53, (30 March 2010).
- <sup>21</sup> Treaty of Lisbon, Article 7 of the consolidated version of the Treaty on European Union, *Official Journal of European Union*, C. 83/ 389, Vol. 53, (30 March 2010).
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- <sup>23</sup> Bozoki, Andras (1992), "Post Communist Transition: Political Tendencies in Hungary", in Bozaki, Andras, Koroseny, Andras and Schopflin George (eds.), *Post Communist Transition: Emerging Pluralism in Hungary*, Pinter Publisher, London, p.16.
- <sup>24</sup> Schopflin, George(1992), "Preface", in Bozaki, Andras, Korosenyi, Andras and Schopflin George (eds.), *Post Communist Transition: Emerging Pluralism in Hungary*, Pinter Publisher, London, p.1.
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- <sup>27</sup> European Commission (1997), *Commission Opinion on Hungary's Application for Membership of the European Union*, (DOC/97/13), Brussels, 15 July 1997.
- <sup>28</sup> Cottey , Andrew ( 1999), "Central Europe Transformed: Security and Cooperation on NATO's New Frontier", *Contemporary Security Policy*, Vol. 20, No.2, p.10.
- <sup>29</sup> Munuera, Gabriel (1994), "Preventing Armed Conflict in Europe: Lessons From Recent Experience", *Chaillot Paper 15/16*, published by Institute for Security Studies of Western European Union, p.52.
- <sup>30</sup> European Commission (2002), *Regular Report on Hungary's Progress towards Accession COM (2002) 700 final*, Brussels, p. 133.
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- <sup>32</sup> Jenei, Gyorgy (2009), *A Post Accession Crisis? Political Developments and Public Sector Modernization in Hungary*, Bamberg Economic Research Group Working Paper, No.7, Bamberg University, p.9-10.
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- <sup>34</sup> Szabo, Mate (2011), "From a Suppressed anti-Communist Dissident Movement to a Governing Party: The Transformations of FIDESZ in Hungary", *Corvinus Journal of Sociology and Social Policy*, Vol.2, p.61.
- <sup>35</sup> A detailed account about the Fundamental law of Hungry, see Council of Europe- European Commission For Democracy Though Law (Venice Commission) (2011), *Opinion on the New Constitution of Hungary*, Opinion No: 621/2011, CDL-AD (2011) 016, Strasburg 20 June 2011.
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## ORIGINAL PAPER

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### Macedonia's public policies and social transformation

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**Abstract:** *Issues of governmental policies are very little debated in circumstances of crises society as it is the Macedonian. This paper – presents an empiric-theory analyses of a late social transformation and situation where fight for political power and political engagement are understood as important moments and as more secure process for the individuals to come to existential incomes and ensure working place, or fulfill their exaggerated needs, by belonging to a certain political group in order to request support. In this situation best players are 'higher level state administrators' which are mentioned by Charles Vindlbloom on his book or otherwise are known as Webber's burrocrats or Jean Paul Sartre griffins of hegemony. Public policies based on self advertisement and forces of governmental elite are shown as failures. Twenty years fter the comunism- here is a dose of communism. There are two realities as well in the cases of policies and development programs of citisens perspectives. Empirical aspect of this paper is presentation of citizens' attitude about latest political movements in Macedonia, bargains for power, and citizens' participation in political life. The main issues of this paperw be based on: 1. The issue related to the development of democracy under circumstances of post-communist societies – citizen participation. 2. Government, freedom of press, attitude towards media in general. 3. Inter-ethnic relations – social distance.*

**Key words:** *Public Policies, Macedonia, Social Transformation, Communism.*

### **The development of democracy**

In the last decade, in Macedonia as well as in all other countries in transition, the notions like democracy, citizens, civil society have been widely used. But, in most cases, the usage of these terms does not correspond with their real implementation and functioning in the society. It is a fact that after 1991, with the new changes in the political systems, in Southeast Europe, new pluralisms emerged, as would Drucker say (Drucker, P 1995), which resulted in the emergence of market economy, political pluralism, new ideas, etc. As regards traditional public policies at times of socialism, we can say that things were pretty much planned and predicted. But this possibility at the time of great changes in postmodern era is disappearing. This is actually where the problem of public issues and key actors lies, in terms of their vision for the future.

Our intention is to define public policies in a society where they are actually facing with a lot of difficulties and obstacles, 20 years after the establishment of pluralist states and political systems. Is Macedonia undergoing a transformation in the social aspect, as was expected by the citizens? How much are public services and social justice in service of the population? These are some of the issues that need to be addressed. What we have to see here is the role of the state and high-level Weber-type bureaucrats. Aristotle says that in fact, the state is built upon the possessions and wealth of all of its citizens. What is needed in this case the entirety of all parts; if this is one day destroyed, then no feet or hands will remain (Aristotle, 2008).

Robert Putnam – American sociologist mentions that if a society, regardless of its size, has civil society and social capital – then all the conditions to work and earn for oneself and the community are met. This kind of society will have a democratic perspective (Heywood, 2008).

At the same time, a democratic society has to have a well-developed communication network and it has to harmonize the interests of the communities living there. This is important to everyone. Putnam also wonders what the fate of those underdeveloped communities in terms of citizen participation, will be in the future. Of course, those societies will lag behind and will not be able to prosper.

Peters defines public policies as a sum of government actions which directly or indirectly influence the citizens' lives and act at three different levels: selection of policies, policy outputs and policy impacts. For some this represents a governmental action to resolve problems. These actors in public policies are quite often high functionaries of the state. (Potucek et al. 2005, 8). Refers to Venus (" ( Venus, D.,2012).The Process of creating new public policies is as follows: "There are generally three key things involved in the process: the problem, the player, and the policy. The *problem* is the issue that needs to be addressed, the *player* is the individual or group that is influential in forming a plan to address the problem in question, and the *policy* is the finalized course of action decided upon by the government. Typically the

general public will make the government aware of an issue through writing letters and emails, or making phone calls, to local government leaders; the issue is then brought forward during government meetings and the process for creating new public policies begins”

#### The slow social transformation

Democracy in the Balkans has a very fragile tradition. Macedonia is not exception in this case. In fact, all issues of public and social interest are initiated and led by politicians. This creates superiority relationships between politicians on one hand and the population on the other. It should actually be the other way round since the citizens are those that elect the politicians and therefore it is the citizens that have to create the public opinion and track their way in accordance with their interests. The power of citizens is still low and not that influential; the number of civic organizations is satisfactory though not powerful enough in order to influence social developments.

The other issue has to do with the politization of the society in Macedonia. There is a conviction that every important public figure, including university rectors, lawyers, businessmen, judges are all connected (and even are part of) with a certain political party and tend to defend their partisan interests.

Some university rectors took part in election campaigns. One of them openly declared that he supported the government's attack over the A1 television.

Before the 2006 elections in Macedonia, every single political party appeared with their own figures regarding the reputation of their own organization and its leader and everyone was basically saying that their political and their leader was supported the most – the situation eventually became silly and ridiculous and people did not know who to believe to. Finally they realized that it was all fake.

Many NGOs unfortunately were part of these comic conspiracies and they were doing this because of money.

The election process itself was totally irregular; votes were stolen, boxes were filled with votes by partisan activists, etc.

#### Elections and citizen participation

The first parliamentary elections in 1990 were followed by a great euphoria and hope among the voters that thought that by casting their vote in massive numbers will be able to build a prosperous and promising future for them and their successors. The participation in the 1990 elections was 84% in the first round, based on the lists of registered voters. The elections were carried out based on the principle of the majority.

In the second parliamentary elections of 1994, the percentage of voters decreased to 77.3% whereas in 1998 it was 66.4%. In 2002 the figures reached 58.7% and in 2006 – 56.6% or 17% less than the previous general elections.

The last parliamentary elections of 2008 did not go unnoticed. There were many problems and incidents that occurred on that day (01.06.2008).<sup>2</sup>

These were administered on the basis of the proportional model in six election units. The right to vote belonged to 1,779,116 voters. 57.99% (or 1,031,632) of the total number cast their vote. 30,656 voting leaflets were invalid. There were other 71,477 unused. These elections were observed by the representatives of the OSCE and 3,500 monitors of the NGO Most.

In the local and presidential elections of 2009 the outgo of the voters was only 43.3%, whereas the list of voters had 250,000 to 300,000 people more.<sup>3</sup>

The simplest explanation for the decrease in the number of voters from about 85% in 1990 to 42% in 2011 shows that the citizens are disappointed from the level of democracy and social welfare that is provided to them.

#### Media-related public policies

After 1991, the media began to write and broadcast almost about everything, freely and bravely. At first there was some confusion since people who had just got out of communism thought that those who did politics were endangered and that politics could only harm people and bring them sufferings. Later on the citizens started to understand that communism had actually threatened them not to deal with politics so that the elites at that time would not feel endangered and threatened and finally lose their privileges and luxury lifestyles. On the other hand, the journalists' expectations were that in democracy they would be able to seek for the truth, broadcast without any fear, be free to do what they want and say what they want. However, this did not prove right. Journalists began to get threatened, prosecuted and fired from their workplaces.

Recently, public policies *visa vi media* and the freedom of speech have begun to get harsher. The Government has been advertising itself only for the last 5 years through a Project known as Renaissance 2014<sup>4</sup>

This, in fact, has to do with the replacement of the Slavic identity with the antique one – that of the Alexander the Great. The construction of the 30 m-high sculpture of Alexander the Great, his soldiers, horses and lions clearly proves the above-mentioned. Also, the Triumphal Port, Tsar Samoil, and Phillip II are just some of the projects which are constantly advertised in different media as some of the greatest achievements of this government. All pro-governmental press and electronic media broadcast these actions all the time. Of course, they are also well-paid for the job they do. On the other hand, the taxpayers i.e. the citizens are constantly struggling with fines by different inspectorates who have allegedly found many mistakes in the way companies, firms and businesses are functioning so that the state budget can somehow be filled. On the other hand, public schools, hospitals, and other institutions are in a state of disaster and no one cares for them. The A1 TV House that supported the opposition stopped functioning as a result of the pressure by the government through its financial policy and inspectors. Its owner was a member of a minority community and he was imprisoned along with his journalists that worked for this media house. Of course, there were some

irregularities that the inspectorates registered, but the rules and the law do not apply equally for all parties. There is a TV Sitel and Vecer daily newspaper led by a person that fully resembles the oppressing policy at the time of Slobodan Milosevic through his vocabulary, manner of writing and expression, public insults and the praises addressed to the current government. This person is also suspected to have close ties with the Interior services of Serbia that was infamous during the time of communism and ex-Yugoslavia.<sup>5</sup> He defends the government for its actions and swears the Albanians as permanent wrongdoers<sup>6</sup>. It is also suspected that these people are friends and relatives of the current Macedonian prime minister.

This is all about public policies towards media and the wish for being together, in favor of the social unity and cohesion, "in order to be together, to participate in the same events, to express same feelings and opinions and to belong to the same group, nation, religion, stratum..." (Meunyer, Peraya, 2009, p. 274)

This kind of unity we are referring to seemed to happen at the time of communism; one political party, one working class, one opinion, and eventually fraternity-unity. This fell down in 1990. The Ohrid Framework Agreement of 2001 after the armed conflict changed the Constitution, laws, policies, etc. Mono-culture became multi-culture. State media got strong opponents – private ones. Facebook and Twitter nowadays are changing the world. This should be clear for the current political elites in our country as well.

Is there any censorship? Perhaps not as during communism, but sometimes self-censorship could be even worse. If we refer to Buordiu (BourdieuP.,2006) in his work *On Television*, then we could probably understand what censorship and self-censorship is about. The communication possibilities are imposed. "This censorship that is being exercised over guests and journalists contributes to the establishment of the conviction that it is purely political. It is more than obvious that there is political pressure, control etc., as is more than clear that there are enormous unemployed journalists which in turn makes the bias towards the political conformism even bigger. This is how self-censorship is created and how we agree with it. As a consequence, we forget about the role of the TV as a public medium. The wise Hegel considers the principle of thought as power, though subjective. Thought and power can join together and when they become free, they become guides of a real revolution. The power of thought in our area is still not free; it is still under the influence of different ideologies – freedom without thought leads towards terror.

Let us hope that freedom and thought will become our features. Power without thought will vanish.

Interethnic relations

There is strange coalition in our political environment. One can see Freud-like emotional reactions in the field of the dialogue between Macedonians and Albanians in terms of the Ohrid Framework Agreement.

Jean Jacques Rousseau in his work *Social Contract* says that "people are born free and then get imprisoned" (Malnes, Midgard, 2008). We are tackling two approaches towards the issue of freedom in this case – the natural aspect that one is born free and the social aspect when they become slaves. Rousseau rejects the theory of the relationship between the statesmen and the people as being father and son. He also dislikes the theory of the strongest. The social contract (treaty) is seen by Rousseau as an agreement for respecting everyone's interests and not as such in which one gains and the other loses. The agreement is obeyed if both parties can benefit from it. The "general will" comprises the social treaty. It has to be put in the legislation.

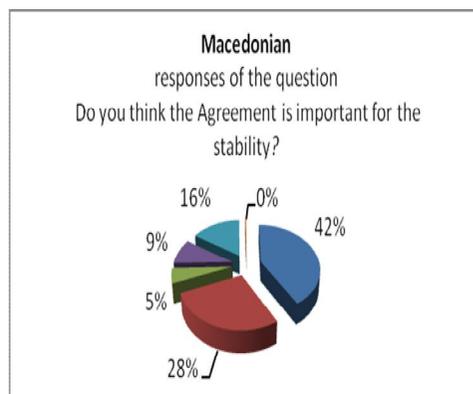
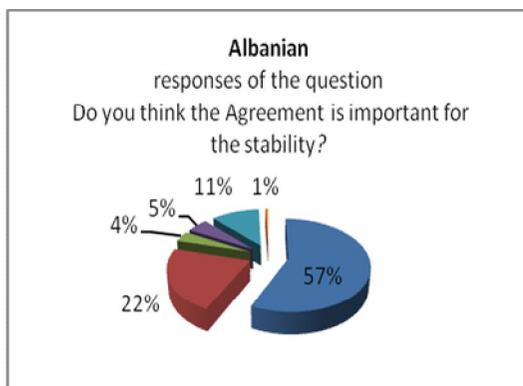
After the armed conflict of 2001, I was optimistic that the lessons learnt from past mistakes will make us be more positive towards the future. But, as I can see, this optimism is gradually fading in me and many others around.

No one can deny that after 2001, the ones to have the greatest dilemmas about the Ohrid Framework Agreement were the signatories of that document themselves. Arben Xhaferi has not mentioned it for quite a while now, whereas his co-thinker and colleague rejects it categorically by saying that what has been achieved so far could have been done without even firing a single bullet. Ljubco Georgievski is the most realistic and visionary person who can predict things pretty well and cares for the civic perspective of both Albanians and Macedonians here. Ali Ahmeti, on the other hand, says that if the Ohrid Framework Agreement does not work, then let us sit and think of another one, alluding at more radical measures. The main actor in the political scene who was a headmaster of the unsuccessful referendum two years ago in favor of the elimination of the Ohrid Framework Agreement, attempts to eliminate the effects of the agreement on the ground<sup>7</sup>.

Only Branko Crvenkovski as a signee of that document is aware of the importance of that document in terms of the stabilization and relaxation of interethnic relations and those between the majority and minorities. The issue that arises here is whether we would like to go back in history or get integrated in what is called new civilization and house of nations. The orientation of public policies in southeast Europe and Macedonia is headed towards the full membership in NATO and the EU.

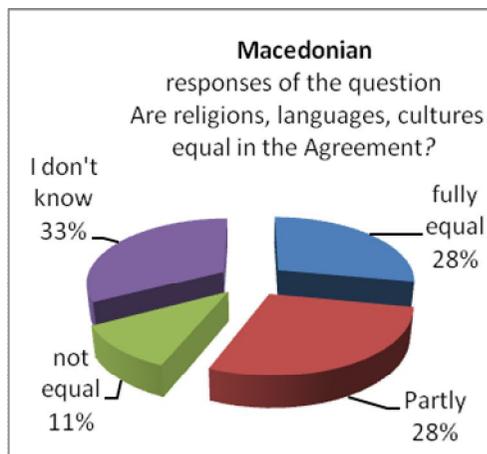
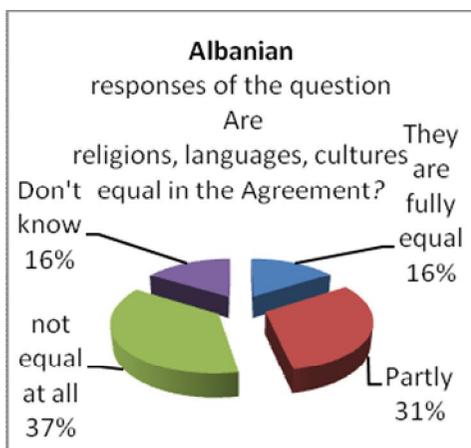
Today's deniers of the Ohrid Framework Agreement should have a little fun with the past, with the time of their studies and find the answer to the question why they couldn't succeed in bypassing the war; or if they feel responsible for the violent events that occurred from time to time during the period 1991 – 2001.

### Public opinion polls in terms of social distance among ethnicities in Macedonia – Macedonians and Albanians



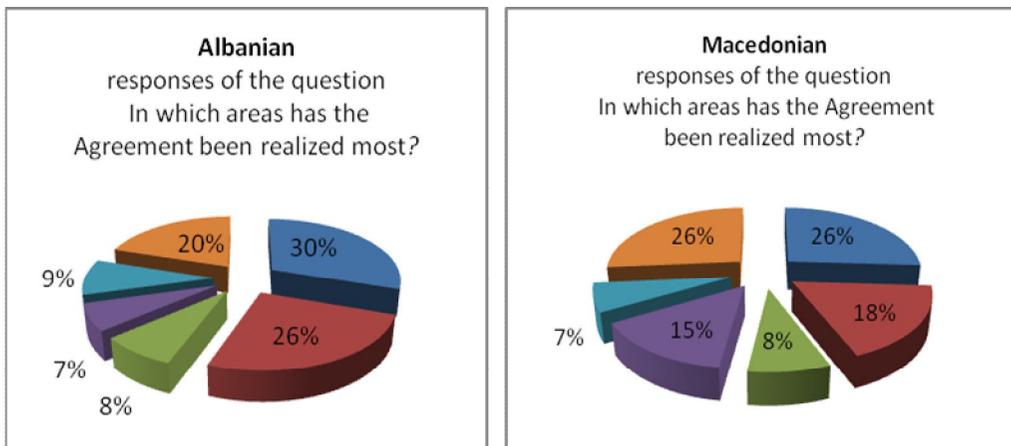
■ Yes, very important   ■ Sometimes yes and sometimes no  
■ No, it's not important at all   ■ I'm not interested   ■ I have no answer

We can see from the responses that 57% of Macedonians and 42% of Albanians consider the agreement to be very important for the stability of the country.<sup>8</sup>



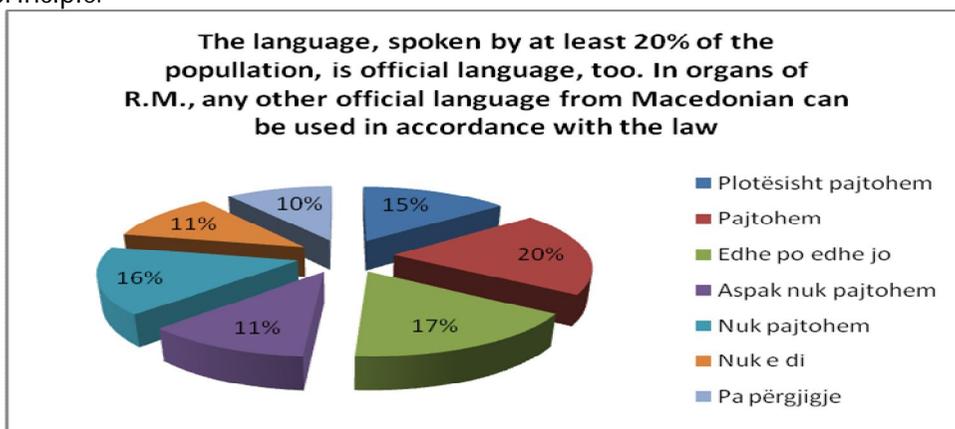
■ I don't know   ■ Not equal at all   ■ Partly   ■ Fully equal

Regarding the equality of languages, religions, cultures, only 16% of Albanians say they are fully equal and 31% partly equal, and 28% of Macedonians stated they are fully equal and 28% partially. So here we have a clear dissatisfaction within and the fact that one third of them or 36% said they are not equal.



<span style="color: blue;">■</span> In local self-government	<span style="color: red;">■</span> In education	<span style="color: green;">■</span> In culture	<span style="color: purple;">■</span> In multicultural
<span style="color: blue;">■</span> In decentralization	<span style="color: orange;">■</span> In the use of language		

From the graphs above we can see the areas where agreement is implemented mostly as: 30% of Albanians think that realization has local self-government, while 26% think that the achievement is in education and other areas and others are designated more areas in small percentage. With a smaller frequency is the clarification of Macedonian population with 26% in local Self-Government and 18% in education. On the whole it can be concluded that in reality the requirements of the population expressed for years in conversation with Macedonian parties, foreign diplomats, media, and parliament in these two areas have been larger. But it seems that expectations from the implementation of the Framework Agreement on these two areas have been larger for Albanian as well as Macedonian population. Only 14% fully agree with election of judges under this principle.



<span style="color: blue;">■</span> Fully agree	<span style="color: red;">■</span> I agree	<span style="color: green;">■</span> Neutral	<span style="color: purple;">■</span> I don't agree at all
<span style="color: blue;">■</span> I don't agree	<span style="color: orange;">■</span> I don't know	<span style="color: lightblue;">■</span> No answer	

Regarding the use of Albanian language in public opinion, media and debates and in the parliament the debates are open. Figures in this survey show that 20% of respondents agree to use the language as official, 15 fully agree, whilst 17% also agree. Do not agree and do not agree at all 16% and 11%. But if we compare these data referring to the normative aspect and make a comparison with our reality, we will come to the conclusion that the issue of defining the second official language is still unclear. It is mentioned only in agreement as a concept and how to use its space is undefined in normative terms but also in practical terms. Or at the latest, its use is small. Seen from the responds we can notice dissatisfaction among Albanian respondents, and calmness at Macedonians.

### Conclusion

Democracy and democratic institutions in Macedonia cannot be developed as long as the liberal theory and practice do not assign the sovereignty to the population – people in Macedonia are still afraid of their own political leaders. Post-communism is manifested with communist remainders: inequality, populism, oppression of multicultural diversity, censorship over private media, etc. Pro-government media represent communist remainders and are striving to replace them with neo-communism by using the same means as in times of communism. The Euro-Atlantic integrations and the values of western civilizations should be the foundations of the civic perspective of Macedonian citizens.

The only optimism in this respect can be seen in students and the youth in general who are increasingly asking for development of democratic institutions and responsibility and accountability by political elites. The participation of citizens in the general elections of June 5<sup>th</sup> 2011 was only 42% and this has a direct impact in the legitimacy of elections.

Interethnic relations have worsened a lot lately. The gap between Macedonians as a majority and Albanians as a large minority group is growing bigger. The last phase of the transition period seems to undergo many problems and difficulties so the images could be incomplete and partially successful. As time goes by, it is becoming clearer and clearer that the EU is pretty far away and as a result the enthusiasm in me is rapidly fading down.<sup>9</sup>

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<sup>1</sup> Hasan Jashari, Faculty of Public Administration and Political Sciences. Author of 5 university books. Political analyst and active researcher in the field of Political Sciences and Education. Director of Doctoral Studies.

<sup>2</sup> The incidents resulted in one dead person and tens injured by firearms. Dozens were arrested. These incidents happened between the Albanian political parties PDA and DUI.

<sup>3</sup> Accuracy of the voter lists. Longstanding OSCE/ODIHR and Venice Commission recommendations that a thorough voter list audit be undertaken remain to be acted upon, [http://www.osce.org/documents/odihr/2009/06/38555\\_en](http://www.osce.org/documents/odihr/2009/06/38555_en))

<sup>4</sup> More than 9 million Euros have been invested in 100 new sports halls. Along with the taxes, this sum will amount at about 11 million Euros. Projects are part of the Agency of the Youth and

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Sports. The investments go on, although the Renaissance spent about 13 million Euros in 35 sports halls, 50 football pitches, and 100 tennis courts. Professor Popovski says that having in mind today's economic policy, the state cannot afford investing millions of Euros in sports facilities, even if they are a must. These projects should be postponed for a while.

Are these sports facilities necessary? Will they be the main justification for the prime minister in the pre-election campaign? – Milka Smilevska

<http://www.vesti.alfa.mk/default.aspx?mId=36&eventId=32997>

<sup>5</sup> Secret Police Forces similar to Romanian Securitatea or Albanian Sigurimi

<sup>6</sup> At the forum organized by the Association of Journalists of Macedonia, it was pointed out that by default media have to be the voice of the nation, opposing the government. The president of the association emphasized that in Macedonia there is a tendency to ascribe all bad things to the media. He said, "We have to agree that Macedonia represents a divided society where the system creates values. Based on this logic, the media are divided, too. When they report on ethnic issues, they tend not to be professional and adapt to the current circumstances.

<sup>7</sup> How are conflicts created? This would take thousands of pages to write. Vojislav Kiranxhiq, mayor of Cucer Sandevo municipality (a small municipality in the hills of Karadak near Skopje), an ethnic Serb, in a debate about the development of rural areas in October 2008 in which representatives of the SEEU also took place said: *When it comes to the conflict of 2001, I am in favor of Albanians*. Some villages that did not have electricity for more than six months, along with doctors, nurses, and other vital needs included Tanushevci, Breza, Malino, etc. The sick pass away while transporting them to local hospitals which are tens of kilometers away. This is why Commander Hoxha declared it a liberated zone and rebels. This does not require much theoretical analysis. Every phenomenon has its causes.

<sup>8</sup> The research was carried out during April and May 2011 and included 1,097 people.

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## ORIGINAL PAPER

**Andreea BIGYA**

### **The electoral system and election campaign in Romania. From communism to democracy**

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**Abstract:** *After the disappearance of communism and the entrance in the transition period, Romania experienced a series of changes regarding the entire social and political life. The present article challenges the evolution of the the electoral system from communism to democracy.*

**Key words:** *electoral system, electoral campaigns, communism, democracy, Romania.*

Each new political system comes with its own rules that are meant to make it stronger in the society. This happened after the communist regime had been established in Romania. The communists felt obligated to strengthen their newly gained position and that was possible only by winning the elections with a strong majority. There were mandatory some changes regarding the electoral system, changes that will bring them popularity.

Extremely relevant in this direction is the electoral law of 1946 and its consequences. This law was promulgated the 15 July 1946 through Royal Decree.

The elections organized in 1946 had a major importance. The citizens had to choose between so called the traditional parties and the communists. It is said about this elections that they were the first forged elections in Romania. The opponents were grouped into two camps: on the one side there was the National Liberal Party and their allies. Their aim was the reconstruction of this country according to the interwar's pattern and they had the support of the British and the Americans. On the other side there were the communists and their allies whose option was the soviet pattern for the same reconstruction process. They were supported by the Soviets.<sup>1</sup>

The stake was high. Each one of the candidates had to attract to his side the electorate in order to obtain as many votes as possible. The communists proved to be extremely ingenious but they also had the advantage of owning the majority of seats in the Petru Groza's Government. The priority of this Government was the elections because winning them, represented for the communists the best way to legitimate their power. The main parties started to crystallize their tactics and objectives way before the electoral law was written. In the May 1946 it was made public the Platform-program proposed by the Communist Party. A lot of the communists' promises meant actually something else it was understood at the beginning. "Strengthening the state apparatus" will be the basis for "cleansing" the political elite; meanwhile the "Police and judiciary reform " meant nothing else but letting go all the officers trained in the interwar period and which were considered to be insecure for the new regime. This will lead to the reduction of the numbers of constabulary's officers and also the modification of its components which will facilitate obtaining the victory. After publishing the Platform-program, an alliance was created by the communists and their supporters. It was created the Central Electoral Commission; its main porpoise was coordinating the communists' activity in the electoral campaign. At the local level, there have been created county electoral-commissions, which were subordinated to the Central Commission. The publication of the Platform-program and the new alliance that was created marked the beginning of the electoral campaign although the electoral law did not existed yet.<sup>2</sup>

The law number 560 of 15 July 1946 was the legal basis for the elections organized in the same year. This law was one of the laws initiated by Lucretiu Patrascanu, the communist Minister of Justice, laws meant to rise and maintain the Communist Party at a high level. This law brought some new

aspects regarding the electoral system. First of all, it will provide the right to vote to some categories of people that were ignored until then. Here there were included women, people that worked in the army and public servants. By giving them these rights, the communists wanted to gain as much popularity as possible so that they would win the elections.<sup>3</sup> It is the first time it is possible to talk about universal suffrage in Romania. In order to be able to vote, the citizens had to put their names on an electoral list between first and 15<sup>th</sup> of September 1946, the elections were supposed to take place on 19<sup>th</sup> November. The Senate was dissolved, the Parliament became unicameral. The seats in the Deputies Chamber were about to be distributed proportionally with the number of votes obtained by the candidate parties. The communists have insured their control over the ballot boxes by limiting the control of the magistrates over the election process. Their competences have been transferred to some local political and administrative factors, where in the top seats there were communists' persons of trust.

The 1946 electoral campaign is hard to remove from the Romanian political memory. This campaign had begun a month before the electoral law even existed and it predicted irregularities and difficulties for the opponent parties. Apparently, the number of Communist Party members exceeded half a million during this campaign; the Communist Party became a mass party. The communists' campaign strategy was very well thought, in the deepest details. The communists' slogans were direct and violent. They condemned the anterior actions of their opponents and praised the achievements of the communist system. "Women, Maniu and Bratianu have denied you any rights! Vote for the Sun of your emancipation! The Sun of your children's future"; "Citizens, death and disaster carry with them Bratianu and Maniu! Vote for the Sun of life and peace"; "Peasants! Listen now to the word! The Communists gave you land! If you want to keep it, vote for the Sun". These slogans had a great impact over the categories of people they were addressed to and made them believe that the communists were the only solution for progress.<sup>4</sup>

One of the most important communist tools of propaganda was a newspaper called Scanteia. In this newspaper it was published the communist Platform-program, the candidates' biographies, information regarding the organization of the elections. This newspaper also contained a column dedicated to the opponents of the communism. They were presented in a negative way, the journalists tried to bring in front of the electorate incriminating facts; this was meant to provoke the contempt of the electorate. Among the personalities presented in this column, appeared Ion Hudita, ex minister in the Rodescu Government. His accusations were sabotage and support given to the Nazis.<sup>5</sup>

Unlike the opposition, the communists received more money for the campaign, and also had the support of the trade unions. So, they had the possibility to travel across the country, to organize meetings with the electorate, demonstrating the fact that they want to be near the people. Mobilizing the masses for the meeting had a double purpose. On the one hand,

the communists wanted to prove the organizing skills of the Communist Party. On the other hand, these meetings were meant to be an alarm signal for the opponents of the Communist Party, there were organized in order to make them feel isolated from the great mass of supporters. The meetings between the leaders of the Communist Party and the population were a way to take the pulse of the masses in order to know what measures they had to take in order to win the elections.

In order to insure the victory, the communists also made use of less legal practices, which theoretically are not allowed in a political competition. But these practices were so well hidden that seemed to be fair and according to law. The opposition's campaign was sabotaged; several local leaders had been arrested under different accusations such as possession of weapons or distribution of subversive pamphlets. There were also ways to make it impossible to vote for those that were known as supporters of the Traditional Parties: there weren't printed ballots for them, their names were not registered on the electoral lists.<sup>6</sup>

The Central Electoral Bureau had too many attributions and this caused suspicions over the legality of the electoral process. The Mayor, the Prefect were named by the Government and not chosen, fact that could have lead to a lack of objectivity. Adrian Holman, representing United Kingdom, was one of the Western diplomats at Bucharest interested in investigating the results of the elections. He said that these were nothing but a big fraud. His arguments regarded the way the electoral competition was held, especially the fact that the opposition's leaders were permanently subjects of violence, intimidation and persecution; he also had in mind the persons that controlled the voting process and also its inefficiencies: closing of ballot boxes before the opposition representative's arrival; the chairmen of the voting committees and the clerks were mostly supporters of the communists; the multiple vote; the results of the vote were reported in the absence of the opposition's representative.<sup>7</sup>

At the end of the vote, the communists won the elections with 78.46% of the votes, followed by the traditional parties with 17.34% of the votes.

In January 1948 the electoral law suffered some new changes. The required age for a person in order to be able to vote was 20 years, and in order to be able to candidate 23 years. The new law also established some discriminatory aspects. According to this new law, the right to vote was taken from some categories of people, especially those who were know as opponents of the communists. A new Constitution was adopted in April 1948. According to that, the separation of power principle was removed, the supreme organ of state power became the Great National Assembly (Marea Adunare Nationala); its members have been elected according to the electoral law adopted in January, the same year. This Constitution marked the passage to a regime based on the will of a single party and authoritarianism.<sup>8</sup>

The electoral period of 1946-1965 of Gheorghe Gheorghiu Dej and also the period of 1965-1989 of Nicolae Ceausescu, are known through the fact that the electoral process is entirely controlled by the Communist Party, a point of

high importance was the moment when Nicolae Ceausescu proposed himself as unique candidate for the supreme position in the Party and also in state. The elections had become a routine; the pre-established result was no longer interesting, the percentage obtained always by the communists was approximately 99.99%.

The elections, as mechanism and process, had not disappeared in the period of 1946-1989, but they suffered a metamorphosis, as they did in all authoritarian and dictatorial regimes. The specific functions of the elections were the consecration of political legitimacy, a permanent political education in order to prove the bond created between the Party and the nation but especially to identify the unwanted elements from the society such as the opponents of the communists. In all this period when Romania was dominated by the Communist Party, there existed multiple elections where the citizens, agreeing with the electoral law, were called to vote the political offer made by the communists. Only in two of the elections for the Parliament the communists actually confronted themselves with an opposition or a political alternative in order to create the illusion of a social representative.<sup>9</sup>

The Revolution of December 1989 which leads to the collapse of the communism in Romania caused a series of changes in the Romanian political system. The newly born democracy imposed some changes also in the electoral legislation. The democratic system brings in front of the electorate a multitude of candidates with equal chances. So there existed the real possibility to choose from a larger spectrum of political offers. The electoral system needed to be modified.

The first free elections from 1990 were organized according to the Decree-Law number 92 from 14<sup>th</sup> March 1990. The Decree contained some aspects regarding the organization of the elections and the electoral campaign. In the first articles of the Decree it is stated that in Romania, the political power belongs to the people and it is put into practice according to the democratic principles established after the fall of the communism. The governance is based on the democratic pluralist system and on the principle of separation of powers in state. The new law states the main characteristics of the vote. According to this to vote is direct, universal, secret, equal and free. It is also stated that there will not exist any discriminatory principles in exercising the electoral rights. All the citizens that turned 18 until the elections have the right to vote. There still are some categories of people that can't vote or candidate for an official position. Here there are included those who have mental deficiencies and are put under interdiction and also those who, through a court order, don't have the right to vote for a specific period.<sup>10</sup>

The applications for the Parliament and Presidency are proposed by the parties. For the independent candidates, the applications must be submitted together with a list of sustainers. All this process of submitting applications must be transparent in order to maintain democracy unharmed.

In order to organize the elections, there were made electoral lists containing all the citizens who had the right to vote in their residence place;

each one of the voters is registered only once, on one list. There were made special lists for people who work for the army and students.

In order to prevent any mistakes in the electoral process, it was created the Central Electoral Bureau and constituency offices. By creating the Central Electoral Bureau it is reestablished the control of the magistrates over the electoral process. The members of this Bureau are Judges of the Supreme Court and delegates of the political parties that have candidates at the elections. The main attribution of this Bureau is to supervise the electoral process and make sure that everything is happening according to law. It watches over the preparation of electoral lists, it verifies and reports the result of the elections.

Regarding the electoral campaign, according to the Decree, this begins in the moment the citizens acknowledge the exact day of the elections and it ends two days before the elections. In the campaign all the candidates, parties, social organizations, citizens have the right to express their opinions freely and without any discrimination through meetings, media; but none of these means can break the law. During the campaign, the access to radio and television is free and guaranteed by the law. For the candidates' posters will be used special display places, but, as they are for common use, it is forbidden to use them in a way that prevents other candidates to use them too. The subsidies for the campaign are provided by the state budget. After the Decree took effect, it was forbidden to use for the campaign any foreign subsidies or undeclared funds.<sup>11</sup>

The elections from the period of 1992-2000 were organized according to the Law number 68/1992, promulgated through the Decree number 145 of 13<sup>th</sup> July 1992 and modified by the Law number 115 of 16<sup>th</sup> October 1996. These modifications were made as a consequence after the entrance of Romania in a period of transition towards an absolute democracy, the shape of this democracy is now taken by the political and electoral systems.

In the 2000 the Ișarescu Government modified the electoral law through a series of Emergency Ordinances. These EOs regarded some aspects such as: the numbering of the constituencies and the number of senators and deputies, provisions concerning the permanent lists, conditions regarding the exercise of the right to vote, the functionality of the electoral offices, the proposal of the applications and the election date, the possibility to make alliances between the parties.

In the 2004, in the conditions of the future joining of Romania at the European Union, there were made new changes in the Electoral Law. These changes were made under the perspective of revising the Constitution. This revising brought some changes in the electoral legislative framework, changes meant to bring it in the line with the European legislation. The main change is that now Romanian citizens have the right to be elected in the European Parliament. There were also made some modifications regarding the elections for the Presidency and Parliament such as: the guarantee of equality of opportunities between men and women in winning official positions, reduction of age limit from 35 to 33 years for candidates for Senate, the access of national

minorities in the Parliament, the organization and functioning of Permanent Electoral Authority, the extension of the President's mandate to five years.<sup>12</sup>

The Permanent Electoral Authority is an independent administrative institution with legal personality and general competence which insures the unitary application of the legal provisions regarding the organization and development of the elections or other consultations with national or local character between two electoral periods. The Permanent Electoral Authority supports the endowment of the polling stations with the necessary logistics and also realizes the specific operations between two electoral periods.

For the 2004 elections it was maintained the previous territorial organization. The number of senators and deputies was decided according to the principal of proportional representation; the number of inhabitants of each constituency was reported to the standard of representation: one deputy for 70.000 of inhabitants and one senator for 160.000 of inhabitants. In order to respect the Constitution that guarantees the equality of chances for both men and women, the lists of candidates for the Parliament were made in such way that respected the representation of both sexes.<sup>13</sup>

The elections of 2008 for the Parliament bring some new changes regarding the electoral law. These elections will be organized under a new, very well developed law that will bring some new aspects in the Romanian electoral law. The most important aspect is provided by the 5<sup>th</sup> article of this law: the introduction of the uninominal vote. Each constituency was divided in multiple uninominal colleges and each candidate could only run for one of these. The advantage of this system is that inhabitants of those uninominal colleges can choose one person that they think he would successfully represent them instead of an entire list of candidates proposed by a party, as it was before this change. The number of the uninominal colleges is established through the reporting of the number of residents of each constituency to the standard of representation. The first division of constituencies in uninominal colleges was made through a Government decision; the update of this division is made by the Permanent Electoral Authority. This update is made after each census at least one year before elections.

According to the 7<sup>th</sup> article of the same law, the citizens will acknowledge the date of the elections at least 90 days before the Election Day. The electoral campaign starts 30 days before the Election Day and it ends 24 hours before the moment of voting.

The 9<sup>th</sup> article states and describes the minorities' right to candidate.

Regarding the electoral campaign, the electoral law states that the candidates, the parties, the political alliances, the electoral alliances, the minority organizations, the citizens have the right to express their opinions freely, without any discrimination through meetings, radio, television or newspapers. It is insured the free access to the public radio and television services and the private services will practice the same fare for all the competitors that participate at the electoral race.<sup>14</sup>

By the time passes the electoral campaign is more and more important. Nowadays, candidates tend to form real armies of marketing specialists, PR specialists and even psychologists in order to help them with the campaign. There are used all kind of propaganda tools: TV commercials, meetings with the electorate, posters with the candidate's face, confrontation between candidates and their ideas. Tradition and innovation are mixed together in order to impress and persuade the electorate. The traditional slogan is of course kept as it is considered the signature of a candidate. Each one of the candidates have a campaign staff that tries to find a slogan that brings in front of the electorate the qualities of the candidate and also tries to synthesize in one phrase the entire political program proposed by that candidate.

During the campaign specialized institutions realize surveys which are meant to measure the trust of the electorate in different candidates. The publication of the results is meant to be informative but in reality it has a manipulator meaning.

There are also organized debates between candidates at TV. Through these debates, the electorate gets to know better the candidates and their ideas and plans, their programs. Internet is very important nowadays, it becomes a very important tool for the campaign. Candidates and parties have their own sites and blogs where they can express their opinions and ideas. This is the easiest way of promoting themselves. There are organized meetings with the electorate, which are meant to bring popularity for the candidates.

But besides all this, candidates continue to "play dirty" in the campaign. They always try to denigrate their opponents, to bring in front of the electorate their weak points, their flaws, everything that's negative about them. The costs of the campaign nowadays are extremely high and it is not only about the money, but a weak campaign can destroy the image of a candidate for a long period of time.

All in all, things haven't changed that much since communism. The difference is that candidates have equal changes no matter the party they belong to; they start the race from the same point. It's only up to them how they manage to convince the electorate of their qualities. The electorate is the one that decides who is worthy to win the elections.

Now more than ever, the electoral campaign seems to be more a marketing campaign. Nowadays, it is all about putting an idea on the market and convince people to buy it.

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<sup>1</sup> \*\*\*Istoria consularilor electorale din Romania, available at <http://www.roaep.ro/ro/section.php?id=82>

<sup>2</sup> \*\*\*Instaurarea regimului communist (1944-1947) available at <http://www.comunismulinromania.ro/Articole/Instaurarea-regimului-comunist-1944-%E2%80%93-1947.html?print=1&tmpl=component>

<sup>3</sup> Paula Mihailov Chiciuc, Prima campanie electorala a PCR, available at <http://istoriacomunismului.blogspot.com/2006/06/prima-campanie-electorala-pcr.html>

<sup>4</sup> Ibidem

<sup>5</sup> Ibidem

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- <sup>6</sup> \*\*\*Instaurarea regimului communist (1944-1947) available at <http://www.comunismulinromania.ro/Articole/Instaurarea-regimului-comunist-1944-%E2%80%93-1947.html?print=1&tmpl=component>
- <sup>7</sup> Raportul Tismaneanu available at [www.scribd.com](http://www.scribd.com)
- <sup>8</sup> \*\*\*Istoria consultarilor electorale din Romania, available at <http://www.roaep.ro/ro/section.php?id=82>
- <sup>9</sup> Raportul Tismaneanu available at [www.scribd.com](http://www.scribd.com)
- <sup>10</sup> DECRET-LEGE nr.92 din 14 martie 1990 pentru alegerea Parlamentului și a Presedintelui României available at [http://www.cdep.ro/pls/legis/legis\\_pck.htp\\_act\\_text?id=7528](http://www.cdep.ro/pls/legis/legis_pck.htp_act_text?id=7528)
- <sup>11</sup> Ibidem
- <sup>12</sup> \*\*\*Istoria consultarilor electorale din Romania, available at <http://www.roaep.ro/ro/section.php?id=82>
- <sup>13</sup> Ibidem
- <sup>14</sup> LEGE pentru alegerea Camerei Deputaților și a Senatului și pentru modificarea și completarea Legii nr. 67/2004 pentru alegerea autorităților administrației publice locale, a Legii administrației publice locale nr. 215/2001 și a Legii nr. 393/2004 privind Statutul aleșilor locali available at [http://www.clr.ro/rep\\_htm/L35\\_2008.htm](http://www.clr.ro/rep_htm/L35_2008.htm).

## ORIGINAL PAPER

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### Health services in Romania during transition period

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**Abstract:** *The present study analyzes the health services in Romania during transition, reflecting on the significance which quality, equity and accessibility have had upon the health of the population, with implications on social development. Health status of the population of Romania worsened during transition, in Romania were recorded the most cases of cardiovascular disease and tuberculosis in Europe. Until 1997, Romania had a highly centralized health care system that was financial supplied only by the state budget and coordinated by the Ministry of Health. Officially, services were offered free of charge, but under funding the system a long time led to lower quality services and transfer a portion of their cost to the beneficiary.*

*Health insurance system, inspired by the German model, was introduced in Romania starting 1997. This hybrid system is at the same time, between financial control of the House of Health Insurance and of the Ministry Finance, fact that has generated numerous distortions in resource allocation.*

*The most important reform that began in 1994 was aimed at primary care, provided by family doctors chosen by the insured. Family physician assumed the role of the filter, controlling by reference the access to hospitals (institutionalized healthcare) and to specialist (ambulatory).*

**Key words:** *transition, reform, health system, health insurances, family doctor.*

In this article I tried to point out some shortcomings of the Romanian health system and to present the major health reform that took place in the transition period. Major reforms, in terms of health care, aimed at transforming the centralized system in a decentralized and pluralistic system, based on contractual relations between health insurance funds, as purchaser, and healthcare providers. This functioned on the principle of insurance, participation being compulsory and correlated with employment status. Contributions were to represent a percentage of income, paid by the employer and by insured persons. Private medical offices were allowed, although hospitals remained generally in state property.

Access to health care is considered a fundamental right for individuals in all civilized countries. Despite this fact, stated in accordance with the principles of modern human rights, all European health systems have some difficulty in covering the entire population through health services, but these difficulties are predominant in former communist countries. In all these countries the reform of public social services (which in developed countries works under the label of welfare states)<sup>1</sup> has created special problems, which explains the delay of change in these domains. First, the health system involves tens or hundreds of thousands of persons engaged in different levels, each with its own interests and routines, and radical reform met with understandable resistance. Second, expectations of people in former communist world, consolidated over decades, was that people will have access to social services comparable qualitatively and quantitatively with those in developed countries, despite the fact that the means available to the public sector post-communist were closer to the third World. There was a major discrepancy, but it did not reduce expectations of citizens with no beneficiaries. Common feature of health service reform in Central and Eastern Europe was the introduction of separation between purchaser and provider of medical services by introducing social health insurance funding, receiving social contribution and bought insured health care on their behalf. Although access to services was more widespread in Communist states,<sup>2</sup> offering all employees access to health care, lack of medicines, lack of medical technology for investigation and treatment, deterioration of medical facilities, informal payments to doctors, had a negative influence on quality and equity of services, and ultimately on the health of the Romanians. Life expectancy at birth in Romania was one of the lowest in the region, and infant and maternal mortality rate was very high compared to other European countries.<sup>3</sup> There was a worsening of the health of the population in Romania during transition period, contributing to the worsening in particular also the standard of living decrease of the population. Therefore, Romania records the highest values in the European context, of the circulatory system ailments<sup>4</sup>, tuberculosis<sup>5</sup> and other infectious or parasitic diseases. These rates for countries in Central and Eastern Europe have started to improve in the second half of the '90s, but progress in Romania were lower compared to neighboring states.

Unfortunately, access and addiction, or excessive consumption of tobacco, drugs food of poor quality or with many additives increased during the transition period. Sudden access to these products correlated with poverty, stress health problems caused by changing of the old social and political economic order 'that ordinary people were accustomed with, led to worsening of the health of the Romanians. The emergence of educational programs for the prevention, information training of a healthy lifestyle was delayed against higher consumption of unhealthy food. Also, the level of economic development in Romania resulted in the transition period for the low social classes the presence of some elements that negatively influenced their health: a failure or unbalanced nutrition, poor living conditions, lack of basic hygiene conditions. All this contributed to the current poor health status of economically disadvantaged persons.<sup>7</sup>

After 1990, changes were made in a positive way in providing medical care, thus some of the public sector clinics and hospitals offering diversified and better services while on the market new and effective drugs have appeared, including imports.

The first important change was the privatization. Thus, a private system of provision of Medical adjacent to the public an extensive network of private pharmacies was established. Among medical specialties dentistry was privatized first on a large scale<sup>8</sup>.

Also in the '90s began the emergency public service reform. Therefore, in September 1990, under intensive Anesthesia Clinic began experiencing an emergency system that work in other European countries. This was based on the transfer of hospital medical staff with necessary equipment to the place where the critically ill patient in order to give a qualified emergency medical assistants. The crew was led by a physician trained in anesthesia and intensive care and emergency medicine. At this early stage new service called of Mobile Emergency Resuscitation Service was equipped with a single machine fitted for the rapid response without the possibility to transport the patient; its movement was made with the Ambulance Service ambulance.

In 1991 SMUR received its first resuscitation ambulance as a gift from Germany. This car ambulance has clearly relieved and simultaneously raised the pre-hospital patient care. By October 1990 the new system worked entirely by medical personnel. SMUR (Mobile Emergency Service for Resuscitation) ambulance drivers were students of the Faculty of Medicine, doctors and Red Cross volunteers in Targu Mures. After attempts to collaborate with different institutions did not have the desired result, in October 1991 started the experimental period of six months. The SMUR team was put under the coordination of military firemen operative group Mures which was at that stage to ensure for the resuscitation ambulance drivers and accommodation training for the medical staff's SMUR. This attempt which was to succeed and become permanent was based on models found in many countries where firefighters are directly involved in providing emergency medical assistance first aid. There are also successful experiences in Germany, France, Finland, Luxembourg, the

United States, Netherlands, Japan and others. Into the new operating model, SMUR would be under the supervision of Anesthesia and Intensive Care Clinic of medical point of view and under the coordination of firefighters from operational point of view.

In December 1992, following an international course which lasted three weeks with instructors from Germany, Holland Scotland USA, there was an application following which Health Minister declared by Order No. 1094 of 5 November 1992 the new system in Targu Mures as national pilot site. This statute was to protect the new model during the years 1993-1997 against high resistance encountered by the system and also against attempts to stop its activities. Since 1993 SMUR team became Mobile Emergency Service for Resuscitation and Extrication (SMURD).<sup>9</sup> By 2010 SMURD was established in all major cities. This reform was considered of paramount importance in terms of emergency medical aid, SMURD proved very effective.

Romania had until 1997 a highly centralized health system, only financially supplied by the state budget and was coordinated by the Ministry of Health. Officially, services were offered for free, but under funding the system a long period of time led to lower quality services and to the transfer of a part of their cost to patients, many clinics and hospitals running without the proper technical equipment, in deteriorated buildings. Romanian medicines plumbing materials did not meet the demand of medical units and imported drugs were inaccessible for most Romanians.

Thus, some treatment costs were transferred to the beneficiary directly or indirectly including through informal payments to medical staff, thus limiting access to part of the population to medical services.<sup>10</sup> Universities centers offered advanced hospitals in the Romanian context of quality medical services. On the other hand, the primary care did not have enough coverage in the territory by the lack of dispensaries and doctors in many areas especially in rural areas. This has become one of the factors that favored polarization of access to health services and remains, still, an important factor of polarization.

Despite statements goals to reform the system and of initial objectives to invest more resources in primary care, tertiary hospital system continued to be the largest consumer of resources and has received the most investment. Primary care has always been neglected, in this process, by the lack of resources.

Romania like most countries in Eastern Europe, under communism had a model of public medical services centered on hospital care which represents a significant burden for a low budget, considering that in such a structure, most of health funds had to be allocated to hospitals, up to 70% of them. Treatment in hospitals consumed the largest part of the Romanian health system resources during transition period. An estimated 20% of hospitalizations were social cases rather than medical. Over demand of hospital services was stimulated by the payment system, hospitals being funded by District Health Insurance House through budgets. They were built in accordance with a set of criteria for use (number of hospitalizations, average hospital cost per day,

average length of stay), based on historical expenditure, were inflexible (administration was not allowed to move money between departments), all amounts had to be spent by the end of the current year and, in order to maintain the budget for next year, an occupancy rate of 75% was necessary. Besides the budget from CJAS (County Health Insurance House), costs maintenance was covered by the local council and capital investments (e.g. purchase of equipment) by the Ministry of Health and Family. The personnel were paid fixed salaries, but could obtain additional income for overtime and night shifts. There were large differences between employment rates in the hospital, depending on location and medical profile. Many hospitals have begun offering private hotel facilities (fee based). The most important change that affected the hospital was the introduction of sample type payment system Diagnose Related Groups (DRG) in 23 hospitals from January 2002.<sup>11</sup>

Poor quality of services and gaps in the system due to limited budget dictated decisions in order to improve public healthcare in Romania. Moving to a model based on health insurance at the time was considered as the best solution for many system problems. What happened in Romania after the introduction of insurance system in 1997 was in fact (in contradiction with the objectives stated in the initiation of reform) the existence of a hybrid system between financial control of the House of Health Insurance and at the same time of the Ministry of Finance generated numerous distortions in resource allocation, primarily, a defalcation from their health system toward the state budget.

According to National Health Insurance Law medical services are were granted based on contributions to the fund health insurance (6.5% of gross salary of the employee and 7% from the employer). Other beneficiaries of the Law 145/1997 were also:-children and young people up to age 26 years, if they were students or students and if they didn't run their own income;

-people with disabilities, if they were in family care and not realize income;

-husband, wife, parents or grandparents, if they didn't earn income and were maintaining an insured person;

-the persons nominated by special laws: war veterans and widows of veterans, heroes of the Revolution of 1989, former politically persecuted, etc..

-persons who perform military service;-pregnant and confined women being on maternity leave and parent on leave for child care under six;

-persons deprived of liberty punishments;-social allowance beneficiaries.<sup>12</sup>

Insured benefited under this contribution, free of charge a package of services covered by the legislation. The data gathered in 2002 and 2003 shows that the beneficiary was not informed of the rights eligible fees that he paid, therefore he could have been sometimes "juggled" in the lack of funds. According to data from the barometer for health services, more than half of Romanians did not know their rights and obligations concerning health insurance and more than 80% of the insured did not know at all, nor had

information about health services to which they were entitled<sup>13</sup>. Also doctors felt the need of additional information on the operation of the public health system in which they were working: legislation, methods of organization and functioning. Therefore, there is a lack of information on sides, doctors and patients, the issue being neglected at the center. Following the operation of the hybrid system some experts in the field considered that was not necessary a pass for Romania to health insurance system. Change of the system meant additional costs, confusion among medical staff, delays in regulating legislative powers of its components, punctual decision making along the way, without meeting long-term social impacts that may result. All this eventually affected the quality of health care provided to the patient.

One of the reasons to change, invoked by decision-makers, was the fact that the centralized system structure, financed directly from the state budget, the structure of Soviet chain came before 1989, was associated with centralized communist regime. This type of financing model called Semasco was specific to Central and Eastern European Countries. The state owned monopoly of all health services, medical personnel being the direct state employee. Medical services were free, the private sector missing. These features have induced in time liquidation of initiative and of competition in medical personnel. Medical services have become ineffective, inefficient, being preferred quantity over quality. Excess of personal services, generated substructure and inefficient use of funds allocated. Over time, an essential part of existing health structures has become underfunded. Policy priority was attributed exclusively to hospitals. Preventive services were missing. There were just regular examinations of certain population groups (women of reproductive age, children and adolescents, high risk professional entities, etc.)<sup>14</sup>. Complaints and expectations of the population were not related to some way or another operation but to obviously poor quality of medical services, and medical complaints were due mainly because of low salaries and difficult working conditions. Transition to new financial scheme created, in my opinion, a new "mammoth", administrative being annual consumer finance. I refer to the Health Insurance Agency (including here its branches county, 41 in number, one for each county and the Insurance House from Bucharest, the capital, responsible for 10% of the population). Health Insurance Agency managed the Solidarity Fund (redistribution) that the county had to contribute.<sup>15</sup> Besides CNAS (National Health Insurance Agency) / CJAS (County Department of Health Insurance System), there are two parallel health special funds, relics of former socialist health systems: the House of Health in Transport (which includes employees of public transport, mainly railways) and House of Health, Law and Order, which includes employees in the sectors of defense, police justice. These institutions have incomes above the national average per insured, their insured employees earning high salaries. Expenditure on health services per insured homes was higher in parallel, which violates the principles of decentralization and autonomy (these systems being closed and strongly controlled by the ministries).<sup>16</sup> On the other hand, multiple health houses lead to parallel

administrative expenses. Even in the case of the National Health Insurance House, as shown CNAS report on 2002, spending on insured person is very different from one county to another, varying from 34.9% to 202.3% compared to national average reflecting the gap between rich and poor regions of the country. <sup>17</sup>Why they chose the system based on insurance? It is one of the questions. Looking at European models, the two options for change were: the current model type Bismarck, present today in Germany, Austria, France, Netherlands, Belgium, Luxemburg, Switzerland, based on insurance, and type model of Beveridge in England, Italy, and Sweden, based on general taxes. Bismarck model combines elements of social insurance (pensions, compensation for temporary loss of work ability) and medical (insurance in case of illness). For now is the most widespread model in Europe. It also has its own characteristics and features, depending on the state where it was implemented. The general principle of operation is based on the general tax collection by revenue, where employees and employers obliged to contribute by fees. There is a high degree of coverage, but there are categories of people without access to the benefits system. Management of collected funds is made by organizations or special agencies. These in their turn incurs hospitals and family doctors. Contracts with family doctors are based on fee per service / benefit; the hospitals are negotiated global on Budgets. Approaching health care issues is mainly curative, treatment-oriented rather than disease prevention. Health promotion and disease prevention are taken in exceptional cases only. . Model management costs are high. <sup>18</sup> England, Norway, Denmark, Sweden, Finland, Ireland, Italy, Spain, Portugal and Greece use Beveridge model, developed and proposed by the British. The main source of financing of the respective model is represented by general taxes. Medical services are accessible to everyone, as a general coverage. Some medical services are paid by the -beneficiary. Doctors are paid by salary or per capita basis, depending on the number of beneficiaries served. Beveridge model has demonstrated positive impact on the overall health of the population. The disadvantage of the model includes long waiting lists (mainly for advanced surgical services), excessive bureaucracy and lack of an adequate and effective mechanism in order to motivate the medical staff. <sup>19</sup>

One explanation of specialists was that the chosen model was closer to Romanian interwar reality and it represented a middle way between two options supported by two sides: adherents of free market for health care and the side that followed the government plan. . The new system was done without a very clear analysis of the implications of various European models in the context of Romanian reality and involved, rather, some preferences of officials from the government and of civil servants in supporting the insurance German system<sup>20</sup>. In fact, Romania had not trained, in the immediate time period '89, many specialists in healthcare management or health policy. The question is whether initial expectations of people and professionals in the system have been met, including those grievances were listed: improving the quality of health care services, and staff salaries, the financial independence of the

system, increase its financial resources and high transparency of the allocation of resources. You might say that current problems occur because the operation and current legislation of the health system have been removed (from) initial goals and philosophy of Insurance Law, being an important difference between policy affirmed and implemented reality in almost all sections listed: decentralization, new mechanisms for resource allocation, institutional autonomy. Health Insurance Act came fully into operation just in 1999, but it suffered a consecutive series of amendments over the years that have passed since the implementation, - one of Romanian post-revolutionary tendencies.<sup>21</sup> This law introduced from the start, only partial changes in its regulations.

Next, I try to present and analyze another important reform, which began in 1994, and that is regarding the primary care provided by family doctors, chosen by the beneficiary.

The reform aimed at developing primary care in a way that family doctors were paid through a system that combined adding points based on capitation, adjusted for patient age (60%), with fees for services (40%). The value of point was variable, for example it decreased with increasing number of patients registered with a family physician. With this reform was intended an emphasis on the role of primary services, as a first step for solving problems. Access to ambulatory care and to hospital care, except emergencies, as well as the possibility of compensate drugs began to be made by family doctor. Physicians did not have the status of civil servants, but became medical providers who signed contracts with Health Insurance Fund (which became) the coordinator of the new system. Staff nurses <sup>22</sup>were employed by these providers (doctors and hospitals) and the Ministry of Health retained only the role of financier and coordinator of national public health programs. The precariousness of financial resources allocated to health sector in the period 1990-2005 continued the "trend" of poor investment in the health system in Romania for the last decades.<sup>23</sup> This was reflected directly on the quality of medical services received by the population. The perception of the medical staff on working conditions which health care provided, combined with dissatisfaction with low wages, legitimated, in the opinion of medical staff, claiming an extra payment for the provision of medical care, which dissatisfied patients.

Insurance contributions were collected from the social insurance fund, while the Government, through Ministry of Finance, continued until 2003 to intervene in allocating funds and setting an upper limit of expenses always lower of revenue collected. Thus, the surplus collected was used, illegally, to covering the budgetary deficit. In 2001, expenditures were set at 91% of revenues collected, and in 2002 to 95% of them, in this way the financial control of the House Insurance was reduced <sup>24</sup>and there was an accumulation of debt in each year generating temporary crisis like the one of compensated medicines, successively, whose effects are felt today.

Being aware of financial difficulties of the system also of the delay payment, providers have introduced high prices for medicinal products sold prices to ensure losses. So it came that in one of the most poorly funded system, a poor population paid the highest prices for medicinal products within central-eastern countries. This fact was due to product market liberalization as well as domestic drugs decrease production<sup>25</sup>. On the other hand, custom taxes and value added tax (VAT) increased prices for medications in Romania by 50%, compared with other European countries. Thus, the increased cost of drugs has decreased access to this type of consumption of poor families, even in terms of vital mandatory treatments. Romanian pharmaceutical industry could cover up to 80% of medication needs for the population, but there is a critical situation, imposing redefining the allocation of resources to finance the pharmaceutical sector, which is based on key principles, such as equity, accessibility, transparency, partnership, fair competition, quality of care and cost content. This has led to an extensive study in the PHARE program<sup>26</sup>, whose final document was created in national drug policy in Romania. In order to evaluate the drug in Romania in 2000, the study elaborated within the PHARE program of the indicators used (demographics, economic data, health data, data on healthcare, public budget allocated to health, total spending on drugs, data on the pharmaceutical sector) and the structure and process indicators (legislation and regulations, selection and drug registration essential the drug budget share health, drug purchasing procedures by the public sector, prices and other drugs. Consumption of medication expressed in millions of dollars, had the following evolution: 312.9 million dollars in 1995, 317 million dollars in 1996, 305.2 million dollars in 1997, 486 million dollars in 1998 and 506 million dollars in 1999.

Compared to Central and Eastern European countries in transition the annual costs of medicines calculated per capita in Romania only prove that Russia is behind us with 13 US dollars annually. In 2000 the indicator was mentioned of 17-18 U.S. dollars per capita in Romania<sup>27</sup>. Consumption of medications is provided by domestic production and importation. Domestic production suffers from a lack of financial support from the State. It also suffers from delayed recovery of money from the beneficiaries of medications production costs for conducting high bioequivalence studies, prohibitive fees for domestic producers and distributors at acquisition of medication through auction and more. The neglect of national production of medications and previously reported shortcomings led to a very expensive a precarious situation in terms of purchasing drugs, coverage of domestic market production has dropped unnecessarily while imports tend to become predominant.<sup>28</sup>

The 2003 financial crisis caused the population to be unable to access services which were entitled, such as: basic medical tests offered by laboratories, compensated or granted medicines free for children or for people with serious diseases (AIDS<sup>29</sup>, hemophilia). Although, formally, these people were listed as beneficiaries free of charge, in fact, they did not receive proper medication only partially, if at all, for years. In the hospital, access to

medication was again at least in theory, free to patients. The hospital drugs were purchased by auction, and paid with money from CJAS. Creating a National Program for the purchase of drugs has been considered in the ambulatory care sector, different sets of rules. There was a list of medicines for 26 serious diseases, the access for the patient was for free, and funding was provided by national health programs. For other diseases, there was a list of 256 INN (international non-proprietary names) which were applied reference price. Here CJAS refunded 70% of the reference price, full price difference was paid by the patient. For all other medicines, payment was made by the patient. There is a list of drugs that were released only on prescription. Marketing approval of drugs was made by the National Agency of Medicines. Drug pricing was done with the approval of the Ministry of Health and Family. Another measure to limit the cost was to establish a monthly budget of physician prescriptions. The government allowed pharmacists to substitute in recipes prescription drugs with other structurally similar, but cheaper.<sup>30</sup>

Beyond the problems of low financing system during the transition, occurred also socio-economic disadvantage, that by failure to ensure can no longer receive emergency services. A large number of people were insured but had little access to healthcare. On the other hand, poor families could not afford health care co-payments, purchasing the necessary medicines, the payment for transport costs and also extra-payment of doctors and staff.

Negative perception of Romanians on service quality and on the physician-patient relationship led to the refusal of people to call the doctor. Only 68.2% of all people used medicinal products on medical advice in July 2000. In 1989, were given 4.2 treatments and 9.6 examinations per one inhabitant, while in 2002 were given 1.5 treatments and 5.6 examinations.<sup>31</sup>

Another study conducted in 2009 showed that Romania had one of the lowest rates from Europe of health staff density in accordance with data from World Health Organization, Romania being on number 31 within 33 European countries with 1.9 doctors per 1,000 inhabitants.<sup>32</sup>The same is true for nurses (3.89 to 1000), dentists (0.22 per 1000) and pharmacists (0.06 per 1000).

Also there was a significant imbalance between different regions, namely 98 communities (villages) were without any physician or nurse. For one third of the territory, more than 30% within medical specialties were not covered: cardiology, emergency, intensive care, diabetology, etc., the same situation also for nurses.<sup>33</sup> Romania's EU accession in 2007, made the situation even more difficult, about 10% of doctors and 20% of nurses chose to work abroad.<sup>34</sup>

As a conclusion I would like to add: Population health problems and difficulties of the Romanian healthcare system are long-term difficulties and whose consequences will be felt more in the future and can not be solved in a short period.

Low living standards of most Romanians and also weaknesses of the health system resources are the main causes of the current situation of health of the population of Romania, which is aging. All distorting mechanisms that we

detected in our short exposure created financial tensions, in some parts of the health system, at a disadvantage compared to others and reduced the effective and also transparent control of resources which was already deficient. . During the transition, the perpetuation of the great majority of problems established in the old system was observed, in terms of poor quality of some services provided by public health system, due to reduced endowment and modern technology of many health care facilities, now damaged, excluding here the university centers, which had a privileged status.

It also lacks an effective policy to invest in reducing urban-rural disparities, in the supply of public services and was not provided significant financial incentives to attract medical staff in disadvantaged areas. Therefore, the healthcare system in Romania still needs to be reformed. Other dimensions of the system should be redesigned to increase the quality of care and public access to it.

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## ORIGINAL PAPER

Loredana STAN

### The Paradoxes of the Economic Crisis: an analysis of its social consequences in the EU

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**Abstract:** *This article aims to analyze the effects of international economic crisis on social policy in the European Union. Paradoxically, although the economic convulsions into which the European countries have been struggling for years now actually represent the resemblance of the crisis of the capitalist system, measures are not being taken to put some order in markets chaos but they materialize in social protection and social policies budgets cutbacks. The consequences of such political tendency all across Europe leads to the polarization of European society, seriously threatening the social cohesion and setting the bases for questioning the "welfare state", in all its forms, the same model they have promoted over the last decades. The EU report, published by Eurostat earlier this year, shows that 23% of EU citizens were in a situation of poverty risk or social exclusion in 2010. Children represent the most vulnerable group, with a 26.9% (Eurostat. Statistics in Focus, 2012) rate of poverty risk or social exclusion, since they are more exposed to feel labor market fluctuations, cuts of public investment in social, educational, health, policies, etc. It is important to note that the social effects of the crisis and do not take an account the old construction of "us" - providers of progress and prosperity, promoters of the European values of equality and social justice – and "others", newcomers in everything related to democracy, equal opportunities, social cohesion. In fact, Eurostat data shows that in 2010 the poverty risk rate increased EU15, although at a relatively small extent (0.2%), compared with 2006, while the same rate registered a drop in 0.2 points for the "new entrants" in the same period (Eurostat. Statistics in Focus. 2012). On the other hand, to what the European social mentality is concerned, the complete opposite effect is being registered, leading at an important level of social and cultural division, speculated with great insight of racist and xenophobic radical right parties. As so, they found in migrants the "scapegoat" for national economic problems by building a speech appealing to the local population frustrated by the new socio-economic situation due to poor budget cuts successive growth of unemployment or cutting wages and social benefits. This articles' intention is to get a panoramic view the EU economic crisis duality, insisting on the importance of maintaining and strengthening social policy to ensure protection and social inclusion of those social groups most affected by economic fluctuations.*

**Key words:** *EU, economic crisis, welfare state, social policy, reform.*

## 1. Past Lessons Unlearned

Nowadays there is one topic that all political, economic and social actors agree on: the fact that we are living the worst economic crisis ever and that, at least for Europe, there aren't many good news, at least for the next two years. We would also agree on the fact that this crisis has global features, although its major consequences are being felt by the EU and the USA.

However, major economic crisis happened in recent history in other parts of the world, encompassing large amounts of population in Latin America, Asia and Africa, without the surname of *global economic crisis*. The reader should not be misled by this argument and think that the point of this intervention is to minimize the dimensions of the present recession. Nothing further from this communication's intentions. The point that I am trying to make is that one should learn from the past, and in this specific topic we have a lot of examples to learn from.

30 years ago, the Latin debt crisis made the headlines around the world when Mexico announced, in 1982, that it was unable to meet debt repayments, initiating a cascade of similar decisions that would end up dragging to 27 industrialized countries, most Latin American. Earlier, in the '70s, the boom was due to the confluence of three factors: the abundance of capital income derived from oil rises of the seventies generated in exporting countries, the decline in real interest rate and change expectations about growth prospects in Latin America based on the acceleration of modernization process (Caixa, 2011). The blast off came when the US raised interest rates and commodity prices collapsed (Jones, 2012). The inability of the Latin Countries to pay their debts were aggravating the western bank solvency. In order to avoid that, the IMF and later the WB offered rescue loans, but under harsh conditions of economic restructuring and budget cuts with catastrophic social consequences for the Latin states, but with great results for reducing the western banks exposure to its debt.

Until here, the assemblance between the Latin American crisis and the European one, especially the Greek one are obvious, even though the Greek debt represents 160% of its PIB, while in 1982 the Mexican one was only 80% of its PIB. If so, what were their solutions in solving it and what lessons should have been learned by now?

According to BBC World, Greece does not need a Baker Plan<sup>1</sup>, but a Brady's one<sup>2</sup>. The plan involved a reduction of debt through so-called Brady bonds that gave the option to creditors to accept a discounted payment of debt or even buy new bonds whose yield depended on the economic growth of the country (Sánchez, 2011).

## **2. The Economic crisis social radiography**

### **3.1. Welfare state and social rights – an introductory perspective**

Another topic that all scholars, politicians, experts agree on is that this economic crisis should make the EU countries rethink the proportions of their welfare states. Appellant is hearing the phrase; the European states are no longer allowed to be so “benefactors” and have to skimp on social spending.

In a European vision, the welfare state combines “economic growth and social redistribution as a productive factor” (Cantillon, 2011), in order to reduce social inequalities produced by market imbalances and so, equalize opportunities for all European citizens with independence of their social, economic and family background and enhance human capital as a value for the economic growth and assuring the respect of their social rights, as they were recognized for the first time in the Universal Declaration of human rights in 1948. This social rights refer to basic human needs, related to objective facts, which verifies the lack of an individual in his environment-food, clothing, housing, education or other-material conditions, essential for a decent life (for this matter they do not refer to personal preferences or desires, or are they subject of personal interest).

Social rights are being guaranteed by state intervention. Throughout its instruments, the redistributive policies, the State participates actively in ensuring the compliance of social rights such as pensions, free access to health and education services, unemployment benefits, social security, health and work protection, etc. Public intervention becomes one of welfare state’s fundamental coordinates. The other one, according to Gómez Bahadillo (Gómez Bahillo, 2001), is solidarity or social cohesion. Thus, the distribution of wealth, especially through social protection systems, is possible thanks to the solidarity of some groups and from one generation to another. Therefore, the importance in the approach structures required to build social values through specific policy issues affecting citizen’s welfare is a task of the welfare state. The welfare state could be defined as responsible for carrying out a series of measures to allow citizens access to a minimum of services that enable their survival in the market economy model (Barroso González, 2010).

The welfare state is an ideal model of universal provision of social protection services articulated through social policies. A more detailed classification of these mutual relations and the implications arising from the relationship between welfare state and ideologies are reflected in different classifications collected by the specialized literature. The most common typology distinguishes between four welfare states models: the liberal model – developed in Great Britain, USA, Canada or Australia -, the Nordic or the social-democratic model – Denmark, Finland, Norway and Sweden -, the conservative model – specific to Germany, France, Austria, Belgium and Holland – and the Southern model - corresponds to countries that have developed a welfare state later (seventies and eighties), such as Greece, Italy, Spain and Portugal.

We will not hold up in this classification since it does not make the object of our intervention; however it is important to note down that the implantation of one or another of this models in the European countries depended in a great extent on political factors, as the governments political signs, responsible for designing and implementing public policies (Barroso González, 2010).

### **3.2. Economic crisis impact on social policy and the welfare state in the EU**

Economic and demographic factors also affect the reforms that welfare state has been experiencing, and exerted an important influence on the interactions established between the social and economic spheres. Subsequently, due to severe international economic crisis experienced in the 70's, the welfare state reforms start with the belief that the public sector cannot cover all social needs. So, it places greater importance on the role of private initiatives, such as: family networks, the commercial or the third sector in order to achieve better distribution of wealth and, especially, to accomplish an efficient management budget resource. However, statistical analysis show that not only hasn't the welfare state been reduced since the '70es crisis, but it has expanded its budgetary resources, due to at least two demographic factors that influence social policy making in the European Union member states: *the ageing phenomenon* that affects most of the EU members, with independence of their development level, and *international migration*, more preeminent in the "old 15 EU members".

According to recent Eurostat data (Eurostat, 2011), the EU-27 population stood at an estimated 501.1 million people on the 1 January 2010; of these, some 87.1 million were aged 65 or over, representing 17.38% of the total European population. The improved living conditions due to the welfare state's social policy in assuring minimum living standards to all citizens, regardless of whether people have contributed to the state's coffers during their lifetime, made that the EU medium age reached 40.9 years in 2010, increasing 4.4 years since 1995. By 2060 the median age of the EU-27 population is projected to stabilize at 47.6 years, around 15 years higher than a century before. If in 2010, dependency ratio was 25.9% across all EU member states, according to Eurostat projections, it would reach 52.6% in 2060, meaning that there will be less than two people of working age (15 to 64 years) for every older person aged 65 or more in the EU-27 by 2060, compared with a ratio of almost four to one today.

Moreover, the first decade of the 21<sup>st</sup> century has registered important migration flows both from outside and inside EU borders. In 2008 (the most recent data), 3.8 million people migrated to and between the EU-27 Member States (Eurostat, 2011). Migration could represent the solution for EU welfare long term sustainability, although migration related issues generate important debate and are often politically instrumentalized, usually due to the contestation of their social protection by the western welfare state.

Immigrants in the European Union have a wide range of social, economic and cultural characteristics, making integration policy indispensable for achieving social cohesion and avoid cultural conflicts. Younger than the native population, migrants tend to be overrepresented in lower educational attainments and to be less in high educational levels. Generally, they also tend to migrate for employment or family reunification reasons<sup>3</sup>, for which the greatest part of EU immigration is economic migration.

To what the labor market is concerned, in general terms, not only is the employment rate lower between migrants compared to natives, but migrants are usually employed in lower skilled and remunerated jobs, fact that places them in a vulnerable situation, increasing their possibilities to suffer in a more accentuated manner the consequences of economic cycles, with higher levels of poverty and social exclusion. Despite they have lower educational level than natives; migrants tend to register higher levels of overqualification (with a rate of 34 % in comparison with native-born persons, who registered a rate of only 19 %.)<sup>4</sup>.

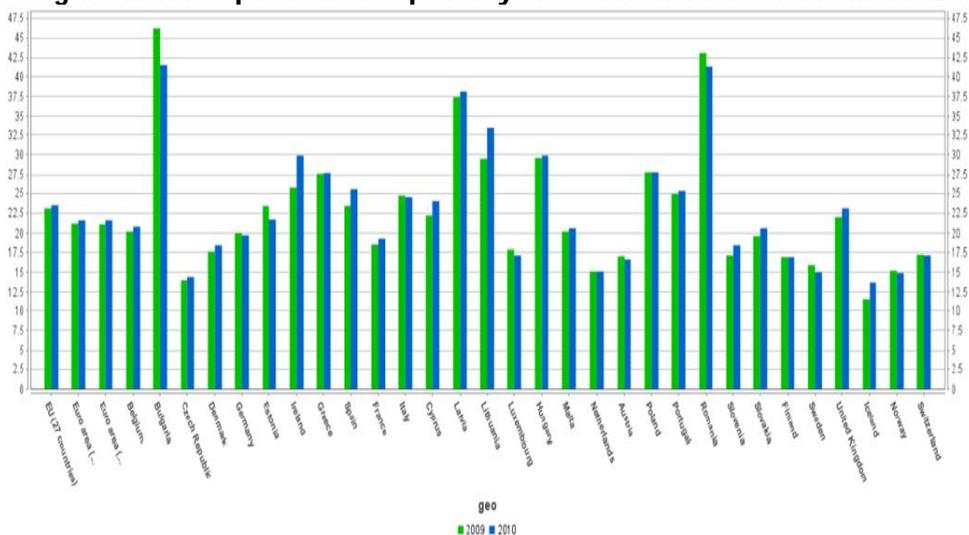
In order to point out more of the paradoxical effects of this economic crisis in the EU, we will emphasize the inconsistencies existing between the discursive stream and social needs, as they result from statistical data.

The economic crisis that has affected all European states adds, if anything, more complexity for the sustainability of the welfare state as we know it, demanding it to do more with less. The social impact of this crisis is far-reaching, and its consequences are significant in all European indicators, especially in what unemployment benefits, and social protection is concerned. Although the European Union was able to create an important amount of jobs and increase its population occupation rate, since 2008 growth has stalled and unemployment has increased significantly, EU reaching today 23 million unemployed people (European Commission, 2011).

Further on, in this communication, some key social indicators will be analyzed in order to put together the puzzle of today's EU social reality. The social indicators are the ones considered by the Opened Method of Coordination as primary indicators: poverty risk rates by age groups, unemployment and long term unemployment rates, people leaving in jobless households, employment gap of immigrants...

Recent data made public by the Eurostat shows worrying numbers to what citizens' living conditions are concerned. 23% of EU citizens were at risk of poverty or social exclusion in 2010, approximately 115.5 million people in the EU-27 (Eurostat, 2012). Although at EU-27 level the rate remains stable between 2009 and 2010, there are significant differences between member states at risk of poverty rates evolution, since in Spain it increased in 2.1 percentage points and in Lithuania in 3.9 pp., and decreased significantly only in Bulgaria, Estonia and Romania (-4.6, -1.7, and -1.7 pp) (Figure n°1), even though they still present the highest at risk poverty rates in the EU.

**Figure n°1: People at risk of poverty or social exclusion ratio in the EU**



Source of data: Eurostat, 2012

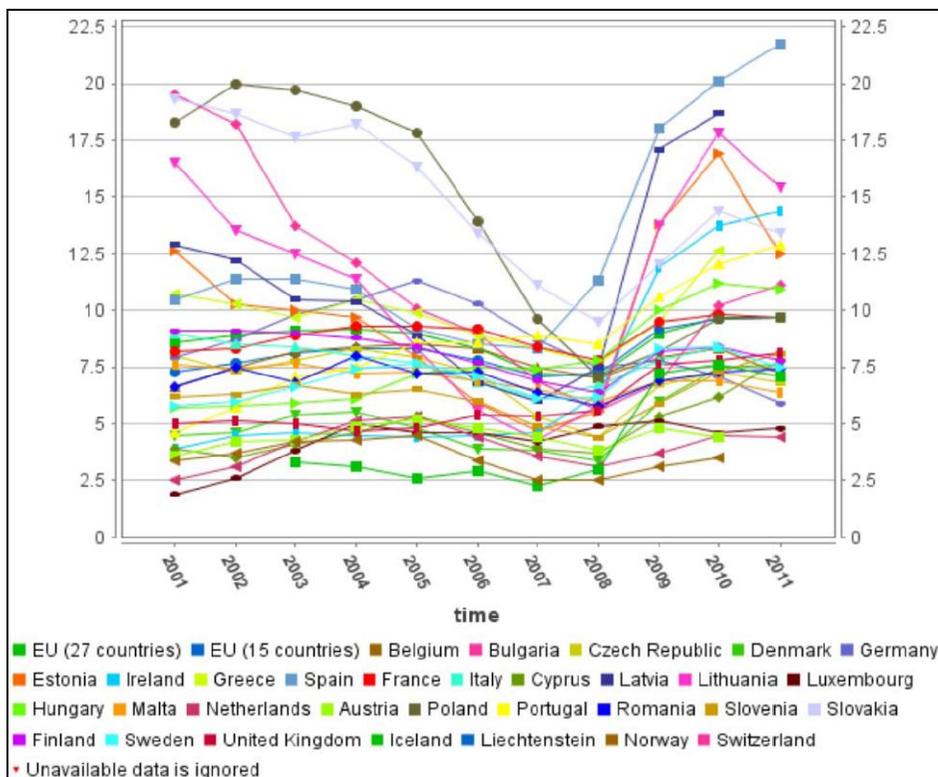
Children are generally more affected by the increase of the at risk poverty rates in 21 out of the 27 member states, with a medium of 26.2% in the whole EU and, mostly accentuated in Bulgaria and Romania with a ratio of 44.6% and 48.7%, due to the fact that they are especially vulnerable to parents labor situation, the household composition and the effectiveness of governmental transferences. As so, according to Eurostat data, the share of persons aged 0-17 years living in households where no-one is working reached 10.7% in 2010, the highest value in the last decade almost 1 pp. higher than in 2001, and similar to the share of persons aged 18-59 years, which reached 10.4% in 2010 (same value as in 2004).

Although elderly people seem to face lower poverty risk and social exclusion at EU27 level, great country differences are experimented, since the rate varies from 6% in Luxemburg, to 56% in Bulgaria and 40% in Romania. These differences in the relative situation of the elderly depend on a number of factors including the features of the pension systems for current pensioners and the age and gender structure of the elderly population, since elderly women and the very old tend to face much higher risks in some countries. (Eurostat, Eurostat. Statistics in Focus, 2012).

Moreover, active age people poverty risk rate has increased in 2010 in 1% in comparison with 2009 (24.7), reaching 25.6% in the EU27 context. It's notably the rally it registered in Lithuania (5.2 pp increase) Spain (4.4 pp), Estonia (2.8pp) and Italy (2.6 pp)<sup>5</sup> due to the increase of the unemployment rates (figure n°2) - Spain (21.7%) and Lithuania (15.4%) also register jointly with Latvia (18.7%) the highest unemployment rates in the EU – and of the long term unemployment rates (12 months or more). It is especially significant its augment in the Eurozone from 3.4% in 2009 to 4.3% in 2010 (last data

available). Of the European countries stress again Spain, Lithuania, Estonia and Slovakia that exceed 7% in the rate of long-term unemployment in 2010.

**Figure n°2: Unemployment rate in the EU (2001-2011)**



Source of data: Eurostat, 2012

### 3.3. The importance of social protection in crisis times y public budget cuts

Figures provided by Eurostat describe a disturbing reality, with significant levels of poverty and unemployment risks in most of European countries. This context is a nursery for the emergence and increasing inequality of opportunity among citizens of the European Union. Hence the importance of the redistributive function of the welfare state, which transfers achieved by reducing significantly the sources of social inequalities. For instance, table n°1 shows *at risk of poverty rates* before and after government's social transfers in 2010, and their effect on reducing it is substantial. When considering country-specific situations, the risk of poverty (after social transfers) increased the most in Slovenia (1.4 pp) and Spain (1.2 pp) in 2010 and it decreased the most in Latvia (-4.4 pp), Estonia (-3.9 pp), Romania (-1.3 pp) and Bulgaria (-1.1 pp). As for the other Member States, the

magnitude of the change remained below 1 pp. Social transfers reduced the number of people at risk of poverty in 2010 but in particular have had an important effect in mitigating the increase in monetary poverty. (Eurostat. Statistics in Focus, 2012).

**Table n°1: At risk of poverty rate before and after social transfers, 2010**

GEO/AGE	Total		Less than 18 years		From 18 to 64 years		65 years or over	
	Before	After	Before	After	Before	After	Before	After
<b>European Union (27 countries)</b>	25,9	6,4	5,0	0,5	4,8	5,3	9,7	5,9
<b>Euro area (17 countries)</b>	24,9	6,1	3,3	0,1	4,4	5,2	8,2	5,2
<b>Belgium</b>	26,7	4,6	1,8	8,3	5,7	2,1	4,0	9,4
<b>Bulgaria</b>	27,1	0,7	4,2	6,8	2,5	6,0	7,7	2,2
<b>Czech Republic</b>	18,1	,0	6,0	4,3	7,1	,1	2,6	,8
<b>Denmark</b>	29,1	3,3	4,0	0,9	9,4	2,9	4,8	7,7
<b>Germany (including former GDR from 1991)</b>	24,2	5,6	2,8	7,5	4,9	5,6	5,2	4,1
<b>Estonia</b>	24,9	5,8	1,1	7,3	5,0	5,6	7,7	5,1
<b>Ireland</b>	40,4	6,1	1,6	9,7	8,8	5,5	2,7	0,6
<b>Greece</b>	23,8	0,1	5,8	3,0	2,2	9,0	7,5	1,3
<b>Spain</b>	28,1	0,7	3,9	6,2	7,1	9,0	6,0	1,7
<b>France</b>	25,0	3,5	6,5	8,4	4,5	2,8	2,4	,7
<b>Italy</b>	23,3	8,2	2,7	4,7	2,2	6,9	9,0	6,6
<b>Cyprus</b>	22,8	7,0	2,1	4,9	7,9	2,3	0,2	5,2

<b>Latvia</b>	29,1	1,3	7,0	6,6	8,2	0,5	4,0	8,8
<b>Lithuania</b>	31,8	0,2	3,6	3,3	2,9	1,8	3,3	0,2
<b>Luxembourg</b>	29,1	4,5	3,1	1,4	8,1	3,9	0,6	,9
<b>Hungary</b>	28,4	2,3	7,4	0,3	7,7	1,9	,6	,1
<b>Malta</b>	22,9	5,5	0,2	0,4	0,4	3,3	4,4	8,8
<b>Netherlands</b>	21,1	0,3	5,2	3,7	1,7	0,1	2,6	,9
<b>Austria</b>	24,1	2,1	6,8	4,3	2,2	0,7	7,4	5,2
<b>Poland</b>	24,4	7,6	0,7	2,5	4,1	6,9	7,5	4,2
<b>Portugal</b>	26,4	7,9	2,2	2,4	5,2	5,7	4,9	1,0
<b>Romania</b>	27,5	1,1	9,4	1,3	6,0	9,2	9,6	6,7
<b>Slovenia</b>	24,2	2,7	5,9	2,6	1,9	1,0	2,1	0,2
<b>Slovakia</b>	19,8	2,0	9,3	8,8	9,1	1,2	1,9	,7
<b>Finland</b>	27,0	3,1	9,7	1,4	6,6	2,3	5,1	8,3
<b>Sweden</b>	26,7	2,9	1,5	3,1	5,9	1,9	3,3	5,5
<b>United Kingdom</b>	31,0	7,1	4,5	0,3	7,2	4,9	8,5	1,4
<b>Iceland</b>	22,8	,8	9,7	2,6	2,2	,6	0,6	,9
<b>Norway</b>	26,6	1,2	8,8	1,7	6,4	0,8	4,0	2,0
<b>Switzerland</b>	22,9	5,0	9,4	7,5	9,3	1,2	9,8	7,4
<b>Croatia</b>	30,2	0,5	2,3	0,5	7,5	8,4	7,4	7,7

Source of Data: Eurostat, 2012

Note: \*cut-off point: 60% of median equivalised income after social transfers.

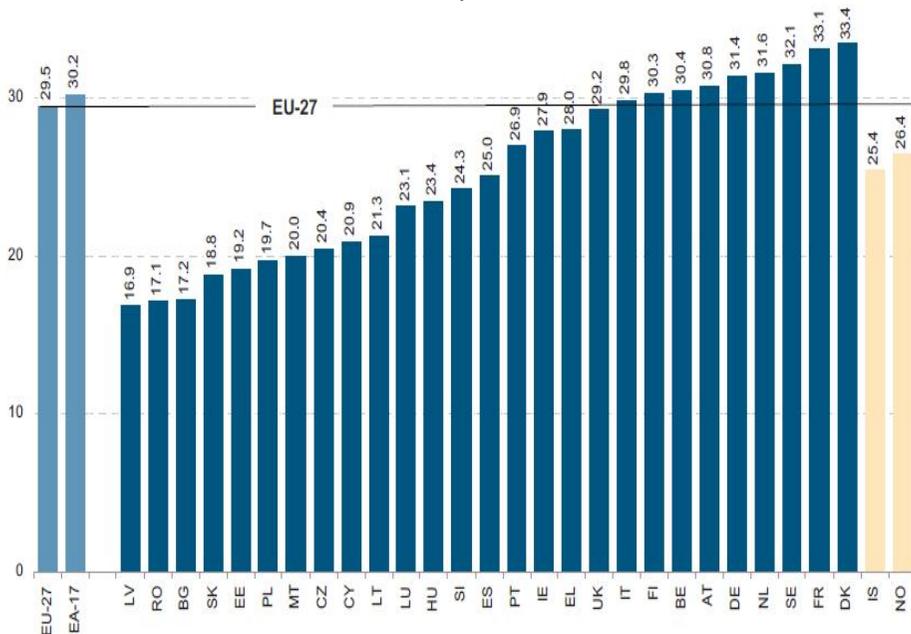
\*pensions excluded from social transfers.

At European level, transfers get down the risk of poverty rate to 16%, and are more effective during childhood and the active-age life cycles and less in the

elderly one. However, public transferences have an important role in adjusting market failures by reducing gaps between higher and lower income classes and assuring the existence of a strong middle class.

But in times of economic crisis, government budgets are cut visibly by the simple fact that it recorded a significant drop in income. On the other hand, social needs requiring exponential increase in public spending in order to ensure basic living conditions for all citizens. In 2009, far from descending, public expenditures per capita registered a 6.5% increase representing 29.5% of GDP, whereas the EU27 GDP dropped in a 6.1%. The Figure n°3 also shows important differences between EU member states, with above-average rates in the Nordic countries, representatives of social-democratic model of welfare state, and conservative one, and below-average the southern welfare state model and the new member states. Differences between countries' expenditure levels partly reflect diverse levels of wealth, but also diversity in social protection systems, welfare policy, demographic trends, unemployment rates and other social, institutional and economic factors (Eurostat, Statistics in Focus, 2012).

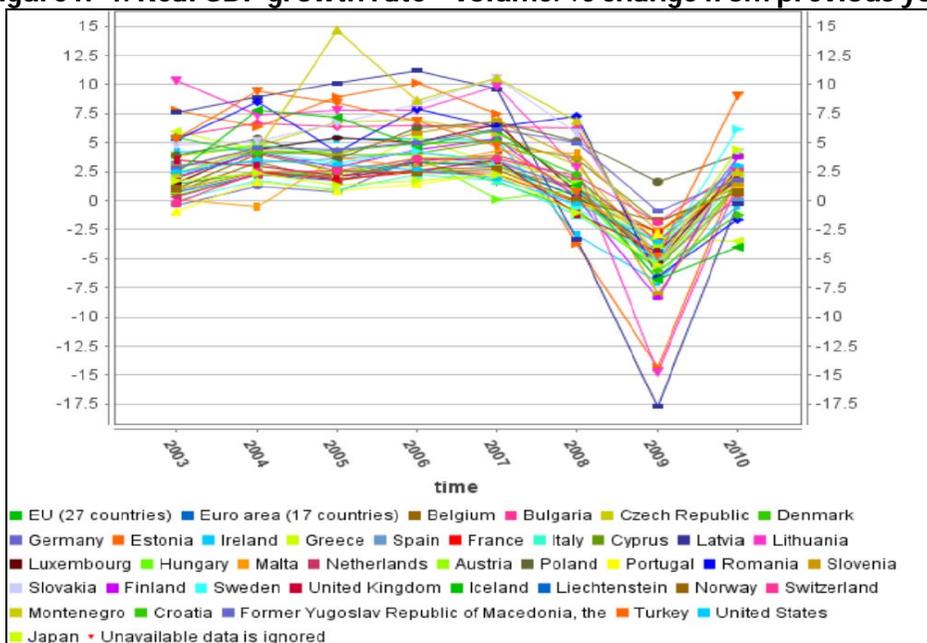
**Figure n°3: Expenditure on social protection as a percentage of GDP, 2009**



Source of Data: Eurostat. Statistics in focus. 14/2012

None the less, figure n°4 shows the important drop of national GDP in all EU member states in 2009 and their recovery in 2010, without reaching the growth levels from before the beginning of the economic crisis.

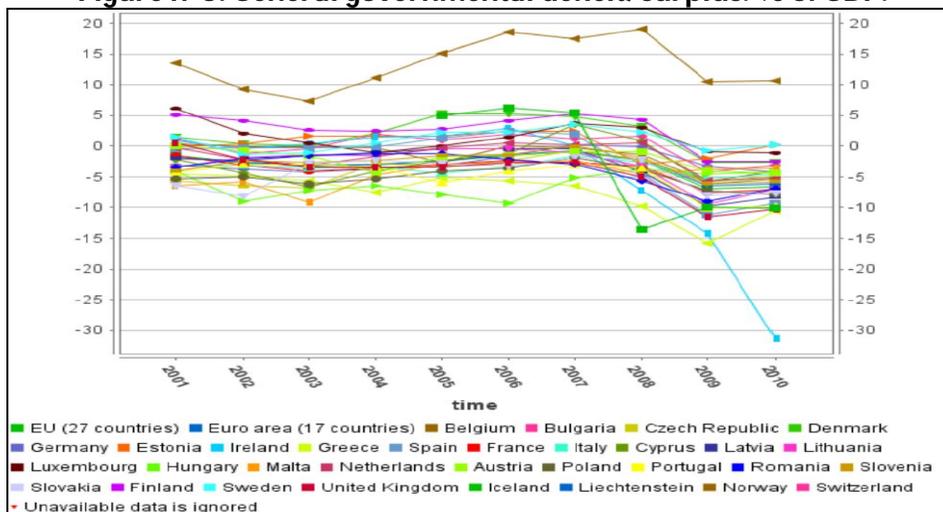
Figure n°4: Real GDP growth rate – volume. % change from previous year



Source of Data: Eurostat, 2012

For that matter, after 2008 all European Union members registered important deficits, the average EU27 deficit in 2010 was of -6.6%. Only Norway (with aprox. 10%) and Sweden (0.2%) register surplus after the economic crisis start (figure n°5).

Figure n°5: General governmental deficit/surplus. % of GDP.



Source of Data: Eurostat, 2012

### **3. The European economic crisis a matter of politics.**

#### **4.1. European politics between path dependency and fundamental reforms.**

In this chapter we start from a phrase of Walter Laqueur: *Europe's malaise is more political than economic. It is generating tensions within and between states with potentially disturbing implications, but it may take a more profound crisis to force the continent's leaders to embrace fundamental reform.*

It is said that, well managed, times of crisis can lead to times of booms if carried out the necessary structural changes. The European Union finds itself immersed for several years now, into one of the most important economic crisis of its existence, a crisis, as we have seen earlier, with significant social consequences. This would be the time for Europe to take matters into its own hands and establish coordinated and integrated policies, make itself present in the lives of the European citizens as a singular instance, and a singular voice speaking in the name of its 27 member states.

During the celebration of the Latin Progress Congress, organized by the Ideas Foundation for Progress the 1<sup>st</sup> and 2<sup>nd</sup> of March, the Spanish Ex-prime minister, Jose Luis Rodríguez Zapatero referred to Europe and predicted that "none of the countries of the EU will be part of the G-8 in 2050 if the EU does not achieve a political, fiscal and economic union". He added that "in 2050 just four of the five countries called BRICS (Brazil, Russia, India, China, excluding South Africa) will be four of the five strongest economies in the world, followed by countries such as Indonesia, Mexico and Turkey." Former Spanish prime minister recalled that in the first decade of the century, "the growth of developed countries was of 17%, while the so-called emerging countries have grown an 82%. Only China grew 170% in a decade, 10 times more than the U.S. and 20 times more than Japan." (Fundación Ideas para el Progreso, 2012).

Taking for instance the example of the commercial policy, due to the fact that EU member states have reached a common vision and negotiate in international forums as one single entity, has made it the most important commercial actor at a global level. Seems like when the issues are all about pure economic interests, the EU member states don't encounter difficulties to reach common goals. But, when political interests come across things are very different, and this because political options always have a load of electoral cost which politicians are not willing to lose, so they choose the "path dependency", the less vote risking choices, taking patching measures that offer short term solutions and giving the impression of a continuous improvisation.

None the less, Paul Pearson brings along with the path dependence concept, the "critical juncture" one - a deep and serious institutional crisis that truly gives policy-makers the opportunity to remodel institutions. When they do so, they will (usually) bring their momentary political considerations into the process with them, which will shape the institution long after

circumstances have changed. We are certainly witnessing the EU's "critical juncture", and on the present political will of European leaders depends the future institutional setup of the European Union.

#### **4.2. The rise of extreme right in Europe – another unlearned lesson from the past**

The uncertain economic and social context that the EU has been experiencing since the beginning of the economic crisis, combined with intense immigration and ageing phenomenon pressure and unpopular governmental decisions on budget reductions drew European citizens more and more discontent. A part of them has chosen to express their disapproval with the implementation of a "maximalist" neoliberal capitalist agenda in massive public demonstrations, as it was, for instance, the 15M movement in Spain. Others on the other hand, have gradually embraced the ideology of far right parties, on the rise in the European space.

A study conducted by the British think tank Demos<sup>6</sup> revealed the profile of far right parties' followers: despite what we may think, since generally studies revealed that elderly people are more reluctant to immigration, the profile has changed into young, mainly men, currently unemployed, deeply cynical about their own governments and the EU. Their generalized fear about the future is focused on cultural identity, with immigration, particularly a perceived spread of Islamic influence- a concern (Walker, 2011). Taking advantage of the disinterest of the major national parties on the subject, and using new technologies of socialization, far-right parties have managed to penetrate its xenophobic and racist discourse among young people beyond special and time frontiers, manipulating the frustrations of a young generation throughout Europe whose future is visibly affected by the economic crisis by transforming migrants into their scapegoat.

Their chameleonic camouflage makes them difficult to point out. Some of them under street movements masks, other with a misleading mixed-ideology, and other with a strong political history, as it is the case of France's National Front, parties touting anti-immigrant and Islamophobic ideas have spread beyond established strongholds in France, Italy and Austria to the traditionally liberal Netherlands and Scandinavia, and now have significant parliamentary blocs in eight countries. Their speech is based on the old distinction "we" vs. "others", but taken to the extremes where everything needs to be done to protect "our" values and traditions from the "others" invasion, newcomers in everything related to democracy.

What they are trying to do is to frame their opposition to immigration in a way that would be accepted for a broad range of people frustrated by the new socio-economic situation due to poor budget cuts successive growth of unemployment or cutting wages and social benefits. Electoral outcomes all around Europe reveal that their tactics prove of real success until now, and experts consider that this is only the beginning in absence of a social -

democrat consolidated discourse that achieves respond to their arguments with active social policies that enhances equality and encourages interaction and social cohesion throughout all EU member states.

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<sup>1</sup> Proposed by James Baker, the plan was launched in 1985 under the slogan “structural adjustment with growth”. It reinforced the public and private loans and the debt restructuring, which featured a debt workout schemes similar to the type being contemplated today for Greece.

<sup>2</sup> The Brady Plan was based on the recognition that the crisis stemmed from the lack of solvency and not mere liquidity problems. This implied the need to reduce debt (not just change the schedule of deadlines).

<sup>3</sup> Men usually almost 50 % of men migrated for employment-related reasons, whereas only 28% of women migrated with the intention of getting a job. Only 24% of men declared as family reunification the reason for migration, while this was the reason for 50% of women.

<sup>4</sup> It is important to always have in mind the gender perspective, both in what ageing and migration are concerned, since, women tend to live longer than men and so, have higher dependency rates, in terms of overqualification, migrant women tend to suffer a double disadvantage: while the share of overqualified native-born women was at the same level as for men, the share of foreign-born overqualified women was three percentage points higher than for men.

<sup>5</sup> Romania, Bulgaria, Spain and Lithuania also register the highest children poverty risk rate.

<sup>6</sup> Research by the British think tank Demos for the first time examines attitudes among supporters of the far right online. Using advertisements on Facebook group pages, they persuaded more than 10,000 followers of 14 parties and street organizations in 11 countries to fill in detailed questionnaires.

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## ORIGINAL PAPER

**Mihaela-Alexandra VEZUINĂ**

### **Romania in the global crisis (2008-2011)**

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**Abstract:** *During this period, in which the main subject of speakers in political space is the current economic crisis, and we read more often that “we not only face an economic and financial crisis, but with a much broader and worrisome phenomenon”- a crisis of political, economic and social system, which we know, a crisis of democracy and capitalism, which lean under the unexpected burden of TV, consumption, globalization-, the present article makes a rigorous analysis of this “disease” with the intention to contribute to a deepening of knowledge about the political post –December reality, a reality pretty out of the way.*

**Key words:** *Romania, global crisis, democracy, politics, finances.*

During this period, in which the main subject of speakers in political space is the current economic crisis, and we read more often that “we not only face an economic and financial crisis, but with a much broader and worrisome phenomenon”- a crisis of political, economic and social system, which we know, a crisis of democracy and capitalism, which lean under the unexpected burden of TV, consumption, globalization-, I made a rigorous analysis of this “disease” with the intention to contribute to a deepening of knowledge about the political post-December reality, a reality pretty out of the way.

But I want to mention that though I tried to ensure a better knowledge and a deep understanding of the system crisis that is manifested in all the dimensions of the post-December Romanian society; this knowledge is partial, we have to wait the end of the crisis (as a result of which we do not know in what stage will be Romania, a country with a fragile democratic regime) in order to explain it.

I will try to present the main aspects, problems which I have devoted a special place in this analysis: ***I. Post-December Romania's transition, made through the crisis; the crisis of democracy or post-democracy; II. The economic and financial crisis in post-December Romania (2008-2011); III. The political and social crisis in post-December Romania (2008-2011).***

### ***I. Post-December Romania's transition, made through the crisis; the crisis of democracy or post-democracy***

The fall of the communist regime in 1989 and the expectations of the new project of changing the etatist model with a liberal and democratic one did not lead, as many have hoped, to an immediate transition to democracy, to an era of general prosperity. Although 23 years have elapsed from its inception, Romania's transition to market economy continues to struggle in the painful throes of a problematic birth, failing so far to permanently rekindle the characteristic attributes. Although it was a moment full of hope for the common man, 1990 proved to be a disastrous year with great consequences for the further evolution of the entire Romanian economic and social life. In post-December Romania, by changing the political regime and by restructuring the economic- social system, the transition enforced by crisis, imbalance and economic loss.

Many authors claim that the Romanian society slipped from communism, a totalitarian regime, without walking through the democracy stage, to post-democracy.

The post-democracy is the result of a combination of factors which, having as foundation the discreet but effective limitation of the freedom of expression, take advantage of advanced wear of parliaments which are simple unrepresentative bodies for validation of legislation imposed by the economic power groups, under the terms of transforming the justice from a power into a governmental tool, and the exclusion of more citizens from the decision and

the distribution of wealth. But as everything that is post – the post democracy does not express the appearance of a new form of political organization but the crisis of so-called traditional values. In Romania, the democracy got tired before becoming mature.<sup>1</sup>

In Romania, we talk about a defective implementation of the theory of democracy, proven even by the exciting problem of contemporary world, that is the crisis of liberal democracies which failed in their promise of institutional construction made in the generous principles, and this makes some theorists of liberal democracies to say that, again “the democracy is in the dark times”<sup>2</sup>.

Although it seems hard to believe, some of the factors that have accelerated the process of the depravity of democracy were the explosion of information and communication, explosion which in a fragile, non-consolidated democracy (as in the case of Romania), did not strengthen mainly the positive aspects of democracy, it did not contribute to its consolidation, as it was believed from the very beginning, but on the contrary it had mainly subversive – perverse effects on her, its positive influence being an exception.

The most recent report “Nations in transition 2010”, realized by the American non-governmental organization Freedom House, shows that the state of democracy got worse in Romania 2010, amid the depravity of the indicators concerning the electoral process, the independent press and the national governance.<sup>3</sup>

In a change of exuberance, the democracy crisis is observable and measurable, so that the theory of democracy is going through a profound transformation of paradigms, which in the present situation no longer have the same efficiency and credibility as in the past. The theorists of democracy from John Stuart Mill to Robert A. Dahl, affirm that essential characteristic of democracy consists in the responsiveness of the Government towards its citizens' preferences. In the mere definition of President Abraham Lincoln, the democracy is the governance “by the people” (it implies universal suffrage, eligibility of public functions and free and fair elections) and “for people” (it implies the eighth criterion of democracy, proposed by Robert A. Dahl, -the government addiction for the voters' preferences)<sup>4</sup>. Robert D. Putman writes in his work “How does the democracy work” that: “a good governance is, still more than an arena in which are competing different points of view or an office for the administration of dissatisfaction; it really must do something. A real democratic Government does not only take the knowledge of its citizen's demands (that is responsive) but it acts effectively to meet these requests (that is efficient)”<sup>5</sup>.

In reality, today, the confidence of citizens in democracy and in the democratic institutions as well as universal participation and political equality of citizens, are slumping and seem to be democratic principles hard to achieve. It must be, still, mentioned that in Romania society existed from the very beginning a lack of confidence of the citizens (who, although did not understand about what is involved in democracy, had great expectations) in

democratic institutions (Parliament, Government, Presidency, Justice, political parties).

Dan Pavel claims that "the democratic institutions were formally created, they are not guided by the principle of separation of powers in the State. Because if it had been separate institutions – a powerful Parliament, an efficient Government, a right Justice – if all these things had been realized from the very beginning, now we would have witnessed an improvement, a training or a correction of some negative things which appear in any kind of process. We cannot talk about a degradation of democracy or of institutions, because it have never been a high trust, because these institutions did not function as democratic institutions and the solution is institutionalization of democracy"<sup>6</sup>.

After 23 years from the change of the politic regime, Romania through the majority of its dominant institutional characteristics (the system of post-communist parties is multipartidist; the electoral system, which remained proportional even after the introduction of the new electoral system in 2008; the lobby-groups system is one coordinated and "corporatist"; the option for the principle of separation of the legislative power in two legislative chambers with relatively equal powers, bicameral Parliament; the revision of the Romanian Constitution is accomplished very hard, due to its rigid nature, and requires extraordinary majorities<sup>7</sup>; regarding the constitutionality of legislation the Constitutional Court is the incidence institution; the Romanian National Bank is independent), is approaching the consensual democracy model<sup>8</sup>- being in a deep crisis, determined by the critical state in which are its three institutional pillars: legislative, executive and judiciary.

We have to mention that this crisis of the Romanian democracy is not generated by its consensual character, but just of full and consistent non-achievement of the consensual characteristics of democracy, because this model of democracy adopted by Romania is the most suitable for a multinational, multicultural country, in which the powerful inner nature of social, cultural, religious and economic tensions are present. If the majority system had functioned, as a majoritary, bipartidist, unicameral voting system, the country would have known tensions that would be generated in conflicts, it would have been torn apart by cleavages, such as the ethnic cleavage, and the Hungarian minority would never have been parliamentary represented through its own political group and not could make coalitions with the Romanian majority parties.

Although Romania is getting close to the consensual model of democracy, the feature of the executive domination on the legislative is belongs to the majority democracies, adding to these President's proposal to cross to an unicameral Parliament, democratically inferior to the bicameral one- that has found guilty for the democracy crisis in general and the political crisis, in particular- and to reduce the number of members of Parliament.

In favor of unicameral Parliament and of reducing the number of members of Parliament, it has been the efficiency argument, both from the economic point view (reduced expenses) and from the point of view of the

decision to take (the fluidity speed, continuity of the process of voting laws)<sup>10</sup> - an argument which lies on the basis of the excess of legislative functions, exercised by Governments in recent years. The main argument in favor of bicameralism<sup>11</sup> is that the rapidity of the legislative approach is made at the expense of the quality, of the consistency of the legislative act, a functional and efficient democracy costing never too much, because the good laws, made in the national interest, in the interest of the citizens are invaluable.

Other anticonsensualist ideas have been put in circulation and/or protected by President Traian Băsescu, Prime Minister Emil Boc, by defferent political men, as well as by some sociologists, political scientists, such as: *the transition from the multipartidism to bipartidism* (the concentration of forces in "two" big parties, one of the "left" and the other to the "right"- this project implied in advance the "fusion" between the Liberal National Party, and the Democratic Party, the two members of DA. Alliance, having as purpose the formation of a "superparty" and then getting a monochrome majority government); *the change of the voting system*, by switching from the proportional system to the majority one, replacing the vote "on lists" with the "uninominal" vote, finally reaching a compromise variant, that has introduced the "uninominal" vote, but kept the proportional system; *the successive attempts to obtain a monochrome majority government* - for Băsescu's Democratic Party- which became PD-L, through the merger with Stoica and Stolojan's party, the great bid was winning the majority in Parliament and the formation of a monochrome Government, but the remaining political parties have reacted by creating a new majority in Parliament and voting a motion of censure - which led to the fall of the Government Boc, an absolute premiere in the post-communist history of Romania.

*The crisis of the executive* is the most visible institutional crisis in the Romanian political system in the most important dimensions of its functioning: the legislative excess of the executive and the subordination of the executive; the disfunctionality of the executive coalitions; the lack of constant institutional performance of the Cabinet, ministries and Government agencies; the lack of efficient policies promoted; the obstacles to administrative decentralization of the executive power; the relationship President -Prime Minister and of the President with Cabinet; the role of the President in relation to the other two powers of the state. *The legislative crisis* is on its constant subordination of the Executive power, the scarcity of power and authority of Parliament being determined by the Cabinet excesses of power, and in recent years by the strained relations between Parliament and Presidency of Romania, that led to the loss of credibility of Parliament.

If the legislative power is subordinated to the Executive and judicial power has not escaped from the "political influences" and the dependence on certain components of executive power, in its turn, the executive power is politically subordinated to the ruling party or the governmental coalitions, that means special interest groups, oligarchy, and not to public interest, speaking about chronic institutional crisis.

The only remedy for getting out of prolonged institutional crisis in Romania is the strengthening of democracy, the responsibility must be divided, because this desideratum is too great to let it only on the shoulders of political actors.

## ***II. The economic and financial crisis in post-December Romania (2008-2011)***

Although 23 years have elapsed from its inception, in post- December Romania, by changing the political regime and by restructuring the economic-social system, the transition enforced by crisis, imbalance and economic loss.

One of the losses "physical" transition costs is the dramatic fall of economy, determined by numerous factors (by the fall of the national production, the passage of a precious part of monetary mass of production in the sphere of circulation, the qualitative depreciation of labor, the deterioration of qualitative products and services, the tendency of deindustrialization of the country and sending the population in the countryside, the serious deterioration of the standard of living and quality of life) that have generated the first germs of inflation, disastrous for the economy of Romania, not prepared with the rigors of the free market.

Today Romania has a difficult crossing which has worsened from the fall of 2008, due to global economic and financial crisis, facing a pack of three interlocking crisis: **the economic crisis** coupled with **political crisis** produces **the social crisis** that, in turn, worsen the economic crisis and makes even more difficult the overtaking of economic- financial problems.

The economic evolution of post-communist Romania gives the picture of a strange and paradoxical country. In spite of its human and natural resources, of the absence of external debt and of a favorable geo-strategic position in Europe, she is on an underdeveloped road. A poor management of industrial enterprises and banks generated a profound economic and social crisis. The decline in G.D.P, the devaluation of national currency, the decrease of power purchase agreement is only the peak of the iceberg; in fact, it is indeed a general blockage of the economic system.<sup>12</sup> Dionysius Fota, a great economist, put a diagnostic: "the Romanian national economy was ruined by deindustrialization, imports and polarization of society"<sup>13</sup>.

Although the politicians and the economic analysts try to inform the population about its content and characteristics, it is hard to assume that the people appreciate correctly the manner in which the crisis will evolve and its duration. The impact on the Romanian economy can be in sighted when we glimpse on how the post-December privatization was made in Romania. In such a way, the most part of our national wealth was sold to some companies with foreign capital, so that the Romanian state no longer has the necessary levers in order to monitor it.<sup>14</sup>

The world crisis found Romania with a weak economy and a structure that do not provide quick recovery chances. Today our country is facing a deep

tridimensional crisis (considered even the deepest in Europe, in 2009 being the country with the biggest inflation- about 5%).

It should be noted that this disease worsened not just because the political stalemate but also to the deficit of understanding and recognition of the nature of the problems we face.

The global economic crisis has found Romania in a very vulnerable situation, it started in the context of a poor society, being only the trigger of domestic economic crisis, which is actually a crisis of overconsumption determined by *specific causes* such as: the opening too fast to capital account; fever consumption, on the basis of external short-term financing, pro-cyclic tax and budget policy based on unique tax (the introduction of unique tax of 16% for income and profit in 2005 failed where they planned to succeed - it did not raise sufficient income for budget, the budget deficit deepening since its introduction; it has streamlined the bureaucratic apparatus, this growing up instead of minimizing; it has stimulated work, but only for those with big salaries; it hasn't stimulated the offer, but the demand) and on a very strong increase of salaries of budgetary employees, in terms of which the economy was in the expansion; the postponed structural reforms; reduced absorption of structural funds; the denial of the crisis before the election of November 2008, which led the postponement of the implementation of preventive measures and to the growth of the disturbances including last minute.

Today the Romanian economy is facing a series of problems, *effects of this crisis*, aiming for more plans: the evolution of the production volume, of orders in industry; the situation on the labor market – the evolution of the unemployment (the unemployment rate reaching December 2009 at 7,8%, double from that in 2008-4,4%, in 2010 at 6,87%, and in December 2011 at 4,12%)<sup>15</sup>, massive emigration (that reduces the number of potential contributors to the State budget, and a leak of the labour- after 4 years from the accession of Romania to the E.U, over three millions Romanians work in Italy, Spain, Germany, France, in the most common cases as second hand workers or even with the "status of slaves"<sup>16</sup>), jobs in the underground economy, increasing labor costs, the lack of permanent professional formation; and finally the analysis of the investment pace in economy.

In an economy that has had high growth rates, the budgetary revenues have never exceeded 32% of G.D.P (the lowest in E.U), while expenditure increased faster here you can identify two big problems: the waste of public money (far too many expenses are oversized investment, are just useless expenditure, that will not be reconnected in improving services to citizens); the exponential growing of expenditure with wages of budgetary employees, the nominal growing of salaries of budgetary employees, between 2005-2008, being 86% ( to an inflation below 30%).

Unfortunately, the growth of the budget deficit was a process which started in 2005 and really blew up in 2008, getting from 7,4% of G.D.P in 2009 to 2,25% of G.D.P (in the first four months of 2010), and for 2012 the European Commission<sup>17</sup> has estimated the budget deficit at 3,7% of G.D.P, according to

ESA standards, from a projected level of 4,9% of G.D.P in 2011, under the estimation of the austerity policies, according to the autumn economic forecast of the European Executive.

The most recent estimates of the authorities have shown that the Romanian economy will rise 1,9% in 2011 and about 2% in 2012. The heads of State or Government of the E.U, have recently agreed, at Brussels, a series of measures which aim to strengthen the tax for governess and to coordinate the economic policies on the long term, meaning the improvement of emergency mechanisms of the euro area and financing JMF, with 200 billion euro to try slowing the immediate tensions caused by the crisis. The new tax for governess requires, among other things, that the budgets should be balanced or in surplus, a stipulation that will be considered to be respected if annual structural deficit will not exceed 0,5% of Gross Domestic Product (G.D.P) after 2012. Romania's structural deficit will descend at 2,8% of G.D.P this year, 2011, to 0,1% next year and so it will enter into a maximum of 0,5% of G.D.P established at the most recent summit, according to the Director of the J.M.F. mission in Romania, Jeffrey Franks.<sup>18</sup>

It must be mentioned that we have already received the signal that we could be faced with the second wave of crisis, with "a second implosion" of this country, which would have strong effects on Romania. The economic growth of Romania is anaemic and in continuation vulnerable due to the problems in the E.U, and even if we escape recession, we do not go out of the crisis, because in our country the crisis is related to the economic model, which is disastrous.

The economy has stabilized precariously in our country, so that we can imagine a situation in which we can face again the economic problems; in the opinion of some economic analysts, the risks can be caused by the depreciation of Leu, that could create slippage in the budget. The vital point of getting out of the crisis is that the economic revival to become a national goal supported by a broad social consensus.

### ***III. The political and social crisis in post-December Romania (2008-2011).***

The world economic crisis, started in 2008, found Romania in an extremely vulnerable situation. The industry destruction – meaning the main branch which brings added value- had as an effect draining of the public finance, and the state found itself in danger of not being able to pay wages and pensions. The solution was found not in the revival of national economy, but in the contraction of massive foreign loans, that is in future rental o a nation by an *irresponsible political class*.<sup>19</sup>

For solving this problem it is necessary to introduce a double strategy, as Nicolae Belli says: one with an anticrisis character, that requires specific policies, the term usually shorter, its purpose being double – getting out of the crisis and preparation of the germinated bed for future; the other of revival of economic growth, also with specific policies, but designed in the long and

medium term. Between these two guidelines there is no Chinese wall, on the contrary, they mix as organic parts of the same whole.<sup>20</sup>

In the current discussions it has become usual the estimation that it cannot be found a good strategy for stimulating the economic growth, some of the adopted solutions having the opposite effect, that of deepening the crisis.

Many authors are of the opinion that the solution of getting out of the crisis lies in the sphere of politics. It seems that the Romanian political system itself is locked, it is in crisis, being paralyzed by conflicts hard to be solved.

The existence of a Romanian political crisis, which has sharpened amid global economic and financial crisis, that grasped our country too in September 2008, and it which forces a solution, for fighting with this disease, is not a simple speculation or an analyst impression, but a quite inconvenient reality. On the other hand, it should be noted that the leading elites of society – specially, the political elite- recognized the crisis, even if only intuitively, and have endeavored to invent and apply its solutions. At least three directions of counteract, if not solving the crisis, were used and significant efforts have been made to ensure their success. Unfortunately, all three directions (*the institutional change*, a traditional solution for the political class when it meets a problem, which made a series of attempts, but failed – changing the Constitution, the institution of the referendum, the justice institutions, so-called “administration reform” etc- both to decrease the non-confidence of the population in politics and the split between the political elite and population; *the effort to rebuild the political confidence* – lost by the parties and the political class- *around some personalities with “charisma”*- the biggest effort in this field was made by the President of our country, Traian Băsescu; *political marketing*, that in the developed form in the Romanian campaigns become from a member of communication techniques for the political message a package of techniques obtaining electoral support for a party or a politician from other reasons that political ones) have failed.<sup>21</sup>

It seems that in the current context, in which we have confused doctrines, or invalidated by effective behaviour of some leaders, of visible opportunism; as well as dizzy and disappointed citizens by the political quarrel, by customizing the political conflicts, by cynicism, immorality, dual language, it is impossible the mobilization of all resources through a joint effort for getting out of the crisis.

Looking at only a small number of decisions taken by the Romanian Government to counteract the economic crisis, measures which largely focused in particular on the State apparatus, on its own bureaucracy and public function, we must observe that the economic recession becomes a motivation for violating political and administrative rules regarding the nature of modern liberal democracy: institutional transparency, administrative stability.

The state and the Government seem to be more concerned about their own abstract existence, about the reduction in the budget deficit and spending, than the well-being of Romanian citizens, adopting a series of austere measures applicable to the crisis, a policy of hostility, such as: a first solution

adopted in spring 2009 was *hiring a loan from the international financial institutions* (IMF, The World Bank, BERD, BEI) and EU, *a foreign loan* that has generated increased private foreign debt, allowing only temporary coverage need to pay for those in debt, becoming available about 200 billion euro to use in 2009-2010, but it was not explained clearly the necessity and the precise destination of this large amount of money; another adopted solution was *trying to balance the budget*, in the governmental speech, the problem of a deep financial crisis being replaced with the dramatization for the gravity of the situation of the budget deficit by living on debt, a false solution, generated by confusion, which at surface seem to be true but in fact contain a big untruth (such as a big proportion of people, intend of working, producing, live on operation of State budget), consists of shrinking the social component of the budget, I mean cutting social expenditure (pensions, allowances for families and children), starting for premise that these are unnatural public expenditure, because the welfare are the responsibility of individuals and their families, are not of the State. The strategy of cuts in the budget is a policy of throwing on the back of the majority of population the costs of the private foreign debt, and the budget reduction is an illusory solution.

Promoting minimum State ideology causes a displacement of emphasis from the objective to achieve budgetary balance, as it could have been understood as a temporary measure, to the complete reduction of public funding and that requires a reform of the State in all its components, this meaning the destruction of the social state. In fact, the State must not be a simple consumer of wellbeing, but also a producer of wellbeing: education, health, science, public and social security. Both education and health were severely sub-financed, at a considerable distance from almost all rest of European countries, what caused the disaggregation status of these systems, being the cause of the migration of some valuable human resources. Those who remained are demoralized being urged to switch to the private sector, in order to earn more.

It seems that there is a very strong political orientation to the privatization of these two big public services (education and health) in spite of the negative social consequences (for example the sever limitation of the population access to these). The decentralization, promoted as a panacea, created, in the first place, administrative chaos, visible especially by switching the hospitals to the local boards. In the case of the school, the appointment of Directors and hiring teachers by the Primary let the place to abuses and politicizing. The probable effect of privatization is strengthening the social polarity, the poor segment, in extension, being sentenced to a precarious education and a health state increasingly poorly supported.

The Romanian attitude tends to erode the value of representation, the citizenship feeling and the rule of law, all being essential for the stability of the democratic political regime. Referring to the Romanian politicians Daniel Barbu wrote in 2005: "in their eyes the democratic policy is not a method for

representing the society, but only a technique for the formation of the Government and distribution of the dominant positions in the State"<sup>22</sup>.

Such guidance, towards the political resources, in damage of the public policies having as subject the citizen, affects democracy and the rule of the law. Today, in our country we are facing an underdeveloped economic and political society, with a reduced capacity to carry out the support functions for a sustainable economic and social development, in that grows increasingly more no confidence in public institutions, which demonstrates that the market failures are amplified by the governers failures, at the level of which should be searched (as many specialists say) the causes and implicit the solutions for the current crisis, a disease for which we have not found a remedy yet.

The public policy must respond to the tendencies/ processes for which the answers are not, anyway, easy given.

In terms of **the political and social crisis**, we can only say that it is highly visible, because:

- *On a social level*, we are facing with: moves caused by migration in many local communities increasing the unequal income, which affect the social cohesion and raise all kinds of problems; the whole collectivity became poor; the deterioration of the educational process and the school abandonment; the institutional crisis (uncertainty in all sectors of social life: education, health, police, public administration, even in justice); accumulation of depraved state of collective mind: grievance, no confidence of citizens in the democratic state institutions (Parliament, Government, Presidency, Justice, political parties), no confidence in others and Romania's no confidence in herself; the degradation of the social solidarity; passivism but also social explosions (which culminated with the manifestations in 2012).

- *On a political level* we have: confused political doctrines, or invalidated by the effective behaviour of some disappointed by the political quarrel, by customizing the political conflicts, by cynicism, immorality, dual language. This status favors populism and extremism, the obvious political crisis imprinting also the development of economy.

- *On the economic level*<sup>23</sup> we are facing with: excessive external deficits; the presence of foreign capital that brings benefits, but also disadvantages if the public policy does not conciliate the maximizing and repatriation of the profit with the need for social cohesion and identity aspects. Who ignores identity issues nourishes the political extremism. All these weaken our young democracy.

The President of the World Bank, Robert Zoellick, said, in 2009, that: "What began as a powerful major financial crisis and became a *major economical crisis* is now an unemployment crisis, and if we do not take measures there is the risk of a *powerful human and social crisis, with major political implications*", informs *Economico* newsletter.<sup>24</sup>

The social problems, emphasized in Romania by their gathering in the long period of transition and in the last years of economic crisis, are worsen by the antisocial programmatic policy.

In conclusion, the deep nature of the current crisis is not economical, but it results from the inability of the current political configuration to build a process of collective thinking, democratic by its nature in order to generate reliable solutions, supported by a broad consensus, flexible implemented, open to adaptation and revision. The political deadlock is the real problem of the Romanian crisis. Without taking into consideration the seriousness of the political system, without cooperation between power and opposition, there are no chances to overcome the current crisis.

In other words Romania presents a society with a poor economy, a depressed society after a revolution full of promises, deeply divided politically, morally and socially, with a level of social solidarity slumping, with no confidence in public institutions, but also in other people, including the Romanian people in themselves, a society being in a deep economic, political, social and moral crisis.

### **Conclusions**

The fall of the communist regime in 1989 and the expectations of the new project of changing the etatist model with a liberal and democratic one did not lead, as many have hoped, to an immediate transition to democracy, to an era of general prosperity. In post- December Romania, by changing the political regime and by restructuring the economic- social system, the transition enforced by crisis, imbalance and economic loss.

Many authors claim that the Romanian society slipped from communism, a totalitarian regime, without walking through the democracy stage, to **post-democracy** which "as everything that is post"- the post-democracy does not express the appearance of a new form of political organization but the crisis of so-called traditional values.

In reality, today Romania is facing **a crisis**, observable and measurable, **of democracy**, determined by the critical state in which are its three institutional pillars- legislative, executive and judiciary. The legislative power is subordinated to the Executive and judicial power has not escaped from the "political influences" and the dependence on certain components of executive power, in its turn, the executive power is politically subordinated to the ruling party or the governmental coalitions, that means special interest groups, oligarchy, and not to public interest, speaking about chronic institutional crisis.

Today Romania has a difficult crossing which has worsened from the fall of 2008, due to global economic and financial crisis, facing a pack of three interlocking crisis: **the economic crisis** coupled with **political crisis** produces **social crisis** that, in turn worsen the economic crisis.

The global economic crisis has found Romania in a very vulnerable situation, it started in the context of a poor society, being only the trigger of domestic economic crisis, which is actually a crisis of overconsumption determined by *specific causes* such as: the opening too fast to capital account; fever consumption, on the basis of external short-term financing, pro-cyclic tax and budget policy based on unique tax (of 16% for income and profit in 2005)

and on a very strong increase of salaries of budgetary employees, in terms of which the economy was in the expansion; the postponed structural reforms; reduced absorption of structural funds; the denial of the crisis before the election of November 2008, which led the postponement of the implementation of preventive measures.

Today the Romanian economy is facing a series of problems, *effects of this crisis*, aiming for more plans: the evolution of the production volume, of orders in industry; the situation on the labor market – the evolution of the unemployment, massive emigration, jobs in the underground economy, increasing labor costs, the lack of permanent professional formation; and finally the analysis of the investment pace in economy.

Unfortunately, the growth of the budget deficit was a process which started in 2005 and really blew up in 2008, getting from 7,4% of G.D.P in 2009 to 2,25% of G.D.P (in the first four months of 2010), and for 2012 the European Commission has estimated the budget deficit at 3,7% of G.D.P, according to ESA standards, from a projected level of 4,9% of G.D.P in 2011, under the estimation of the austerity policies, according to the autumn economic forecast of the European Executive.

Many authors are of the opinion that the solution of getting out of the crisis lies in the sphere of politics, but it seems that the Romanian *political system* itself is locked, it *is in crisis*, concerning only the austere measures taken by the Romanian Government in order to counteract the economical crisis; these measures largely focused in particular on the State apparatus, on its own bureaucracy and public functions, such as: a first solution adopted in spring 2009 was *hiring a foreign loan* that has generated increased private foreign debt, allowing only temporary coverage need to pay for those in debt; another adopted solution was *trying to balance the budget*, by shrinking the social component of the budget, I mean cutting social expenditure (pensions, allowances for families and children) starting from the premise that these are unnatural social public expenditure, because the welfare is the responsibility of individuals, and not of the state.

Promoting minimum State ideology causes a displacement of emphasis from the objective to achieve budgetary balance, as it could have been understood as a temporary measure, to the complete reduction of public funding and that requires a reform of the State in all its components, this meaning the destruction of the social state.

The political deadlock is the real problem of the Romanian crisis, I mean that the deep nature of the current crisis is not economical, but it results from the inability of the current political configuration to build a process of collective thinking, democratic by its nature in order to generate reliable solutions.

In terms of **the political and social crisis**, we can only say that it is highly visible, because *on a social level*, we are facing with: the unequal income, which affect the social cohesion and raise all kinds of problems; the uncertainty in all sectors of social life- education, health, police, public

administration, even in justice; accumulation of depraved state of collective mind- no confidence of citizens in the democratic state institutions, passivism but also social explosions.

In other words Romania presents a society with a poor economy, a depressed society after a revolution full of promises, deeply divided politically, morally and socially, with a level of social solidarity slumping, with no confidence in public institutions, but also in other people, including the Romanian people in themselves, a society being in a deep *economic, political, social and moral crisis*.

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<sup>1</sup> Cristian Pîrvulescu, *Romania between democracy of the opinion and mass absenteeism*, in INSOMAR, Volume II.- *Continuity and Change*, ed. George Teodorescu (Iași, Polirom, 2009), pp. 73-74.

<sup>2</sup> See Jeffrey C. Isaac, *Democracy in Dark Times* (New York, Cornell University Press, 1998).

<sup>3</sup> See *The state of democracy has worsened in Romania, Nations in Transit 2010*, Freedom House, R.M. HotNews.ro, June 30, 2010.

<sup>4</sup> Arend Lijphart, *Patterns of democracy, Government Forms and Performance in Thirty-Six Countries* (Iași, Polirom, 2000), pp. 62-63.

<sup>5</sup> Robert D.Putnam, *How does the democracy work* (Iași, Polirom, 2001), p. 78.

<sup>6</sup> Dan Pavel, *About political institutions and Romanian democracy*, September 3, 2010, <http://www.al.ro/news/politic/interviu-dan-pavel-despre-institutiile-politice-si-democratiaromaneasca-118855.html>.

<sup>7</sup> See *The Romanian Constitution of 2003*, Article.151 - The revision, <http://www.cdep.ro/pls/dic/site.page?id=339>.

<sup>8</sup> The consensual model of democracy was described by Arend Lijphart in *Democracy in Plural Societies* (Iași, Polirom, 2002), p. 279.

<sup>9</sup> Arend Lijphart highlighted ten differences between majoritary democracy and consensual democracy, concerning two dimensions (party-executive dimension and federal-unitary dimension), in *Patterns of democracy, Government Forms and Performance in Thirty-Six Countries* (Iași, Polirom, 2000), pp. 26-27.

<sup>10</sup> Ion Deleanu, *Constitutional institutions and procedures – in the Romanian law and compared* (Bucharest, C.H. Beck, 2006), 613. According to the author "improving the quality of the legislative process can be achieved by other techniques, less expensive and less cumbersome (than the bicameralism), such as, a second or third reading of the bill before voting it".

<sup>11</sup> For a detailed analysis of the advantages of the bicameral system, see Kenneth A. Shepsle, *The Constitutional Choice of Bicameralism. Institutions and Economic Performance* (Cambridge, MA: Harvard University Press, 2008), <http://scholar.harvard.edu/kshepsle/files/MuthooShepsleBICAMERALISM16thNov07-2.pdf>

<sup>12</sup> Cristian Bocancea, *La Roumanie du communisme au post-communisme*, (Paris, L'Harmattan, 1998), p. 164.

<sup>13</sup> Dionysius Fota, *How can a national economy be ruined. By deindustrialization, imports and polarization of society into rich and poor* ( Bucharest, University Publishing House, 2007), p 205.

<sup>14</sup> Dumitru Șandru, *The crisis of 1929-1933 and the current crisis*, Sphere of Politics, no. 133 (2009): 56.

<sup>15</sup> *The evolution of the unemployment rate*, source: ANOFM, <http://www.anofm.ro/statistica>

<sup>16</sup> Dumitru Mazilu, *Human rights. Concept, requirements and contemporary realities*, 4th ed. (Bucharest, Lumina Lex Publishing House, 2008), pp. 449-450.

<sup>17</sup> See Vlad Popescu, *The European Commission has estimated the budget deficit at 3,7% of G.D.P for next year*, November 10, 2011, <http://www.zf.ro/banci-si-asigurari/comisia-europeana-estimeaza-un-deficit-bugetar-de-3-7-din-pib-pentru-romania-anul-viitor-8959146>

<sup>18</sup> *Romania's structural deficit will descend to 0,1% of G.D.P in 2012, in the limit established by U.E*, December 2, 2011, <http://www.dailybusiness.ro/stiri-finante-banci/deficitul-structural-al-romanei-va-cobori-la-0-1-din-pib-in-2012-in-limita-ceruta-de-ue-72070/>

<sup>19</sup> Ioan Scurtu, *Economy after 20 years. From theory to reality, State and Society in Europe*, Volume II., ed. Ionut Serban and Lucian Dindirică (Craiova, Aius PrintEd, 2010), pp. 493-494.

<sup>20</sup> Nicolae Belli, *Transition harder than a war, Romania 1990-2000* (Bucharest, Expert Publishing House, 2001), p. 53.

<sup>21</sup> Vladimir Pasti, *The political crisis after the 2008 election*, in INSOMAR, Volume I.- 2008 election, campaigns, leaders and polls, ed. Gheorghe Teodorescu (Iași, Polirom, 2009), p. 346.

<sup>22</sup> Daniel Barbu, *Politics for the barbarians* (Bucharest, Nemira, 2005), p. 21.

<sup>23</sup> Daniel Dăianu, *The political crisis and the economy*, National Journal, February 28, 2007, <http://www.jurnalul.ro/opinii/editorial/criza-politica-si-economia-1134.html>

<sup>24</sup> World Bank: *After the economic crisis follows the social crisis*, May 25, 2009, <http://www.romanalibera.ro/bani-afaceri/criza/banca-mondiala-dupa-criza-economica-urmeaza-criza-sociala-154839.html>

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JUSTICE AND INSTITUTIONAL  
REFORM:  
**PATHS TO EU INTEGRATION**

## ORIGINAL PAPER

Anca Parmena OLIMID

### Struggle for Sacred After EU Integration. Constitutional Developments Concerning Religion and Freedom of Religion in Greece, Cyprus, Romania and Bulgaria (I)

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**Abstract:** *The present article presents the Constitutional provisions affecting religion, religious liberty, and freedom of thought, conscience and religion in Greece, Cyprus, Romania and Bulgaria. All common constitutional provisions suggest a homogeneous European approach due to historical, political, social and cultural factors needed to accommodate religious pluralism in countries with Orthodox majority. Needless to argue, all four countries unified their own legislation through common compliance with EU legal framework noting that there is little to distinguish between Orthodox European countries in terms of "the core elements": the understanding of religion, separation of Church and State, freedom of religion, conscience and thought.*

**Key words:** *Constitution, religion, freedom of religion, state, church.*

Since the last ten years, journalists, media experts, government officials, politicians, Church officials in EU Orthodox countries (Greece, Cyprus, Romania and Bulgaria)<sup>1</sup> are focused on the theme of the new religious arena after EU integration.

The fact that the topics of religion, freedom of religion and nationhood are high on the social, political and media agenda in Eastern Europe is special linked to the rise of level of confidence in Church in countries of most Orthodox faithful, and to the current debate on law and religion in Europe Union (key terms related to a new attitude towards religion and political participation to various events).

This specificity of Church-State relation in Eastern Orthodoxy “splits the academic community into two camps”<sup>2</sup>. Daniela Kalkandjieva, researcher at the Scientific Research Department of Sofia University, characterizes this relation by “a lack of theological knowledge and experience in democratic/ nontheistic type of church-state relations” in the transition period due to post-communist politicians. At the same time, the author emphasizes “the present-day symbiosis between Orthodoxy and nationalism” as a product of the “nineteenth-century rise of nation-states”<sup>3</sup>.

The orientation of the paper towards a broader context of scientific analysis (EU Orthodox countries) allows the possibility of the avoidance of a political, historical, legal, and not least, religious determinism focused on the aspects of the liberating role of Catholic Church in Western Europe. In this situation, the media coverage of religion and nationhood allows for a detailed exposition of the constitutional dispositions, but also of the social and political role of the Church that regained its traditional role in Eastern Europe after the transition<sup>4</sup>.

As to the impact on the political system, most of the media analyses converge towards the acceptance of the following components: Church behaviour during late-2000s economic crisis, religious freedom and regime of cults (legal and constitutional provisions), media coverage and specific terms appearance<sup>5</sup>.

Thus, the analysis of the media coverage of religion, freedom of religion and nationhood pictures a multifunctional approach: political events (EU integration, electoral and political offer, electoral campaign themes, institutional changes (at ministerial level), the media-church officials' relationship, electoral performance etc. In a plural-conditional environment (issues related to the moral, ethical, religious, and legal justifications of the institutionalization of Church's position in European societies, the media dynamics), the working hypothesis starts from the changes in church-media-political environment relationship and the responsibility for Church officials' appearances that lead to media ambiguous instability.

The first part of the analysis starts with presenting the understandings of “church” and “politics” that can be used as a necessary analysis limited to the EU Orthodox countries. Other accounts of the different definitions and points of

view of Church's status come from the historians who preferred the intellectual and regional discourse and picture of a "rural Orthodoxies" as subjects of analysis. Ellen Badone has witnessed the fact that "most of the work by anthropologists on popular religion in Europe has focused on Catholicism and Eastern Orthodoxy" rather than other religion<sup>6</sup>.

### **Secular understandings of "orthodoxies"**

More specifically, the secular understandings of "orthodoxies" in the Eastern Europe examine the main branches of the study of the Balkan Orthodoxies. It is therefore an interdisciplinary, objective and pragmatic approach which becomes particular due to the dynamism of the European Peninsula in three main directions:

- (1) *"anti-Westernism of Balkan Orthodoxy" approach*<sup>7</sup>. In keeping with the traditional historical perspective, which constituted "the historical pattern", Stavrianos argues that "the encounter between the West and the great non-Western majority of mankind seems likely to be viewed in retrospect as the central feature of modern history"<sup>8</sup>. From this perspective, it is understandable why the "foundation for the basic unity of the peninsula is shown in the contribution" on the historical character of the Balkan civilization<sup>9</sup>;
- (2) *"ethnicity and faith in the Balkans" approach*<sup>10</sup>. To argue that in Orthodox world, Church has developed during history a „static and theocratic" influence, Bishop Basil (Osborne) of Sergievo argues that the recent literature used the forms of "Orthodoxy and...", "Orthodoxy and national identity", "Orthodoxy and politics", "Orthodoxy and pluralism", "Orthodoxy and human rights", "Orthodoxy and ecumenism" as a "hidden attractor" in the context of the European expansion to the East<sup>11</sup>. The same author argues that the social and spiritual traditions of European countries remained different no matter how closely connected they are to the Eastern spirituality;
- (3) *"tradition, transition and change" approach*<sup>12</sup> used to indicate the main patterns of the various local/ national contexts in connection with the „radical changes in the former Eastern after 1989-1991". Furthermore, a possible objection to recent Makrides and Roudometof's interdisciplinary analysis is that relationship between religion, politics, and dechristianisation vary in Orthodox context<sup>13</sup>. In this case, according to the classical model of modernization, Orthodoxy's transition to EU spiritual arena has operated as a "model of exceptionalism" between tradition and modernity<sup>14</sup>.

Considering the multitude of elements surrounding several areas of study and research to the current definitions of Orthodox Christianity/ Orthodox Church, the problem of church, state, politics and media among these is most linked with this *key issue*: the development of a commercial press

in South Eastern Europe after the clash of the communist regime. However, it is interesting to observe that in Eastern Orthodox countries, at the beginning of the XXI<sup>st</sup> century, we witness the formation of this new discourse deriving from the merging of the official Orthodox oration and the scientific one, combining the traditional authority of the Orthodox Church with the hesitating attitude of the political speech beyond all other approaches: *anti-Westernism attitude, ethnicity and faith, tradition and transition* and constitutional developments.

This article is not intended to give an ultimate answer to which proper Church-State relations in EU countries with Orthodox majority but to analyze in the first part the constitutional dispositions on religion, religious freedom, and Church-State relations and in the second part to analyze the media coverage of Church-State relation and religion's presence in all four countries (an overview of legal issues and media challenge after EU integration).

### **Constitutional dispositions on religion, religious freedom, Church and State**

Each Orthodox country, member of the European Union, has its own legal provisions affecting religion, religious liberty, freedom of thought etc. All common constitutional provisions suggest a homogeneous European approach due to historical, political, social and cultural factors needed to accommodate religious pluralism in countries with Orthodox majority. Needless to argue, all four countries unified their own legislation through common compliance with EU legal framework<sup>15</sup>. Norman Doe argues that there is little to distinguish between Orthodox European countries in terms of "the core elements of their understanding of religion – religion" involving "belief, "a set of beliefs", "statement of belief" or "a specifically formulated belief"<sup>16</sup>. The constitutional accounts on law and religion in all four constitutions are grounded in an understanding with the religious experience and they situate the interpretation of religious clause within the context of personal spirituality, privacy and autonomy<sup>17</sup>. Separating and studying all these aspects claims particular insights about the nature of religious belief and experience in all four countries.

**Greece.** The Greek Constitution mentions religion and the relationship between Church and State on its title page (see the official declaration that is mentioned "*In the Name of the Holy and Constitutional and Indivisible Trinity*"<sup>18</sup>). It is important to add that all Greek Constitutions since the modern rebirth of Greece proclaim the same declaration.

The Constitution of Greece also defines the relations of Church and State in article 3 of the Section II *Relations of Church and State* of the Part One *Basic Provisions*. The same article also recognizes as "the prevailing religion in Greece" that of the "Eastern Orthodox Church of Christ"<sup>19</sup>.

It should be noted that the proclamation of the Orthodox Church in all Constitutions of Greece as "the prevailing religion" is related to the fact that "Orthodoxy and clergy have made a unique contribution to Greek nationality ... for liberation and nationality"<sup>20</sup>.

### **"Article 3**

1. *The prevailing religion in Greece is that of the Eastern Orthodox Church of Christ. The Orthodox Church of Greece, acknowledging our Lord Jesus Christ as its head, is inseparably united in doctrine with the Great Church of Christ in Constantinople and with every other Church of Christ of the same doctrine, observing unwaveringly, as they do, the holy apostolic and synodal canons and sacred traditions. It is autocephalous and is administered by the Holy Synod of serving Bishops and the Permanent Holy Synod originating thereof and assembled as specified by the Statutory Charter of the Church in compliance with the provisions of the Patriarchal Tome of June 29, 1850 and the Synodal Act of September 4, 1928.*

2. *The ecclesiastical regime existing in certain districts of the State shall not be deemed contrary to the provisions of the preceding paragraph.*

3. *The text of the Holy Scripture shall be maintained unaltered. Official translation of the text into any other form of language, without prior sanction by the Autocephalous Church of Greece and the Great Church of Christ in Constantinople, is prohibited".*

Particularly, Kyriazopoulos argues that the issue of the "prevailing religion" in Greek Constitution is interpreted "as a resurrection of the Byzantine model of church-state relations"<sup>21</sup>. Moreover, the same author acknowledges the current difficulties facing "the harmonization of the Orthodox Church's status as the "prevailing religion (article 3) with Greece's constitutional commitment to religious freedom (article 13)"<sup>22</sup> according to the European and international legislation adopted by the Hellenic Republic.

In other words, Kyriazopoulos' study deals with ecclesiastical matters in terms of the constitutional interpretation by applying the models, concepts and principles of the scientific methodology dividing the analysis of the "prevailing religion" in main direction: in this direction, Kyriazopoulos himself maintains that the adoption of "a prevailing religion" (in terms of "state religion") might create a particular inequality with regards to other religious communities. Therefore, the author argues that international documents "tend to phrase rights in positive formulas"<sup>23</sup>.

Consequently, article 3 of Greek Constitution do not limit the right to freedom of religion, because it maintains the principle of the religious tolerance required by international rules applying "concurrently" the principle *in dubio pro libertate*<sup>24</sup>.

Accordingly, the Constitution of Greece also recognizes the freedom of religious conscience in its Second Part *Individual and Social Rights* (Article 13). Nevertheless, article 13 of the Greek Constitution "raises many interpretative issues"<sup>25</sup>: the first two paragraphs refer to the right to religious conscience which derives from religious freedom.

### **"Article 13**

1. *Freedom of religious conscience is inviolable. The enjoyment of civil rights and liberties does not depend on the individual's religious beliefs.*

*2. All known religions shall be free and their rites of worship shall be performed unhindered and under the protection of the law. The practice of rites of worship is not allowed to offend public order or the good usages. Proselytism is prohibited.*

*3. The ministers of all known religions shall be subject to the same supervision by the State and to the same obligations towards it as those of the prevailing religion.*

*4. No person shall be exempt from discharging his obligations to the State or may refuse to comply with the laws by reason of his religious convictions.*

*5. No oath shall be imposed or administered except as specified by law and in the form determined by law'.*

**Cyprus.** The Constitution of the Republic of Cyprus has noted religion and freedom of religion in the conditions provided by to *Part 01 – General Provisions*, article 2, and *Part 02 - Fundamental Rights and Liberties* articles 18, 28 (2). The interpretation of religion and “freedom of thought, conscience and religion” in the Constitution of the Republic of Cyprus, both in terms of legal theory and case law, is subordinated to the principles of the separation of Church and State. Such interpretation is linked to the legal protection of “all religions whose doctrines or rites are not secret”, and more particularly, of the “right to equal treatment” before the law.

This second point of view gives rise to religious non-discrimination noting that there is no official religion specified (in the sense of a “prevailing religion”). According to this observation, the recognition of everyone’s right “to profess his faith and to manifest his religion or belief, in worship, teaching, practice or observance, either individually or collectively, in private or in public” is equivalent to an official statement accepting tolerance, equality and non-discrimination due to the fact that the content of constitutional provisions in Cyprus promote the adoption of measures that safeguard the “freedom to manifest one’s religion or belief” (see *Part 02 - Fundamental Rights and Liberties*, article 18)<sup>26</sup>.

#### **“Article 18**

*1. Every person has the right to freedom of thought, conscience and religion.*

*2. All religions whose doctrines or rites are not secret are free.*

*3. All religions are equal before the law. Without prejudice to the competence of the Communal Chambers under this Constitution, no legislative, executive or administrative act of the Republic shall discriminate against any religious institution or religion.*

*4. Every person is free and has the right to profess his faith and to manifest his religion or belief, in worship, teaching, practice or observance, either individually or collectively, in private or in public, and to change his religion or belief.*

*5. The use of physical or moral compulsion for the purpose of making a person change or preventing him from changing his religion is prohibited.*

*6. Freedom to manifest one's religion or belief shall be subject only to such limitations as are prescribed by law and are necessary in the interests of the security of the Republic or the constitutional order or the public safety or the public order or the public health or the public morals or for the protection of the rights and liberties guaranteed by this Constitution to any person.*

*7. Until a person attains the age of sixteen the decision as to the religion to be professed by him shall be taken by the person having the lawful guardianship of such person.*

*8. No person shall be compelled to pay any tax or duty the proceeds of which are specially allocated in whole or in part for the purposes of a religion other than his own".*

Moreover, article 28 paragraph 2 (see *Part 02 - Fundamental Rights and Liberties*) harmonized Cypriot constitutional dispositions with international standards promoting rights and liberties "*without any direct or indirect discrimination against any person*". Likewise, the same article of the Constitution meets its institutional and legal obligation to respect of nondiscrimination "*on the ground of community, race, religion, sex, political or other convictions*" before the law. Under this view, article 28 (2) constitutes a particular provision that meets the community law dispositions guaranteeing the principle of equality for all its citizens<sup>27</sup>.

#### **Article 28**

*2. Every person shall enjoy all the rights and liberties provided for in this Constitution without any direct or indirect discrimination against any person on the ground of his community, race, religion, language, sex, political or other convictions, national or social descent, birth, colour, wealth, social class, or on any ground whatsoever, unless there is express provision to the contrary in this Constitution.*

In the Cypriot Constitution, apart from the articles 18 and 28, there a particular definition mentioned for "religious group". There is not only a strong sense of having a specific legal situation ("*persons ordinarily resident in Cyprus*"), but also a strong common religious identity in which affiliation ("*professing the same religion and either belonging to the same rite or being subject to the same jurisdiction thereof the number of whom*") plays the key role.

The criterion making the difference is the number of people belonging to that specific "religious group" (it has to "*exceed one thousand out of which at least five hundred become on such date citizens of the Republic*").

#### **"Article 2**

*For the purposes of this Constitution: ... 3. For the purposes of this paragraph a "religious group" means a group of persons ordinarily resident in Cyprus professing the same religion and either belonging to the same rite or being subject to the same jurisdiction thereof the number of whom, on the date of the coming into operation of this Constitution, exceeds one thousand out of which at least five hundred become on such date citizens of the Republic".*

Nevertheless, based on the Cypriot Constitution, there is no “prevailing religion” (no official religion) and the legal dispositions guarantee religious freedom and no interfere in religious activity or practice.

**Romania.** The traditional approach to harmony between Church and State was especially challenging for the new Romanian legal framework after 1990. The analysis of religion and religious freedom in Romanian Constitution represents an important contribution to the debate about country’s European Union integration and its alignment of European values in matter of recognition of “*freedom of thought, opinion, and religious beliefs*”<sup>28</sup>.

Freedom of thought, opinion, and religious are all declared unrestricted by article (Article 29) of the Second Part of the Romanian Constitution *Fundamental Rights, Freedoms and Duties*, Chapter I *Common provisions*. In fact, the state is constitutionally obliged to respect and maintain freedom of conscience and all religions shall be free. Article 29, paragraph (4) of the Constitution prohibits “any form, means, acts or actions” because of the religious beliefs.

The Romanian Constitution specifically regulated the autonomy of religious cuts from the state, noting the institutional support of the state “*including the facilitation of religious assistance in the army, in hospitals, prisons, homes and orphanages*” (article 29, paragraph (5))<sup>29</sup>.

**“Article 29**

*(1) Freedom of thought, opinion, and religious beliefs shall not be restricted in any form whatsoever. No one shall be compelled to embrace an opinion or religion contrary to his own convictions*

*(2) Freedom of conscience is guaranteed; it must be manifested in a spirit of tolerance and mutual respect.*

*(3) All religions shall be free and organized in accordance with their own statutes, under the terms laid down by law.*

*(4) Any forms, means, acts or actions of religious enmity shall be prohibited in the relationships among the cults.*

*(5) Religious cults shall be autonomous from the State and shall enjoy support from it, including the facilitation of religious assistance in the army, in hospitals, prisons, homes and orphanages.*

*(6) Parents or legal tutors have the right to ensure, in accordance with their own convictions, the education of the minor children whose responsibility devolves on them”.*

The constitutional guarantee of the autonomy of the cults from the state guarantees freedom to practice. The same article also stipulates that the state shall not discriminate “in any form whatsoever”.

**Bulgaria.** The 1991 Bulgarian Constitution vests sovereignty in the people, guaranteeing “freedom of speech, association, press, assembly, religion and travel” and recognizing Eastern Orthodox Christianity as the “traditional” religion (see article 13, paragraph (3) of the Constitution of Bulgaria). Constitutional provisions relating to religion and freedom of religion are as follows<sup>30</sup>:

**“Article 13**

*(1): The practicing of any religion shall be unrestricted.*

*(2): Religious institutions shall be separate from the State.*

*(3): Eastern Orthodox Christianity shall be considered the traditional religion in the Republic of Bulgaria.*

*(4): Religious institutions and communities, and religious beliefs shall not be used to political ends”.*

A special legal status on the free exercise of religion by religious communities or institutions is noted in article 13, paragraphs (1) to (4) enabling full free exercise of religion and autonomy of religious communities and institutions. A special constitutional provision on the recognition to one “traditional” religious community is explicitly stated in the Constitution of Bulgaria (article 13, paragraph (3)).

The Constitution of Bulgaria also recognizes the “*freedom of conscience, freedom of thought, and choice of religion or religious or atheistic views*” (see article 37, paragraph (1)).

**“Article 37**

*(1): The freedom of conscience, the freedom of thought and the choice of religion and of religious or atheistic views shall be inviolable. The State shall assist the maintenance of tolerance and respect among the believers from different denominations, and among believers and non-believers.*

*(2): The freedom of conscience and religion shall not be practiced to the detriment of national security, public order, public health and morals, or of the rights and freedoms of others”.*

**“Article 58**

*(2): Obligations established by the Constitution and the law shall not be defaulted upon on grounds of religious or other convictions”.*

Nevertheless, articles 13, 37 and 58 of the Constitution of Bulgaria provide the most important principle governing the Bulgarian legal framework with respect to religious activity and practice.

This shows state neutrality behind the principle of separation (explicitly stated in the Constitution, see article 13, paragraph (2)).

Consequently, the state should be separated from religious institutions. At the same time, it is to be noted that this “separation” between state and religious institutions ensures the free exercise of religion, freedom of religion, conscience and thought being equally protected.

**Table 1: Comparison of Constitutional Provisions on Religion and Religious Freedom in Greece, Cyprus, Romania and Bulgaria**

Constitutional principles	Country			
	Greece	Cyprus	Romania	Bulgaria
<i>“Prevailing religion” or “traditional religion”(in terms of “state religion”)</i>	√	-	-	√
<i>Separation of Church and State</i>	√	√	√	√
<i>Freedom of religion</i>	√	√	√	√
<i>Freedom of (religious) conscience</i>	√	√	√	√
<i>Prohibition of proselytism</i>	√	√	√	√
<i>Freedom of thought, opinion, and religious beliefs</i>	√	√	√	√
<i>Cults’ autonomy from the State</i>	√	√	√	√
<i>Interdiction of using religious communities and institutions, or religious convictions in the pursuit of political objectives</i>	√	√	√	√
<i>Legal protection against discrimination for religious affiliation</i>	√	√	√	√
<i>Age limit for a religion to be professed</i>	-	√	-	-
<i>Limit of number of people composing a “religious group”</i>	-	√	-	-

Source: Author’s own analysis based on constitutional dispositions in Greece, Cyprus, Romania and Bulgaria

the fall of communism, in many countries in Central and Eastern Europe religion and religious freedom are respected throughout the Constitutional developments. Differences in the approach to religion and religious freedom between the four European countries (Greece, Cyprus, Romania and Bulgaria), having an Orthodox common background, is characterized by a increasable degree of constitutional liberalism providing coherent and stable legal framework of religious activities of the communities and institutions (see Table 1. *Comparison of Constitutional Provisions on Religion and Religious Freedom in Greece, Cyprus, Romania and Bulgaria*).

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<sup>1</sup> We took into account the date of EU integration for the four countries: Greece (1981), Cyprus (2004), Romania and Bulgaria (2007).

<sup>2</sup> Daniela Kalkandjieva, *A Comparative Analysis on Church-State Relations in Eastern Orthodoxy: Concepts, Models, and Principles* in "Journal of Church and State", vol. 53, no. 4/ 2011, pp 594-595.

<sup>3</sup> *Ibidem*, p. 597.

<sup>4</sup> For a more detailed analysis on the particular situation of the churches in East and Central Europe, see Miklós Tomka, *Church, State and Society in Eastern Europe, The Council for Research in Values and Philosophy*, Washington, The Council for Research in Values and Philosophy, 2005, pp. 100-101.

<sup>5</sup> For a compared analysis on how general media practices affect reporting on migration issues and migrants' cultural identity see Cătălina Maria Georgescu, *Stereotypes, migrants and the media: an analysis of the Romanian press on migration* in Revista de Științe Politice. Revue des Sciences Politiques, no. 29/ 2011, pp. 53-64.

<sup>6</sup> Ellen Badone, *Religious Orthodoxy & Popular Faith in European Society*, New Jersey, Princeton University Press, 1990, p. 21.

<sup>7</sup> The notion of "anti-Westernism of European Orthodoxy" was used by L.S. Stavrianos in L. S. Stavrianos, *The Influence of the West on the Balkans* in Charles and Barbara Jelavich, *The Balkans in Transition*, University of California Press Berkeley and Los Angeles, California, 1963, pp. 184-185.

<sup>8</sup> *Ibidem*, p. 184.

<sup>9</sup> *Ibidem*, p. XIII.

<sup>10</sup> Bishop Basil (Osborne) of Sergievo, *Orthodoxy in a United Europe: The Future of Our Past* in Jonathan Sutton, Wil van den Bercken, *Orthodox Christianity and Contemporary Europe*, Leuven, Uitgeverij Peeters 2003, p. 1.

<sup>11</sup> *Ibidem*, pp. 2-18.

<sup>12</sup> A scholarly and interdisciplinary interest for the Greek case was renewed by Makrides and Roudometof's social and antropological studies on a variety of issues within the boarder Greek

society and abroad (see Vasilios N. Makrides, Victor Roudometof, *Introduction: Tradition, Transition and Change in Greek Orthodoxy at the Dawn of the Twenty-First Century* in Victor Roudometof, Vasilios N. Makrides, *Orthodox Christianity in 21<sup>st</sup> century Greece. The Role of Religion in Culture, Ethnicity and Politics*, Farnham, Ashgate Publishing Limited, 2010, pp. 1-2).

<sup>13</sup> *Ibidem*, pp. 1-20.

<sup>14</sup> *Ibidem*, pp. 195-196.

<sup>15</sup> For more about the European legal system and ECJ's jurisprudence (European Court of Justice), see Irina Olivia Popescu, *Contribution of European Court of Justice to the principle of supremacy of EC law* in Revista de Științe politice. Revue des Sciences Politiques, no. 13/2007, pp. 94-96.

<sup>16</sup> According to Norman Doe, *Law and Religion in Europe. A Comparative Introduction*, New York, Oxford University Press, 2011, p. 23.

<sup>17</sup> The Constitution of Greece entered into force in 1975 and it was revised three times since (1986, 2001 and 2008); the Constitution of Cyprus was ratified in 1960; the Romanian Constitution entered into force in 1991 and it was revised by a referendum in 2003; the Constitution of Bulgaria was adopted in 1991 and it was revised four times in 2003, 2005, 2006 and 2007.

<sup>18</sup> According to the official translation into English of the Constitution of Greece available at the following address <http://www.hellenicparliament.gr/UserFiles/f3c70a23-7696-49db-9148-f24dce6a27c8/001-156%20aggliko.pdf>.

<sup>19</sup> Philippos C. Spyropoulos, Theodore P. Fortsakis, *Constitutional Law in Greece*, AH Alphen aan den Rijn Kluwer Law International, 2009, p. 263.

<sup>20</sup> *Ibidem*, p. 264.

<sup>21</sup> Kyriakos N. Kyriazopoulos, *The "Prevailing Religion" in Greece: Its Meaning and Implications* in Journal of Church and State", Vol. 43, No. 3/ 2001, pp. 511-538.

<sup>22</sup> *Ibidem*, pp. 536-537.

<sup>23</sup> *Ibidem*, p. 516.

<sup>24</sup> *Ibidem*.

<sup>25</sup> According to the official translation into English of the Constitution of Greece available at the following address <http://www.hellenicparliament.gr/UserFiles/f3c70a23-7696-49db-9148-f24dce6a27c8/001-156%20aggliko.pdf>.

<sup>26</sup> According to the official translation into English of the Constitution of Cyprus available at the following address

[http://www.presidency.gov.cy/presidency/presidency.nsf/all/1003AEDD83EED9C7C225756F0023C6AD/\\$file/CY\\_Constitution.pdf?openelement](http://www.presidency.gov.cy/presidency/presidency.nsf/all/1003AEDD83EED9C7C225756F0023C6AD/$file/CY_Constitution.pdf?openelement).

<sup>27</sup> See also Cătălina Maria Georgescu, *The impact of EU competences over Human Rights Matters on the Implementation of Anti-Discrimination Legislation in the Member States* in Revista de Științe Politice. Revue des Sciences Politiques, no. 16/ 2007, pp. 25-29.

<sup>28</sup> For more about the Romanian justice reform after EU integration in a comparative perspective see Irina Olivia Popescu, *Romanian Justice Reform under CVM's rule. Innovative vision of the New Civil Code in matters of property rights* in Revista de Științe Politice. Revue des Sciences Politiques, no. 29/ 2011, p. 14-15

<sup>29</sup> According to the official translation into English of the Constitution of Romania available at the following address: [http://www.cdep.ro/pls/dic/site.page?den=act2\\_2&par1=2#t2c2s0a29](http://www.cdep.ro/pls/dic/site.page?den=act2_2&par1=2#t2c2s0a29).

<sup>30</sup> According to the official translation into English of the Constitution of Bulgaria available at the following address <http://www.parliament.bg/en/const>.

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## ORIGINAL PAPER

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# The evolution of the legal regime of institutions issuing electronic money in the Romanian legal system

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**Abstract:** *In the national legal system, the electronic money institutions benefited of a legal framework which transposed the existing regulations in the field at the EU level. Thus, the legal status of those law subjects faithfully followed the changes promoted by the European legislator, from the moment of their acknowledgement in Romania until now. Initially, the electronic money institutions were part of the category of credit institutions, their legal regime being the one established by Law no. 58/1998 on banking activity and after that by the Government Emergency Ordinance no. 99/2006 on the credit institutions and the adequacy of capital. The deficiencies generated by the applicable normative framework, which could not answer in an adequate manner the necessities and evolution of the field of payment services with electronic money lead to a radical change in the field. Currently, the Law no. 127/2011 on the activity of issuing electronic money is the one which regulates the new legal regime of electronic money institutions, this presenting only certain similarities with the one of credit institutions to which they belonged before.*

**Keywords:** *credit institution; electronic money institutions; legal regime; Law no. 58/1998; Government Emergency Ordinance no. 99/2006; Law no. 127/2011.*

### **The initial national regulatory framework for electronic money institutions**

The process prior to Romania's accession to the European Union occasioned the beginning of the harmonization of national law with community law, the impact of this process also being reflected in the financial and banking sectors.

In this general context, the present legal language acquired the syntagm "credit institution" <sup>1</sup>, which reveals the exact meaning existing in the current European legislation. Thus, by credit institution, one used to understand "the entity performing a professional activity for the purpose of attracting deposits or other reimbursable funds from the public and of granting credits on its behalf, and the entity issuing electronic money, other than the aforementioned one, called electronic money institution." The previous definition was consecrated by Law no. 58/1998 on the banking activity (art. 1), after the amendments brought by Law no. 485/2003. In their turn, the aforesaid national norms did nothing but transposing the definition arising out of Directive 2000/46/EC on the taking up, pursuit of and prudential supervision of the business of electronic money institutions. From the very beginning, the establishment of a regulatory framework for the electronic money institutions was closely related to the emergence of electronic currency, the latter representing one of the effective means of promoting European electronic commerce<sup>2</sup>.

Considering this first national regulatory framework<sup>3</sup>, the electronic money institutions were a category of credit institutions, as legal persons issuing means of payment in the form of electronic currency. Similar to banks, as a prototype of the credit institution, the electronic money institutions had the juridical form of a joint-stock company and could be constituted and function only on the basis and within the limits of the authorisation issued by the National Bank of Romania, the authority ensuring not only the authorisation, but also the regulations and prudential supervision. As for the regime of the establishment and functioning of electronic money institutions, it was subject to a great extent to the dispositions applicable to banks. Yet, the electronic money institutions were favoured by certain particularities, mainly generated by the nature of their object of activity.

In concreto, the activities that electronic money institutions were allowed to perform by the legislature were the expression of a limitation of its own object of activity. In this respect, they could carry out electronic money issuing activities and provide financial and non-financial services strongly related to the electronic money issuing activity and/or services regarding the storing of information on an electronic device on behalf of certain public institutions or other entities.

Thus, although the electronic money institutions were credit institutions, the activities that they were allowed to carry out were different from those permitted to banks. The banks mandatorily performed a banking activity, more precisely they attracted deposits or other reimbursable funds

from the public and granted credits on their behalf, but also other activities mentioned by Law no. 58/1998 (art. 8). In exchange, the electronic money institutions could not grant credits, and the attraction of reimbursable funds was conditioned by their immediate transformation into electronic currency. One doctrinal opinion expresses the fact that, relating to banks, the electronic bank does not fundamentally alter the role and activities of banks, but it allows a considerable extension of their potential markets and, moreover, it exposes them to new risks<sup>4</sup>.

During the validity period for which the electronic money was issued, the subjects under analysis were the holders of the obligation to buy it back, at the request of those possessing it, under such terms clearly set out in the contracts concluded with them. The act of buying it back had to be effected at the level of the value of the issued electronic money existing in stock, by converting its value into cash or by transferring it into the account, without retaining any taxes and fees other than those necessary for the buying back operation. The contract concluded between the parties could stipulate a minimum buying back threshold, which could not amount to more than the equivalent of 10 Euros.

With regard to the activity allowed to electronic money institutions, the legislature also regulated the interdiction to have participants in other entities, except those whose object of activity consisted exclusively in providing operation services or other services related to the issuing or distribution of electronic money by that institution.

The legislature also established that electronic money institutions must dispose of a prudential and healthy management, of administrative and accounting procedures and appropriate internal control systems, which should allow financial and non-financial risk assessment, including technical and procedural risks and those resulting from the cooperation with entities providing related services.

In the matter of reorganisation, Law no. 58/1998 recognized the possibility for the entities under analysis to merge with banks, with other electronic money institutions or other institutions providing ancillary services or services related to the activity involving electronic money issuing.

This first regulatory framework ensured by Law no. 58/1998 has the merit of having introduced in the national legal order a type of subject which had not been known before in our legal system. The regulation of electronic money institutions as a category of credit institutions, Romanian legal persons, started the process of implementation of their legal regime recently consecrated at the European Union level.

#### **The regulatory framework for electronic money institutions by the Government Emergency Ordinance no. 99/2006**

After Law no. 58/1998 was repealed, the Government Emergency Ordinance no. 99/2006 on credit institutions and the adequacy of capital became the framework legislation for the credit institutions, as Romanian legal persons. Until the coming into force of the amendments brought to this law by

G.E.O. no. 26/2010, its dispositions implicitly drafted the legal regime for this type of Romanian legal person, motivated by the maintenance of the status of credit institution. The new regulatory framework preserved, to a great extent, the previous legal regime of electronic money institutions, but it also brought certain new elements<sup>5</sup>.

The legal form of the joint-stock company was preserved, the establishment of the electronic money institutions being in compliance with Law no. 31/1990 on companies, under the special dispositions of G.E.O. no. 99/2006. Nevertheless, the process of establishment and authorisation had a particularity, with regard to both the regime generally applicable to a credit institution (of the type involving banks, loans on mortgage and credit cooperative organisations) and their previous legal regime. This means the amount of the original capital imposed to this type of legal entity which had to be at least at the level provided by the National Bank of Romania by certain regulations, but not less than the equivalent in Romanian currency of 1 million Euros<sup>6</sup>.

Another new element is the fact that, throughout their legal existence, the electronic money institutions had to meet the normative requirements regarding their permanent funds, namely to dispose of a level of funds equal to or higher than 2% of the largest sum or of the average sum in the last six months of their financial obligations connected with the issuing of electronic money. At the same time, the funds of each company could no go below the minimum level of the original capital imposed by norms.

Referring to the role of the National Bank of Romania, it remained the competent authority for the regulation, authorisation and prudential supervision of electronic money institutions, but it also became the only one which could except certain such subjects, totally or partially, from the legal regime established by law for electronic money institutions. The derogatory regime was possible only in the situations consecrated by G.E.O. no. 99/2006 (art. 329), being of strict interpretation and enforcement. Another competence acquired by the National Bank of Romania was that consisting of the establishment, by different regulations, of the investments allowed to electronic money institutions and of the reporting requirements, including those for such entities totally or partially excepted from the enforcement of G.E.O. no. 99/2006.

As for the activities accessible to electronic money institutions, G.E.O. no.99/2006 preserved their specialized vocation, both when they act as Romanian legal persons, and when they lay the basis of branches in Member States of the European Union. Thus, the analyzed subjects continued to be specific entities in the field of electronic money issuing, performing the same activities as those permitted by the first regulation within our national order. Moreover, once the G.E.O. no. 113/2009 on payment services was adopted, their object of activity could also contain payment services. Along with that, the banking activity remained inaccessible to the credit institution category, due to the fact that attracting funds for the purpose of issuing electronic currency is

not considered as attracting deposits or other reimbursable funds, if the funds received were immediately changed into electronic money.

Last but not least, G.E.O. no. 99/2006 maintained the rules initially arising out of Law no. 58/1998 for the obligation to buy back the electronic currency issued by the electronic money institutions, for their interdiction to have participants in entities other than those provided by law and for mergers.

The provisions of G.E.O. no. 99/2006 allocated to the legal regime of electronic money institutions, although the expression of an evolution from the legislative standpoint, continuing the transposition of the regime consecrated at European level, had no practical impact. In accordance with the credit institutions register kept by the National Bank of Romania, there was no establishment of such a juridical entity on the territory of our country. As the receptivity was also low at the level of the other Member States of the European Union, the unsuccessful putting into practice of the system of electronic money issuing emphasized the need for a change in the legal regime applicable to electronic money institutions.

#### **The regulatory framework for money institutions by Law no. 127/2011**

The setting out of a new legal regime for electronic money institutions originates in the will of the European legislature and is relatively recent. In this respect, at the level of the European Union, there was adopted Directive 2009/110/EC<sup>7</sup> which provided the elimination of the electronic money institutions from the category of credit institutions. It thus created a viable and attractive regime for electronic money, in the hope of relaunching the interest in the establishment of electronic money institutions along with major changes in their legal regime<sup>8</sup>.

In the national legal order, the aforementioned Directive was originally transposed by the provisions of G.E.O. no. 26/2010<sup>9</sup>, and later by the provisions of Law no. 127/2011 on the activity of issuing electronic money<sup>10</sup>, this normative act being present in the framework law for the previously analyzed category of subjects.

In accordance with Law no. 127/2011, the electronic money institution is a legal person authorized by law to issue electronic money. At present, under the impact of the abovementioned European legislation, by electronic money one understands the electronically stored monetary value, including magnetic devices, representing a debt on the part of the issuing institution, issued at the reception of funds for the purpose of performing payment operations and which is accepted by a person, other than the electronic money institution.

If the definition of the electronic money institution has remained, as a matter of principle, identical to the one existing in the previous legislation, with regard to the legal regime of these entities the present regulatory framework has brought enough new elements. All the changes are justified by the fact that the electronic money institutions are no longer considered as credit institutions, but they have acquired their own status, different from that of credit institutions. As a whole, Law no. 127/2011 ensures a more permissive

legal regime, with a view to encouraging and facilitating the establishment of such juridical entities. However, even if there was a separation from the category of credit institutions, it is obvious that many similarities have survived.

Law no. 127/2011 is not intended for electronic money institutions, as Romanian legal persons, but for the activity of electronic money issuing. But most of its dispositions exclusively aim at these entities [art. (4) par. (1) letter e and art. 7-85], motivated by their status as electronic money institutions and the urgent need for a new regime in accordance with the evolution of the European Union's legislation. As a consequence, the respective normative act consecrates a definition and regulates diverse aspects that their authorisation and supervision imply. In this respect, there were regulated: the minimum requirements for the access to the activity; the authorisation of the electronic money institutions; the operational requirements; the externalization of the activities and their performance by means of the agents of the activity of providing payment services; the notification procedure for the performance of the activity in other Member States; the relation with third states; the notification procedure for the performance of the activity on the territory of Romania by electronic money institutions from other Member States; the register of electronic money institutions; the authority competent with the supervision; the professional secret and exchange of information. In the matter of issuing and buying back electronic currency, the rules consecrated by Law no. 127/2011 are common for all electronic money institutions (art. 86-104), no special regime being imposed in the case of electronic money institutions.

The diversity of the changes generated by the present legislative framework does not allow a thorough and substantial analysis in this paper. Consequently, we will deal, with regard to the changes brought to the legal regime of electronic money institutions, as Romanian legal persons, with some of the new elements in their juridical form, the activities that are accessible to them, the role of the National Bank of Romania, the relation with the Member States and third states, as well as the contract concluded with those possessing electronic currency.

As previously mentioned, one of the amendments refers to the very juridical form accessible to electronic money institutions. At present, they can be constituted in any of the forms of company regulated by Law no. 31/1990 on companies, thus renouncing the exclusivity of the joint-stock company form.

The present framework law for the electronic money institutions has also brought forward changes in the matter of the activities they are allowed to perform. In this field, the legislature extended the sphere of the operations that can be carried out by such legal persons and recognized the possibility that the activity of electronic money issuing, even if mandatory, need not be the main activity.

*In concreto*, the object of activity of an electronic money institution will consist, besides issuing electronic currency, of such activities as: a) providing payment services (regulated under art. 8 of G.E.O. no. 113/2009); b) providing

operational services and related services connected with the electronic money issuing (such as: ensuring payment operations, money exchange services, custody services or data storing and processing); c) the administration of payment systems; d) commercial activities, other than electronic money issuing and providing payment services, with the observance of the enforceable legislative framework; e) giving credit related to payment services (of the type mentioned in art. 8 letters d, e and g of G.E.O. no. 113/2009) and the giving of credit with the observance of Law no. 93/2009 on non-banking financial institutions, with the specification that neither of these types of credit can have as a source the funds received in exchange for the issued electronic currency.

Referring to the activity of electronic money issuing, the legislature maintains the obligation for the electronic money institutions to issue electronic currency without delay, on receipt of the funds for which this currency is issued. Connexed to this obligation, the interdiction to attract deposits and other reimbursable funds from the public is still valid, in the sense of the operations of this type permitted in the case of credit institutions by G.E.O. no. 99/2006. Consequently, the reception of funds intended for issuing electronic currency, respectively for providing payment services, is not considered as attracting deposits or other reimbursable funds from the public. In this way, they preserve the monopoly instituted upon the activity of attracting deposits and other reimbursable funds from the public established by norms for the benefit of credit institutions.

For the first time, the legislature regulates the externalization of the electronic money issuing or payment services provided by the electronic money institutions. In accordance with the regulations under Law no. 127/2011, it is prohibited to totally or partially externalize the issuing of electronic currency or to provide payment services, only an externalization of the operational function related to the two types of activity being possible, with the observance of the terms of the normative act.

As for the intervention of the National Bank of Romania in the sphere of the electronic money institutions, one may notice the maintenance of the competence of this authority to ensure the regulations, authorisation and prudential supervision. Nevertheless, the concrete exercise of each prerogative has numerous characteristics according to the situation when the entities under analysis came within the category of credit institutions. Of them, one should emphasize the simplification of the process for their authorisation and the limitation of the prudential supervision exercised by the central bank of Romania.

Law no. 127/2011 imposes the obligation to obtain an authorisation from the National Bank of Romania for the issuing of electronic money and for providing payment services before starting these activities. In this respect, the applicant must transfer to the central bank of Romania an application with the documentation and information required by law. The authorisation will be issued to the electronic money institution provided that, in conformity with the information and documents, all the requirements imposed by different

regulations are met and provided that the assessment of the project is favourable.

As compared to the period when the analyzed subjects were credit institutions, the minimum conditions for access to the activity and the stages of the authorisation process are subject to a particular interpretation. At present, the minimum conditions for access to the activity, the assessment of which is made on the occasion of the application for authorisation from the National Bank of Romania, are: the juridical form; the social head office; the administrative framework for the activity of electronic money issuing and /or of providing payment services, the procedures of identification, administration, monitoring and risk reporting and the internal control mechanism; the persons in charge of the management and administration of the activity of electronic money issuing and/ or of providing payment services; the shareholders or associates who own qualified participations; the close relations between the electronic money institution, as Romanian legal person, and other natural or legal persons; the original capital<sup>11</sup>.

Of these, a major change (except the juridical form which has already been studied) is visible in the matter of the original capital the amount of which, on the date of the authorisation, must be of at least the equivalent in Romanian currency of 350,000 Euros. The lowering of the minimum threshold imposed by law, as compared to the previous regulations, is another argument favouring the creation of more accessible conditions for the establishment of such legal persons.

The extension of access to any of the juridical forms of company in the case of the establishment of an electronic money institution and the type of activities that can be performed by them generated an adaptation of the persons who could be in charge of the management and administration of the electronic money issuing activity and/or of providing payment services. According to the two criteria, the persons who can hold such responsibilities within an electronic money institution, if they meet the criteria laid down by law, are: a) the administrators, active partners, managers, or accordingly, the members of the supervision board and the members of the directorate (in case the main activity refers to the abovementioned activities); b) the persons in charge of the coordination of the organizational structure which ensure the carrying out of the activity of electronic money issuing (in case the main activity does not refer to the abovementioned activities).

In its turn, the authorisation process for electronic money institutions does not have the complexity degree characterizing credit institutions (in the case of which it is mandatory to obtain the approval for the establishment as credit institutions, Romanian legal persons, and the authorisation for functioning in order to be able to perform their activities on the territory of Romania), now involving one stage only before the National Bank of Romania and a shorter time for deciding on the application by a decision (maximum 3 months from the submission of the application).

With regard to the competence sphere of the National Bank of Romania to ensure prudential supervision of the authorized electronic money institutions, as Romanian legal persons, we consider it necessary to present a delimitation introduced by the legislature in this matter. Thus, although the National Bank of Romania is the authority responsible with the supervision of the observance of the requirements imposed by Law no. 127/2011 to the analyzed entities, yet its supervision competence does not aim at commercial activities of the electronic money institution other than electronic money issuing, providing payment services, and providing operational services and related services connected with these two activities.

The record of the electronic money institutions is ensured, just as before, by the National Bank of Romania. The novelty is the fact that the central bank organizes and administers a register of the electronic money institutions<sup>12</sup>, this type of legal persons ceasing to be registered in the register of credit institutions. This specific register is public, accessible online, is constantly updated and provides information regarding the activities for which every registered juridical entity was authorized.

Considering the present regulatory framework, one should also notice some alterations in the matter of the performance of activities by the electronic money institutions, as Romanian legal persons, on the territory of other states, and by the electronic money institutions, as foreign legal persons, on the territory of Romania.

In the event that the analyzed entities of the Romanian legal person type intend to issue electronic currency or to provide payment services for the first time on the territory of Member States, the legislature did not alter the forms in which this was previously possible (namely by opening branches or directly), it regulated insignificant changes on the procedure of notifying the National Bank of Romania with regard to this intention, as related to the rules of the period when they were part of the credit institution category, and as a new element, it created the possibility of using natural or legal persons for the distribution and the buying back of electronic currency. In their turn, the electronic money institutions authorized in another Member State will be able to perform in Romania the same activities and in the same form as those mentioned before, on the basis of a notification sent to the National Bank of Romania by the competent authority in the original Member State.

In case the electronic money institutions, as Romanian legal persons, issue electronic money and/or provide payment services in third states, the legislature maintains the rule of establishing branches, with prior approval given by the National Bank of Romania and regulates, as a novelty, the possibility of using natural or legal persons for the distribution and buying back of electronic currency in third states, in accordance with the regulations of the central bank of Romania.

A substantial change refers to the entities issuing electronic currency and having their head office in third states. As a rule, they will not be able to carry out an activity of issuing or distributing and/or buying back electronic

money, nor will they be able to provide payment services on the territory of Romania except after constituting an electronic money institution, as a Romanian legal person<sup>13</sup>.

Law no. 127/2011 substantially regulated the contract between the electronic money institution and the holder of this money. Such a contract must clearly, completely and precisely stipulate the terms for buying the electronic currency, including the information concerning the levying of any taxes for their buying back, value or calculation manner. In this matter, the rules are generally valid for any issuing institution, the legal norms being applicable to the electronic money institutions by considering this quality. As for the other contractual party, Law no. 127/2011 sets out that its dispositions on the termination of the contract may not be enforced, totally or partially, in the case when the electronic money holder is not a consumer, and the parties agree on the inapplicability.

Another new element concerns the moment of electronic money issuing. The rule, identical to the one in the previous regulations, consists in the obligation to issue electronic currency of a value equal to that of the funds received in exchange at the moment of receiving the funds, and the exception, recently introduced, consists in the possibility of issuing electronic currency before the funds are received, in the event that the payment is carried out by means of a payment instrument.

In its turn, the obligation to buy back the electronic currency is governed by supplementary rules. As before, the electronic money institution has the duty to buy back, at the holder's request, at any moment, for free and by the nominal value, the electronic currency that he holds. But, according to the new regulatory framework, the issuing institution can require, at the restitution, a tax if it is specified in the contract, which must be established in proportion with the effective expenses met by the issuing institution with regard to the buying back, and only in one of the following cases: a) when the buying back is requested before the termination of the contract; b) when the contract stipulates a date of termination and the electronic money holder set aside the contract before this date; c) when the buying back is requested after more than one year from the termination of the contract. If for the first case, the holder can require the buying back of the whole monetary value of the electronic currency held or only part of it, in the other two cases, he can require from the issuing institution only the buying back of the whole monetary value of the electronic currency he holds.

Law no. 127/2011 also ensures, for the first time at a normative level, a regulation of the very termination of this type of contract, since there are particularities as the initiative belongs to the electronic money holder or the electronic money institution.

The electronic money holder can terminate the contract any moment, if the parties did not agree on a notification period (which cannot exceed 30 days). The unilateral termination of a contract by the electronic money holder, contract concluded for a specified period longer than 12 months or an

unspecified period is free of charge for a holder after the end of the 12 months. In any other situation, not coming within the previously mentioned cases, the issuing institution can require a price for the unilateral termination of the contract by the holder. It has to correspond to the actual expenses of the issuing institution, to be limited to covering these expenses, not to lead to supplementary revenues or to discourage the holder from unilaterally terminating the contract.

In its turn, the electronic money institution can unilaterally set aside the contract concluded for an unspecified time, by sending a notification which meets the requirements laid down by law, at least two months before, but only in case it is so agreed upon in the contract.

With reference to the price periodically required for providing services, it is paid by the electronic money holder only in proportion with the period preceding the termination of the contract. In the event that the price is paid in advance, it is proportionally reimbursed.

In the end, in order to complete the legal regime of electronic money institutions, the provisions of Law no. 127/2011 also established the acts constituting contraventions or offences, as well as the authorities competent with reporting the failure to observe the norms (namely, the National Authority for Consumer Protection, the Financial Guard or the National Bank of Romania). The disputes arising between the electronic money institutions and their clients can be settled by extrajudicial procedures and/or by bringing an action to court.

In conclusion, the present legal regime of electronic money institutions - Romanian legal persons, is a modern one and complies with the model indicated at the European Union level. The changes it was subject to, transposed in the national legal order by Law no. 127/2011, materialize a flexibility of the establishment and prudential supervision rules, at the same time completing the exclusion of the electronic money institutions from the category of credit institutions. This phenomenon supports the emergence of a genuine single market for electronic money payment services and the harmonization of national juridical situations around a single statute.

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<sup>1</sup> In the national legal system, the syntagm is new only from the standpoint of its meaning, as there were such legal entities so called in the past. In this respect, see V. Axenciuc, *Evoluția economică a României. Cercetări statistico-economice 1859-1947, Vol. III. Monedă-Credit-Comerț-Finanțe publice*, Ed. Academiei Române, București, 2000.

<sup>2</sup> In this respect, see É. Wéry, *Facture, monnaie et paiement électronique. Aspects juridiques*, Éd. Litec, Paris, pp. 107, 101-111.

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<sup>3</sup> The special legal regime of the electronic money institutions was mainly revealed in art. 1, art. 3 points 12-13, art. 15<sup>2</sup> -15<sup>3</sup>, art. 83<sup>3</sup> - 83<sup>7</sup> of Law no. 58/1998.

<sup>4</sup> M. Aglietta, L. Scialom, *Les risques de la monnaie électronique*, Revue d' économie politique 2002/2 no. 14, , p. 85, Éd. Quetigny, Paris.

<sup>5</sup> The special legal regime of the electronic money institutions was mainly revealed in art. 3-6, art. 7 point 10 and point 16 or art. 321- 332 of G.E.O. no. 99/2006.

<sup>6</sup> For details, see L. Săuleanu, L. Smarandache, A. Dodocoiu, *Drept bancar*, Ed, Universul Juridic, București, 2009, pp. 69-99.

<sup>7</sup> The Directive of the European Parliament and of the Council regards the access to the activity, carrying out and prudential supervision of the activities of electronic money institutions, for the amendment of Directives 2005/60/EC and 2006/48/EC and for repealing Directive 2000/46/EC, being published in the Official Journal, L 267/ 10 October 2009.

<sup>8</sup> For the impact of the Directive in the French legal system, see B. May, M. Vincent - Moreau, *Transposition de la Directive 2009/110. Une deuxième chance pour la monnaie électronique?*, Revue Banque & Droit N° 135 janvier-février 2011, pp. 15- 20.

<sup>9</sup> For amending and completing the Government Emergency Ordinance no. 99/2006 on credit institutions and the adequacy of capital and other normative acts, published in Monitorul Oficial (Official Gazette of Romania) no. 208 of 1 April 2010. The provisions under art. VII letters b-c of the G.E.O. no. 26/2010 repealed, starting with 30 April 2011 the dispositions applicable to electronic money institutions consecrated by G.E.O. no. 99/2006.

<sup>10</sup> Published in Monitorul Oficial (Official Gazette of Romania), no. 435 of 22 June 2011.

<sup>11</sup> For the minimum conditions of access to the activity imposed by G.E.O no. 99/2006 to the credit institutions and their analysis, see L. Săuleanu, L. Smarandache, A. Dodocoiu, *Drept bancar*, Ediția a 2-a revăzută și adăugită, Universul Juridic, București, pp. 115-118.

<sup>12</sup> The register presents the electronic money institutions, as Romanian legal persons, their branches in other Member States and third states, as well as the agents of the electronic money institutions, Romanian legal persons.

<sup>13</sup> Law no. 127/2011 made an exception under art. 56 par. (2). It refers to the branches of the entities which issue electronic currency and are located in third states with which there were agreements concluded at the European Union level regarding the regime of the activity of electronic money issuing and the activity of providing payment services, the provisions of these agreements being prevalent.

**MEDIA STUDIES:  
PERCEPTIONS AND REALITIES IN  
THE NEW MEDIA AGE**

## ORIGINAL PAPER

**Krzysztof OLSZEWSKI**

### **Image of Romania as member of the European Union in the Polish press**

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**Abstract:** *Poland and Romania are two largest and most populated countries in Central Europe. In 2008 their presidents Lech Kaczyński and Traian Băsescu signed a declaration on strategic partnership. As members of the European Union they seem to have many convergent interests. Anyway, the presence of Romania in Polish mass-media is not high. At first sight, Bucarest does not play any role as a political actor. The aim of the text is to analyze what has been written in the Polish press about Romania as one of the EU-members. Two daily newspapers („Rzeczpospolita” and „Gazeta Wyborcza”) and two weeklies („Wprost” and „Newsweek”) have been taken into consideration. 60 articles from the period 2000-2011 have been analyzed. Another goal of the text has been an examination of potential differences among those titles in perception of Romania. A question has come out if the images of the country that they used to create differed among each other due to political backgrounds of the newspapers. „Rzeczpospolita” and „Wprost” may be considered as central-right whereas the other two titles as central-left, although that has been not always a rule. „Rzeczpospolita” and „Gazeta Wyborcza” have belonged to the five best sold daily newspapers in Poland. Other titles are either tabloids („Super Ekspres” and „Fakt”) or they used to appear only for a short time („Nowy Dzień” and „Dziennik”). Therefore „Rzeczpospolita” and „GW” have been chosen as the source of analysis. Among weekly newspapers „Wprost” and „Newsweek” have been considered after an initial analysis of others („Angora”, „Gość Niedzielny” and „Polityka”) that had led to the conclusion that they pay hardly any attention to matters concerning Romania. Potential differences among them in the perception of Romania have also been examined. The analysis includes key concepts related to the Romanian membership, among them negotiations and the process of ratification of the accession treaty, the role of the country in the community, their striving to the Schengen area and the role of the EU in stabilizing financial situation in Romania in 2009. Also Polish-Romanian aspects have been considered.*

**Key words:** *Romanian membership, accession treaty, Schengen area, Polish-Romanian relationship.*

## Accession negotiations

Since the beginning of the negotiations in 2000 Polish press almost always used to report on Romania next to Bulgaria. Those two countries were supposed to go „a long way” until they would join the EU, as Jędrzej Bielecki from „Rzeczpospolita” wrote. According to the European Commissioner for Enlargement Günter Verheugen the case of Romania was „exceptionally difficult”. For the time being nobody thought about its accession. Two years later foreign ministers of Romania and Bulgaria quoted by “Gazeta Wyborcza” held that both countries should join the EU in 2007<sup>1</sup>.

Only in autumn 2003 “GW” wrote about a possible separation of both countries on their way to the community. Sofia was supposed to close only 4 negotiation chapters whereas Bucarest had still 10 chapters open. Romania was not considered by the EU to be a “functioning market economy”. As a report of the European Commission said, there was “a chasm between Romanian obligations and its ability to fulfil them”. The country was reproached for blocking privatisation, a non regulated job market, corruption and a lack of independence of the justice system<sup>2</sup>. Moreover, Romania used to be accused of “exporting children for adoption” and unclear rules of awarding government contracts<sup>3</sup>.

Dramatic words for the situation were found by Robert Sołtyk in “Gazeta Wyborcza”. He wrote about “dark clouds over Romania”. In his opinion, the situation was critical and it could not be ruled out that the country would adhere to the EU only next to Croatia. A report of the European Parliament criticized Romania but the spokesman of the EC said that it should have been understood as “an incentive for reforms strengthening the administration, fight against corruption, changes in the judiciary”<sup>4</sup>. Bucarest was supposed to close the negotiation chapters concerning liberty of services, competition and state subsidies; energy market; environment protection; protection of frontiers and the judiciary as well as finance control. A pressure of Hungary aiming at an improvement of the treatment of Hungarian minority in Transilvania could have been an additional problem<sup>5</sup>.

In the report of the EP following shortcomings were mentioned: lack of an anti-corruption law and an effective fight against this phenomenon, lack of an independently acting judiciary, restricted liberty of media and cases of intimidation of journalists, tortures and inhuman treatment at police stations as well as lacking protection of children. Regarding the last matter, the report pointed out that “European institutions and politicians had been cheated [by the Romanian part] as far as children able to be adopted are concerned”. British MEP Emma Nicholson, who had been author of the report, said that Romania could not count on the accession in 2007 without crucial reforms<sup>6</sup>.

Robert Sołtyk took note of the Romanian Prime Minister Adrian Năstase who assured the President of the European Commission Romano Prodi to accelerate the reform pace. Prodi in turn warned his interlocutor of a possibility of returning the received 42 million euro funds as a consequence of

corruption, „which in Romania is a serious problem reaching the tops of power”. Sołtyk wrote about recent dismissals due to corruption charges of the Secretary General of the Government Șerban Mihăilescu, the Health Minister Mircea Beuran and the Minister for European Integration Hildegard Puwak<sup>7</sup>.

A foreseen reconstruction of Năstase's cabinet was described by “Gazeta Wyborcza” in March 2004. The PM's response to accusations of “a lack of reforming zeal” was the creation of three “super-ministries” responsible for fields in which urgent reforms were needed<sup>8</sup>.

An improvement of the situation took place at the end of 2004. According to “Gazeta Wyborcza” Romania was supposed to receive from the EU in the years 2007-2009 circa 560 million euro in order to boost its budget and to improve border protection. Competition policy and internal affairs were chapters left to be negotiated<sup>9</sup>. Finally, in December 2004 Romania closed its accession negotiations. Jędrzej Bielecki wrote in “Rzeczpospolita” that Bucarest would not participate in negotiations on the EU budget 2007-2013. They were supposed to end before the Romanian entry. Moreover, Romanians had to accept limited sums of financial support in the first three years of their membership. A quoted Romanian diplomat told that “a model for Brussels were the conditions of the Polish accession”. Romania had to accept nearly all the points, like a 7 years long transitional period concerning the right to work in the old member states as well as a 10 years long transitional period in agriculture. Romanian farmers were supposed to receive at the beginning 25 % of the Western European subsidies level<sup>10</sup>.

### **Ratification process of the accession treaty**

Bucarest's problems did not end with the completion of all negotiation chapters. In the second half of 2005 information appeared about a possible delay of the accession of Romania and Bulgaria. “GW” wrote that according to the EC both countries were still not ready to enter the community. Olli Rehn, the Commissioner for Enlargement quoted by the newspaper, held that they had “particular problems with management of EU funds (especially those concerning agriculture), veterinary services, organised criminality and corruption”. In spite of numerous well known corruption cases in Romania in the last years, not even one sentence had been passed. What was more, the author of the article Konrad Niklewicz pointed out a quite unfavourable attitude of the European Parliament towards the new enlargement. That was “a bad token”<sup>11</sup>. Moreover, “Rzeczpospolita” mentioned an appeal launched by Amnesty International that accused Romania and Bulgaria of breaking human rights. Disabled people and members of Roma minority were allegedly affected by aggressive actions of the police. The organisation wanted a restriction of right of the police to use force as well as a controlling system in psychiatric hospitals<sup>12</sup>.

In 2006 Anna Słojewska noticed in “Rzeczpospolita” that for the first time Romania had been ranked by the EU higher than Bulgaria. “The European

Commission has praised Bucarest for the first investigation of corruption at the highest level and for legislation aiming at the creation of an independent and effective judiciary". There was still a problem of "slave trade". On the other hand, any economic shortcomings could not prevent the accession but they could lead to the imposition of the so called protection clauses. For example the EU could have stopped importing Romanian food in case it would not fulfil sanitary standards. Also agriculture subsidies could have been suspended if there had not been created an IT system making their distribution possible<sup>13</sup>.

An interesting opinion was expressed by Dominika Ćosić in "Wprost" in April 2006. In her view a possible delay of Romanian and Bulgarian accession would not have been only a consequence of problems with corruption, a retarded agriculture and human rights. In fact, EU politicians strove to trigger a psychological effect and "to soften" the attitude of both countries. Ćosić thought that "led by the nose" Romania and Bulgaria would not enter the common agriculture policy of the EU<sup>14</sup>. Also Konrad Niklewicz from "GW" wrote that the European Commission tried not to settle the question of the accession date<sup>15</sup>. Anyway, the PM of Luxembourg declared that Romania and Bulgaria would join the EU on January 1<sup>st</sup>, 2007 and not a year later<sup>16</sup>. In Niklewicz's opinion the EU was bound to accept finally the entry of both countries despite standing news about "gangster wars, dishonest clerks and administrative disorder"<sup>17</sup>.

In May 2006 a new report of the EC was published. As a condition for the accession, both countries were obliged to finish the implementation of the EU law as well as to boost their fight against corruption and organised criminality. If they had not accelerated reforms, they could have entered the EU only in 2008. In the opinion of Niklewicz, the report could have been understood in two ways. Politicians unfavourable to the enlargement could have been glad with the delay of decision. Others could have been satisfied that the European Commission had given Romanians and Bulgarians "a conditional but anyway green light". The author noticed that the report had been supported by the majority of members of the European Parliament, especially those from new EU member states<sup>18</sup>.

In September 2006 the EC finally recommended Romania and Bulgaria for the EU accession. Konrad Niklewicz wrote in "Gazeta Wyborcza" about "a political decision". It was supposed to be the last enlargement of the EU in the decade<sup>19</sup>. The journalist noticed that the decision had been taken after "many months of quarrels, pressure and warnings". In his view the EC did not hide the fact that both countries were badly prepared for the accession. They did not manage to fight against corruption effectively, to assure food security and to spend EU funds in a right way. Therefore, the EC had imposed on them a record number of "controlling mechanisms" and "security clauses". They allowed the EU to apply sanctions in case Romania and Bulgaria could not finish their reforms<sup>20</sup>.

As Niklewicz wrote, Romania had been obliged to increase the number of anti-corruption investigations and to create a special government agency in order to examine politicians' fortunes. Otherwise, the EU countries were

allowed not to respect Romanian arrest warrants. Moreover, the work of agencies distributing direct subsidies to farmers was to be examined. The EC could otherwise be entitled to suspend up to 25 % of the subsidies. Apart from this, due to some problems with fighting swine diseases in Romania and Bulgaria a ban on exporting meat and some milk products from those countries to the EU markets was to be maintained<sup>21</sup>.

Romania's problems with fulfilling EU standards were subject of an interview with Vasile Pușcaș in "Gazeta Wyborcza" in August 2006. Former Romanian negotiator said that he was not worried about the so called red flags (i.e. weak points) indicated by the EC. He was rather concerned about the fact that Romania had not learned from Poland's and other countries' mistakes and it had not worked out "a real European policy after joining the EU"<sup>22</sup>.

Furthermore, Pușcaș spoke about the necessity of implementation of all the changes, especially about new legislation and a reform of the judiciary. Effectiveness rules were of paramount importance. Pușcaș complained about problems with substitution of old personnel in the judiciary, too. In his opinion Romania would not have been able to fulfil all the EU membership criteria without an effective administration and judiciary system<sup>23</sup>.

Apart from this, Pușcaș pointed out the need to boost competitiveness of the Romanian economy as well as to introduce changes in the agriculture. Questions of property were to be sorted out and the structure of production was to be changed. About 40 % of the population lived in agricultural areas but the income of this branch made out only 10-12 % of the GDP<sup>24</sup>.

Pușcaș did not agree with the opinion that Romania and Bulgaria were bound to be third category members of the EU (the second category were allegedly Poland and other countries that joined the community in 2004). In his opinion, the old member states took advantage of the enlargement. The so called new Europe had been bringing a new dynamism into the EU<sup>25</sup>.

After it had signed its accession treaty, Romania had to face some serious problems concerning its future membership. In January 2005 "Gazeta Wyborcza" wrote about a request of the EU to stop subsidising Romanian steel industry. That would have led to a cancellation of much more than 8,5 thousand jobs until 2008. In Romanian steel factories there used to work about 52 thousand people. Although subsidies for steel industry were "almost totally forbidden", Romania did not want to stop them. The EC remained intransigent in the matter<sup>26</sup>. Later on, there has not appeared any more information on this matter in Polish press.

Another controversy have been alleged CIA prisons in Romania and Poland. There have been suspicions that in those installations American secret service used to interrogate people suspected of terrorism. In November 2005 "Rzeczpospolita" wrote that a confirmation of those suspicions would lead to the loss of the voting right in the Council of the EU by Romania and Poland. Such a declaration had been made by Franco Frattini, the Commissioner for Justice, Freedom and Security. In his opinion, keeping secret prisons would have been a breach of the European Convention of Human Rights. The

European Commission can intervene in case of breaking the community law. Anyway, Agata Słojewska from "Rzeczpospolita" wrote that depriving member countries of their voting right in the Council would have requested a long procedure<sup>27</sup>. Secret CIA prisons in Poland and Romania have been a subject often described by Polish press. Anyway, most attention has been paid to the Polish aspect in the case.

At the end of 2006 "Rzeczpospolita" reported on "slave trade" flourishing in Romania and Bulgaria. In the first nine months of the year about 1400 minor Romanian prostitutes were allegedly sold to the West. According to experts, those data was only "the peak of an iceberg". The numbers of victims of "slave trade" were even to increase after the accession of the country to the EU due to a better access to new markets. Nonetheless, Romanian authorities assured of sealing the borders and fighting the shady business. Also Romanian organisations fighting against "slave trade" declared that state borders were completely secure<sup>28</sup>.

In the first months after signing the accession treaties by Romania and Bulgaria hardly any member state ratified them. At the end of 2005 "Rzeczpospolita" wrote that "Europe had forgotten about Romania". Marjorie Jouen from the Notre Europe Foundation told the newspaper that "the atmosphere around candidate states was bad in France, Germany or Italy. It was a consequence of a high unemployment, a weak economy growth and a crisis of EU institutions after the rejection of the Constitutional Treaty". The first three countries that ratified new accession treaties were Hungary (hoping for an improvement of the situation of Hungarian minority in Romania), Slovenia (hoping that the Romanian accession would pave the way to the EU for Croatia) and Slovakia. *Chargé d'affaires* of the Romanian embassy in Warsaw George Istode was unhappy with the fact that Poland had not ratified the treaty and Piotr Kaszuba from the Polish foreign ministry admitted that nothing had been done in this respect<sup>29</sup>. Only in 2006 the ratification process gained its momentum. The last country to ratify the documents was Germany<sup>30</sup>.

### **Romanian membership in the European Union**

After Romania's entry many articles about it have appeared in Polish press. Witold Gadomski in "GW" tried to give some "good advice" to the country. He spoke about "a premature accession", just like in case of Poland, but he foresaw a rapid development of Romania in the next years. In his opinion, in order to avoid mistakes and follow good examples Romanian politicians were supposed to analyze Polish experience<sup>31</sup>.

Romania should not have "stopped or slowed down market reforms and consumed fruits of economic growth too fast". It should have fixed a feasible date of accession to the eurozone. That would have helped to keep the right reform pace in the public sphere and to impose a monetary policy favourable for the economy. The most important goal should have been the attraction of European capital and technologies that would modernise the economy. Also a

good exploitation of EU funds should have influenced positively an influx of private capital. In this case an effective state machinery was necessary<sup>32</sup>.

Moreover, in Gadomski's opinion, benefits from EU funds were to stand in inverse proportion to the corruption level. Thus, removing corruption should have been a priority. There should have been a law that would not enable clerks to take arbitrary decisions. The state should have gradually "withdraw from the economy" and decrease its spending<sup>33</sup>. Furthermore, the government was also obliged to create favourable conditions for founding new business activities. That would stop mass emigration of young people<sup>34</sup>.

Much attention has been paid by Polish press to the position that Romania was supposed to take in the EU. At the end of 2006 "Rzeczpospolita" wrote that the country would send 54 deputies to the European Parliament. Next to Bulgaria it was the poorest among 27 member states. Until 2013 Romania was supposed to receive from the EU a support of 30 billion euro<sup>35</sup>.

The newspaper noticed that "half of the German population does not wish Bulgaria and Romania in the EU". Germany, France, Spain and Great Britain had limited the access to their job market for citizens of new member states<sup>36</sup>.

A very negative view on Romanian membership was presented by Dominika Ćosić in "Wprost" a couple of months before its accession. The journalist wrote that Romania and Bulgaria would gain "only crumbs" in the EU. The old member states, in turn, were bound to profit from a new 30 million people sales market. New countries would bring stability into the region and a chance for building alternative pipelines – AMBO and PEOB<sup>37</sup>. According to Günter Verheugen, the biggest beneficiaries were to be Germany and Austria that had already controlled some branches of Romanian economy, like banks and chemical industry<sup>38</sup>.

Ćosić referred also to opinions of EU diplomats concerning benefits for Romania and Bulgaria. First of all, both countries were supposed to gain a "European club card" as well as the access to the common market, a modernisation of the economy and standards equality. In the face of unrests in the former Yugoslavia the membership in the EU and NATO should have been "a cure-all" and a security guarantee for Romania and Bulgaria. Nonetheless, both new member states should also have been prepared for closing many companies due to problems with the fulfilment of EU standards<sup>39</sup>.

Another accent being a sign of a marginal position of Romania and Bulgaria in the EU have been the nominations of new European commissioners. Dominika Ćosić considered their range of activities as "rather symbolical"<sup>40</sup>. Anna Słojewska wrote in "Rzeczpospolita" that they were bound to be "little important". Bucarest was to be represented by the hitherto vice minister for European affairs Leonard Orban. He was to be Commissioner for Multilingualism supervising translators in the EC. In Słojewska's view, there were a couple of reasons for such unimportant posts for Bulgarian and Romanian politicians. "First, their countries do not have such a great political weight in the EU as the current member states. Second, it has not been easy for

the president Barroso to take important fields away from current commissioners, because that would be a sign of a loss of confidence to his colleagues". Moreover, the EC maybe had wanted to "punish" Bucarest for an "unserious previous candidature" of Varujan Vosganian, a senator of the liberal party. "Luckily for Brussels" he had been accused of working for Securitate during the Ceaușescu regime and the candidature had been withdrawn<sup>41</sup>. Later on, no information has appeared in Polish press that the accusation had been groundless.

Ćosić held that many EU countries regarded the new enlargement as "a necessary evil, an unpleasant consequence of already signed treaties". A euphoria about the accession was to be seen only in the capitals of Romania and Bulgaria<sup>42</sup>. In Ćosić's opinion, both countries had been "submissive" during the accession negotiations. Then they showed "a zeal of a neophyte" passing the European Constitution next to the Accession Treaty, although they were not obliged to do it. Despite that, a quoted Belgian diplomat complained that the South-East European countries would "continuously demand money". Although they were to gain relatively the least as new member states, they were perceived as "demanding relatives". What was more, Ćosić wrote about Romania's and Bulgaria's problems with Russia, which had imposed a ban on the import of meat from both countries. The fact that the EU did not help them in the dispute was a sign for Bucarest and Sofia that "Brussels would not die for them". Moreover, as new EU citizens had been refused the access to most job markets, Ćosić saw Romania and Bulgaria as "EU members of second category"<sup>43</sup>.

Anyway, also positive views on Romania's membership used to appear in Polish press. In November 2006 Mihai Răzvan Ungureanu, the then foreign minister of the country, told "Gazeta Wyborcza" that Romania would be able to become "a European tiger". In the next years its GDP growth would amount to 5-6 % being based on export and investments. As Ungureanu noticed, Romania had been gaining up to 7 billion euro foreign investments each year. In 2006 they should have amounted to 9 billion euro<sup>44</sup>.

As far as the order of powers in the European Union is concerned, the accession of Romania and Bulgaria "was not a revolution". Anyway, they were able to influence some changes. As Ćosić remarked in her article, Romania used to have traditionally good relations with France, which had been its "advocate" on the way into the community, as well as with Italy. Moreover, Bucarest used to be very pro-American. Ćosić pointed out the possibility of the establishment of a Polish-Romanian coalition, which would date back to the interwar period<sup>45</sup>. Furthermore, Romania and Bulgaria as "the Balkan pillar of the EU" were supposed to play a stabilizing role in the region, especially in the face of the Transnistrian conflict, in which Moldova had been "a hostage of the situation terrorised by Russia". In case of an armed conflict the South Eastern border of the EU would be endangered. That is why Romania and Bulgaria should be able to increase chances for peace<sup>46</sup>.

## Polish-Romanian duet in the European Union

The accession of Romania to the EU has been often analyzed from the perspective of Polish foreign policy. Jędrzej Bielecki in "Rzeczpospolita" wrote about Romania as "Poland's serious competitor in the struggle for funds, foreign investments and customers buying laborious goods". Romania had reached only 30 % of the average development level of the EU whereas the Polish rate was 46 %. Thus, Bucarest needed European funds much more than Warsaw. Their quantity was limited, though. Germany and France firmly refused to increase the amounts. In a long run Romania and Poland would have to share the funds<sup>47</sup>.

Moreover, both countries would have to compete for sales markets in the EU. Polish and Romanian agriculture sectors often used to be compared. Production of vegetables, fruits and milk products were specialities of both of them. Romania possesses fertile grounds and a favourable climate. From 2007 customs duties were to be cancelled and Romanian farmers were to receive subsidies. That would have improved the situation of Romanian agriculture. Also the export of industry products was supposed to be an area of competition. Although Romanian companies were still at the beginning of their restructuring process, they would develop rapidly<sup>48</sup>.

In 2006 "Gazeta Wyborcza" published an opinion poll about the EU enlargement. According to its results Poles supported the membership of Croatia and Ukraine more than the accession of Romania and Bulgaria. Surprisingly, young people were the most sceptical group. 37 % of 20 years old Poles were against Romania and Turkey in the EU<sup>49</sup>.

Nevertheless, most often Polish press used to write about Romania as an ally in the EU rather than a competitor. The Member of European Parliament Jacek Saryusz-Wolski quoted by "Gazeta Wyborcza" held that Romania's accession would boost the potential of new member states<sup>50</sup>. According to the Polish ambassador in Bucarest Jacek Paliszewski "Romania could be our political ally. It is pro-American, it strives for the integration of Ukraine into the EU. There are also economic aspects. In one year our volume of trade increased from one billion to 1,5 billion and our export has been much higher than the import"<sup>51</sup>.

The ratification of Romanian and Bulgarian accession treaties was passed by the Polish parliament in 2006. Politicians in Warsaw held that Romania and Bulgaria would "pave the way" to the EU for Ukraine. Moreover, they both countries strengthened the group of states aiming at a close alliance with the USA. An economic advantage for Poland was to be the access to new markets. Poland opened also its job market for new EU citizens, although it could have applied a 7 years transitional period<sup>52</sup>. Anyway, as minister Ungureanu said, Poland should not have worried about a great influx of Romanian labour force. Romanians willing to exit their country had already chosen Portugal, Italy, Greece and other South European countries. According to statistics 1,5 million people had left Romania in the last years<sup>53</sup>.

Dominika Ćosić wrote that Poland and Romania would be in the worst case “the hard core of a veto coalition” in the EU. Bucarest could be “Warsaw’s precious ally” in important matters, such as the EU budget or liberalization of job and service market<sup>54</sup>. Apart from this, Romania, Poland and the Baltic states could speak one voice as far as Eastern Policy and energy policy are concerned. According to Ćosić, a Polish-Romanian coalition would work only under the condition that Bucarest would get rid of its “syndrome of a neophyte”. It should have left its “reasonable pro-European policy” and join “the rebels group”<sup>55</sup>.

Energy policy was a subject of the aforementioned interview with minister Ungureanu in 2006. He said that a diversification of oil and gas supplies lied in Polish and Romanian interest, although Romania was not as dependent on Russian resources as Poland was. Bucarest used nuclear power, coal and gas approximately by one third each. Furthermore, if such projects as the Nabucco and the Pan-European Oil Pipeline were realised, Romania could become the most important transit country for alternative gas and oil supplies from Caspian Sea to Europe<sup>56</sup>.

### **Romania`s problems within the EU**

One of the problems that Polish press touched on were attitudes unfavourable to the EU accession in the Romanian society. Popular support for the EU integration sank from 76 % in 2004 to 65 % two years later. Fear of the membership could be found especially among rural population. In 2006 the Romanian government launched a campaign worth 12 million euro trying to challenge “myths about the EU”<sup>57</sup>.

The EU integration has led to an economic transformation that sometimes directly influenced the life of Romanian citizens. Some days before the official accession date “Rzeczpospolita” wrote that January 1<sup>st</sup>, 2007 “would be associated with a rise of prices of electricity, gas and fuel”. The electricity excise duty would rise by 30 %. A litre of gas should cost 2,6 euro instead of 2 euro and the price of one tone of lead-free petrol would rise from 513 to 547 euro<sup>58</sup>.

Another problem have been high taxes on used cars imported to Romania. As “Gazeta Wyborcza” wrote, the first registration of such a car would cost up to 8 thousand euro. Therefore in 2007 the European Commission demanded from Bucarest a lowering of the tax. The European Commissioner for Taxation and Customs Union László Kovács regarded it as discriminatory. The EC was supposed to authorise an expert team to help Romanian authorities to prepare a legislation conforming to the *acquis communautaire*. Otherwise, Romania would be sued in the European Tribunal of Justice for breaking the Accession Treaty<sup>59</sup>.

A reduction of the tax was not in the interest of the Dacia concern owned by the French Renault. It appealed not to change Romania into „Europe’s car dump”<sup>60</sup>. Representatives of Dacia referred to the case of Poland where the new car sales figures have decreased after the entry to the EU

whereas the import of used cars has increased. According to Dacia, "the Polish way" would reduce security on roads and cause additional damages to the environment. New Dacia cars used to emit less carbon dioxide than old imported cars. Moreover, Renault's confidence in Romania would be shaken and further investments would be stopped. A strike of Dacia workers was taken into consideration, too<sup>61</sup>. Later on, the matter of the tax on used cars has not been reported on by Polish press.

In March 2007 "GW" wrote about the impact of Romania's internal politics on its EU membership. The Prime Minister Călin Popescu-Tăriceanu had postponed the European Parliament election "due to political quarrels". It had been supposed to take place on May 13. A new date was to be fixed after consultations among political parties. "Gazeta Wyborcza" wrote that a conflict between the Prime Minister and the President Traian Băsescu had been "shaking politics" for months<sup>62</sup>. As far as the EP is concerned, the deputy George Becali once found his place on the pages of "Rzeczpospolita". The newspaper wrote in 2009 that he would be not allowed to quit the country due to charges of kidnapping... thieves that wanted to steal his car. Thus, Romania would have one deputy less for the time being<sup>63</sup>.

After Romanian accession to the EU many citizens have chosen Italy as their emigration country. Polish press often wrote about "the Italian fear of a Romanian flood". Controversies over Romanians in Italy as well as their positive impact on the economy were not rarely described<sup>64</sup>. The matter reached also the European Parliament. In 2007 "Rzeczpospolita" reported on a quarrel inside the political group Identity, Tradition and Sovereignty. Members of the Greater Romania Party left the group as its Italian deputy Alessandra Mussolini called Romanians "notorious criminals". The scandal happened after a member of Roma minority coming from Romania had killed a 47 years old lady in Rome. As a result of the argument, the ITS group in the EP ceased to exist<sup>65</sup>. Furthermore, Italian parliament passed a legislation enabling its authorities to deport citizens of other EU member states. The Romanian government, in turn, asked the European Commission to examine the legality of the new Italian law. Romanian foreign minister Adrian Cioroianu quoted by "Gazeta Wyborcza" spoke about the necessity to clear up if it did not break the rule of liberty of movement in the EU<sup>66</sup>. Then, during his visit in Rome, Popescu-Tăriceanu next to the Italian head of the government Romano Prodi launched an appeal to Brussels asking for help with the integration of immigrants in Italy<sup>67</sup>. In 2008 Agnieszka Skieterska in "Gazeta Wyborcza" reported on an information campaign of the Romanian government which aimed at showing Romanians who had been successful as emigrants. The project "Romanians in Europe" was supposed to improve the image of the nation especially in Italy and Spain<sup>68</sup>.

In June 2008, as the Italian minister of the interior Roberto Maroni announced the creation of a data base including fingerprints of Roma people living in Italy, the Romanian diplomacy managed to convince the EP to pass a resolution calling the government of Silvio Berlusconi to put off the procedure

until the European Commission examines the matter. In a petition to the Italian government 120 MEP's wrote that the planned procedure would break the rules against racial and ethnic discrimination<sup>69</sup>.

Another bilateral controversy that affected the EU was a tension between Romania and the Republic of Moldova in 2007. Their relations had been already "delicate" as Romania started to assign its passports to Moldovan citizens. Until March 800 thousand people (out of 4 million inhabitants of Moldova) had applied for a new EU citizenship. According to a Romanian law from 1991 every citizen of Moldova who proves that he/she or their parents had lived on territories belonging to Romania before 1940, is entitled to possess the Romanian citizenship. As "Rzeczpospolita" wrote, the value of Romanian passports had risen after its accession to the EU<sup>70</sup>. According to the newspaper president Băsescu supported a simplification of the procedure of issuing passports. He also wanted the EU to found an authority in Chișinău that would supervise the awarding of visas to non-EU citizens. There were not only historical reasons for the Romanian interest in Moldova. People from the other side of the river Prut were supposed to fill in the gape in the Romanian labour market that had been growing due to emigration of Romanians to the West<sup>71</sup>.

The reaction of the Moldovan authorities was very negative. Since 75 % of its population have Romanian roots, it could not have been excluded that the republic could have lost the majority of its citizens. The government in Chișinău accused Romania of abusing its EU membership<sup>72</sup>.

### **Romania in the face of the financial and economic crisis.**

The European Union has been directly involved in rescuing the finances of Romania after the outbreak of the crisis. In March 2009 "Gazeta Wyborcza" wrote that Bucarest had negotiated a 20 billion euro loan from international institutions. It included 12,9 billion euro from the International Monetary Fund, 5 billion from the European Union and the rest from the World Bank as well as the European Bank for Reconstruction and Development. Romania has been the third EU member state (after Hungary and Latvia) forced by the situation to ask for financial help<sup>73</sup>. Romanian GDP was supposed to shrink by 4 % in 2009. As a condition of the agreement with the IMF, Romania had to limit its budget deficit to 5,5 % in 2009 and to 3 % in 2011<sup>74</sup>. The money lent by the EU would not come from the EU budget. It had to be raised as a loan by the EU in financial markets and then transferred to Romania<sup>75</sup>.

### **Romania's aspirations for the Schengen zone membership**

A key aspect of the Romanian foreign policy after the EU accession has been its entry into the Schengen zone. A unanimous decision of all the zone member states was requested. According to Polish press, Germany and France had already opposed it earlier on. Then objections had been raised by Finland. It emphasized the need to improve Romania's record in fighting corruption and

criminality. Governments of the opposing countries dismissed Romanian border services as ineffective. According to the French minister for European affairs, Romania and Bulgaria were still an important smuggling route<sup>76</sup>. Bucarest and Sofia assured to have fulfilled conditions. They were supported by new member states such as Poland and Hungary<sup>77</sup>.

In July 2011 Anna Słojewska wrote in „Rzeczpospolita” that Romania’s task was to sue corrupted politicians and judges, confiscate illegally gained possessions and fight organised criminality. The author pointed out that the country, as well as Bulgaria, had been under a special surveillance of the European Commission within the so called cooperation and verification mechanism. That was “a source of shame” for Romania. For the first time member states were subject to a controlling system which had been previously applied only to candidate states. The surveillance was supposed to end in 2012<sup>78</sup>.

Another country that has blocked Romania’s way into the Schengen zone was the Netherlands in autumn 2011. The official reason was an insufficient fight against corruption. Then, the Polish EU presidency trying to sort out the problem proposed a plan. In the face of German, French and Dutch objections it foresaw the abolition of passport controls at airports since October 31, 2011. Decision on the abolishment of controls at land borders was to be taken in spring 2012. A similar scenario had been applied as Poland and other Central European countries joined the Schengen zone. Warsaw managed to gain the acceptance of Germany and France. Anyway, the plan has failed in spite of the efforts made in the Hague by the Polish vice minister of the interior Piotr Stachańczyk. In Słojewska’s view the Dutch government had been giving in to anti-immigrant emotions. Romania, as a retort, stopped a transport of tulips at its border adducing to a health threat<sup>79</sup>.

Finally, the only two countries to stop Romanian accession to the Schengen zone at a session of the European Council in September 2011 were the Netherlands and Finland. According to what the correspondent of “Rzeczpospolita” wrote, the decisions were owed to internal politics. The governments of both countries were dependent on votes of extreme right parties. Therefore they feared of attacks in case they had voted in favour. Nonetheless, the Dutch minister for immigration and asylum Gerd Leers held that the Schengen zone would be exposed to “an influx of organised crime, drugs and weapons as well as slave trade” if it had admitted Romania and Bulgaria. He refused to discuss the matter until progress in the fight against corruption and in reforms of the judiciary system in Romania and Bulgaria would be evidenced<sup>80</sup>.

Polish minister of the interior Jerzy Miller quoted by “Rzeczpospolita” has come to “a sad conclusion about the lack of a reciprocal confidence among member states”. As Romania and Bulgaria ratified their accession treaties, “they automatically got the promise of admission to the Schengen zone once they fulfil the conditions for abolishing controls at external borders”. In Miller’s view, those conditions were fulfilled already in April 2011<sup>81</sup>.

## Summary

An attentive reader of the four analyzed press titles received a lot of information about Romania's EU integration in the years 2000-2011. A dominant topic of articles have been continuous problems which the country had to face. Troubles with the fulfilment of the EU membership criteria, a constant critic by European politicians and then failed attempts to join the Schengen zone have been the usual content of articles concerning Romania.

Anyway, there has been also another image of Romania transmitted simultaneously to Polish press readers: a country with a dynamically developing economy and a young, optimistic and hard working society which strongly supported the EU integration. There have been even some articles encouraging Polish entrepreneurs to invest in Romania.

Few articles have provided profound analyses of Romanian foreign policy. Nevertheless, not rarely a very positive attitude of Poland toward the Romanian accession has been emphasized. A community of interests has been regarded as having a potential of a future alliance within the European Union. Starting with the year 2000 more and more articles about the development of Romania and its future prospects have been appearing. That may be a sign of "a discovering" of Romania by the Polish public opinion.

There have not been any essential differences among the four chosen titles in perceiving and describing Romania. A more negative or more positive tone of the description of Romanian affairs has been a matter of the given journalist and not the political background of the newspaper.

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<sup>1</sup> J. Bielecki, *Chcą dogonić pierwszą grupę [They want to catch up with the first group]*, „Rzeczpospolita”, 16.02.2000 [from online archive of „Rzeczpospolita”].

JAN, *Ue-Rumunia-Bułgaria*, „Gazeta Wyborcza”, No. 286, 9.12.2002, p. 12.

<sup>2</sup> RS, *Bułgarskie obawy [Bulgarian fears]*, „Gazeta Wyborcza”, No. 260, 7.11.2003, p. 10.

<sup>3</sup> AFP, MAR, *UE. Bułgaria przed Rumunią? [EU. Bulgaria before Romania?]*, „Gazeta Wyborcza”, No. 38, 14.02.2004, p. 6.

<sup>4</sup> R. Sołtyk, *Czarne chmury nad Rumunią [Dark clouds over Romania]*, „Gazeta Wyborcza”, No. 47, 25.02.2004, p. 8.

<sup>5</sup> There.

<sup>6</sup> There.

<sup>7</sup> There.

<sup>8</sup> AFP, MAR, *Rumunia. Poprawimy się! [Romania. We will do better!]*, „Gazeta Wyborcza”, No. 51, 1.03.2004, p. 11.

<sup>9</sup> R. Sołtyk, *Rumunia bliżej UE [Romania closer to the EU]*, „Gazeta Wyborcza”, No. 278, 27.11.2004, p. 32.

<sup>10</sup> J. Bielecki, *Konkurent do dotacji i rynków [Competitor for subsidies and markets]*, „Rzeczpospolita”, 10.12.2004 [from online archive of „Rzeczpospolita”].

<sup>11</sup> K. Niklewicz, *Bułgaria i Rumunia mogą wejść do UE o rok później [Bulgaria and Romania may enter the EU a year later]*, „Gazeta Wyborcza”, No. 250, 26.10.2005, p. 10.

<sup>12</sup> A. Słojewska, *Potrzebna interwencja z Brukseli [An intervention of Brussel needed]*, „Rzeczpospolita”, 20.10.2005 [from online archive of „Rzeczpospolita”].

<sup>13</sup> A. Słojewska, *Otwarcie na wschodnie Bałkany [Opening to the Eastern Balcan]*, „Rzeczpospolita”, 5.04.2006 [from online archive of „Rzeczpospolita”].

- <sup>14</sup> D. Ćosić, *Brukselska piramida finansowa [Brussels` financial pyramid]*, „Wprost”, No. 16 (2006), 23.04.2006, p. 102-103.
- <sup>15</sup> K. Niklewicz, *Czy Unia Europejska zamrozi Bułgarię i Rumunię? [Will the European Union freeze Bulgaria and Romania]*, „Gazeta Wyborcza”, No. 108, 10.05.2006, p. 15.
- <sup>16</sup> AS, *Bułgaria i Rumunia wejdą do Unii w terminie [Bulgaria and Romania will join the EU in time]*, „Gazeta Wyborcza”, No. 110, 12.05.2006, p. 13.
- <sup>17</sup> K. Niklewicz, *UE powie „tak” Bułgarii i Rumunii [EU will say “yes” to Bulgaria and Romania]*, „Gazeta Wyborcza”, No. 112, 15.05.2006, p. 12.
- <sup>18</sup> K. Niklewicz, *Bułgaria i Rumunia na ostatniej prostej do UE [Bulgaria and Romania on the home straight to the EU]*, „Gazeta Wyborcza”, No. 114, 17.05.2006, p. 10.
- <sup>19</sup> K. Niklewicz, *Sofia i Bukareszt dostaną zielone światło [Sofia and Bucarest will get a green light]*, „Gazeta Wyborcza”, No. 224, 25.09.2006, p. 14.
- <sup>20</sup> K. Niklewicz, *Witamy w Unii Bułgarię i Rumunię [Welcome to the EU for Bulgaria and Romania]*, „Gazeta Wyborcza”, No. 226, 27.09.2006, p. 10.
- <sup>21</sup> There.
- <sup>22</sup> A. Skieterska, *Europejski finisz Rumunii. Rozmowa z Vasile Pușcașem [A European finish of Romania. An interview with Vasile Pușcaș]*, „Gazeta Wyborcza”, No. 201, 29.08.2006, p. 10.
- <sup>23</sup> There.
- <sup>24</sup> There.
- <sup>25</sup> There.
- <sup>26</sup> NIK, *Bronią hut przed Brukselą [They defend steel factories against Brussels]*, „Gazeta Wyborcza”, No. 11, 14.01.2005, p. 29.
- <sup>27</sup> A. Słojewska, *Za tajne więzienia CIA grozi utrata głosu w Unii Europejskiej [A loss of voting right in the EU threatening for secret CIA prisons]*, „Rzeczpospolita”, 29.11.2005 [from online archive of „Rzeczpospolita”].
- <sup>28</sup> KZ, *Nieletnie prostytutki z Rumunii i Bułgarii [Minor prostitutes from Romania and Bulgaria]*, „Rzeczpospolita”, 28.12.2008 [from online archive of „Rzeczpospolita”].
- <sup>29</sup> J. Bielecki, *Europa zapomniała o Rumunii [Europe has forgotten about Romania]*, „Rzeczpospolita”, 11.10.2005, [from online archive of „Rzeczpospolita”].
- <sup>30</sup> *Rumunia i Bułgaria jedną nogą w Unii Europejskiej [Romania and Bulgaria with one foot in the EU]*, „Rzeczpospolita”, 25.11.2006 [from online archive of „Rzeczpospolita”].
- <sup>31</sup> W. Gadomski, *Moje dobre rady dla Rumunów i Bułgarów [My good advice to Romanians and Bulgarians]*, „Gazeta Wyborcza”, No. 1, 2.01.2007, p. 2.
- <sup>32</sup> There.
- <sup>33</sup> There.
- <sup>34</sup> There.
- <sup>35</sup> *Rumunia i Bułgaria w Unii Europejskiej [Romania and Bulgaria in the European Union]*, „Rzeczpospolita”, 30.12.2006 [from online archive of „Rzeczpospolita”].
- <sup>36</sup> There.
- <sup>37</sup> D. Ćosić, *Brukselska piramida finansowa [Brussels` financial pyramid]*, „Wprost”, No. 16 (2006), 23.04.2006, p. 102-103.
- <sup>38</sup> There.
- <sup>39</sup> There.
- <sup>40</sup> D. Ćosić, *Unia klasy B [A B-class Union]*, „Wprost”, No. 1 (2007), 7.01.2007, p. 92-95.
- <sup>41</sup> A. Słojewska, *Niewiele dla nowych w Unii [Not much for the new ones in the EU]*, „Rzeczpospolita”, 3.11.2006 [from online archive of „Rzeczpospolita”].
- <sup>42</sup> D. Ćosić, *Unia klasy B [A B-class Union]*, „Wprost”, No. 1 (2007), 7.01.2007, p. 92-95.
- <sup>43</sup> There.
- <sup>44</sup> A. Skieterska, *Rumunia chce bezpieczeństwa energetycznego Europy. Rozmowa z Mihaiem Răzvanem Ungureanu [Romania wants Europe`s energy security. An interview with Mihai Răzvan Ungureanu]*, „Gazeta Wyborcza”, No. 265, 14.11.2006, p. 24.
- <sup>45</sup> D. Ćosić, *Unia klasy B [A B-class Union]*, „Wprost”, No. 1 (2007), 7.01.2007, p. 92-95.
- <sup>46</sup> There.

- <sup>47</sup> J. Bielecki, *Konkurent do dotacji i rynków [Competitor for subsidies and markets]*, „Rzeczpospolita”, 10.12.2004 [from online archive of „Rzeczpospolita”].
- <sup>48</sup> There.
- <sup>49</sup> AS, PAC, *Chcemy w UE tylko tych, których dobrze znamy [We want in the EU only the ones we know good]*, „Gazeta Wyborcza”, No. 115, 18.05.2006, p. 2.
- <sup>50</sup> K. Niklewicz, *Bułgaria i Rumunia mogą wejść do UE o rok później [Bulgaria and Romania may enter the EU a year later]*, „Gazeta Wyborcza”, No. 250, 26.10.2005, p. 10.
- <sup>51</sup> J. Bielecki, *Europa zapomniała o Rumunii [Europe has forgotten about Romania]*, „Rzeczpospolita”, 11.10.2005, [from online archive of „Rzeczpospolita”].
- <sup>52</sup> J. Bielecki, *Tak – dla Rumunii i Bułgarii [Yes to Romania and Bulgaria]*, „Rzeczpospolita”, 28.02.2006 [from online archive of „Rzeczpospolita”].
- <sup>53</sup> A. Skieterska, *Rumunia chce bezpieczeństwa energetycznego Europy. Rozmowa z Mihaiem Răzvanem Ungureanu [Romania wants Europe's energy security. An interview with Mihai Răzvan Ungureanu]*, „Gazeta Wyborcza”, No. 265, 14.11.2006, p. 24.
- <sup>54</sup> D. Ćosić, *Brukselska piramida finansowa [Brussels' financial pyramid]*, „Wprost”, No. 16 (2006), 23.04.2006, p. 102-103.
- <sup>55</sup> D. Ćosić, *Unia klasy B [A B-class Union]*, „Wprost”, No. 1 (2007), 7.01.2007, p. 92-95.
- <sup>56</sup> A. Skieterska, *Rumunia chce bezpieczeństwa energetycznego Europy. Rozmowa z Mihaiem Răzvanem Ungureanu [Romania wants Europe's energy security. An interview with Mihai Răzvan Ungureanu]*, „Gazeta Wyborcza”, No. 265, 14.11.2006, p. 24.
- <sup>57</sup> K. Zuchowicz, *Rząd w Bukareszcie musi walczyć z mitami o Unii [Government in Bucarest has to fight against myths about the EU]*, „Rzeczpospolita”, 30.12.2006 [from online archive of „Rzeczpospolita”].
- <sup>58</sup> *Rumunia: droższa energia wraz z Unią [Romania: more expensive energy along with the EU]*, „Rzeczpospolita”, 30.12.2006 [from online archive of „Rzeczpospolita”].
- <sup>59</sup> A. Kublik, *Komisja Europejska przeciw rumuńskim podatkom od używanych aut [European Commission against Romanian tax on used cars]*, „Gazeta Wyborcza”, No. 49, 27.02.2007, p. 25.
- <sup>60</sup> There.
- <sup>61</sup> There.
- <sup>62</sup> AS, *Rumunia. Wybory do europarlamentu później [Romania. European parliament election later]*, „Gazeta Wyborcza”, No. 61, 13.03.2007, p. 10.
- <sup>63</sup> W. Lorenz, *Rumunia traci mandaty [Romania loses a mandate]*, „Rzeczpospolita”, 12.06.2009 [from online archive of „Rzeczpospolita”].
- <sup>64</sup> P. Kowalczyk, *Włoski lęk przed rumuńskim potopem [Italian fear of Romanian flood]*, „Rzeczpospolita”, 8.02.2007. [from online archive of „Rzeczpospolita”].
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- <sup>66</sup> There.
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## ORIGINAL PAPER

**Xenia NEGREA**

### **Communism in the Romanian Press during the Economic Crisis**

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**Abstract:** *In our study we analyze the press discourse about communism 20 years after the big collapse. Even from the first years after the revolution in the Romanian society a nostalgic trend appeared concerning the communism. First, this current was a form of continuity because some communist personalities, some ideas, even some workers parties appeared on the public scene. After this period – in 2000 – we could talk, at the social level, about a representation of communism, or, more precisely, a representation of the communist period as an alternative to the new economic reality. During these years, we could read in the press about communism only as a historical period that came to an end. A very particular issue appears in 2010, during the economic crisis. On the one hand, as the polls show, a considerable part of the Romanian society shows itself as a nostalgic society for communism. On the other hand, the press begins to look for resemblances, for analogies between the actual authority and the communist authority. In our study we selected the most popular news sites and we studied the way in which the Romanian journalists try to explain the actions of the authorities through a series of signs considered as communist signs.*

**Key words:** *communism, mass-media, economic crisis, post-communism.*

The period after the Romanian Revolution was a reinvention, a *resurrectio*, as Jung viewed this word, for the Romanian society, generally speaking, and, implicit, for the Romanian press. The Romanian society lived and still does “a reformation of its essence” (also in Jung’s words). This process of repositioning, of building an identity also had to be assumed by the media, as we already presented this<sup>1</sup>. Unlike many other areas, which received a longer reaction time, the journalist was forced to adapt quickly to new realities and to be the link between Establishment and the people. From only a few publications (of different types: daily, weekly, etc.) the press suddenly meant tens, hundreds, tens, hundreds of publications. The main topics of debate concerning the conditions of journalists in the Romanian post-revolutionary press are: the relationship between employers (“moguls”) and journalists and the interference of the secret services in the journalists’ guild. As recent sub-themes: the relationship between the press and the presidency, as well as the creation of a unique code of ethics. Interventions regarding professional education, quality of the issues, and quality of the approach of the issues are marginal and sporadic.

In these two decades, the Romanian press went from an almost unconditional relationship with its audience (as a euphoric one, generated by exercising freedom of expression and reception) to the desire to improving the techniques of persuasion in order to keep the communication partner’s attention. In this case, the expression “persuasion techniques” has meanings from marketing and public relations, whereas the media of today have to deal with new international trends, and we speak here about the tabloidization phenomenon, about the changes imposed by online medium. Therefore, we found in the press case, some changes not in the classical sense of the term (as it is defined by Smith), but it has to face multiple types of changes.

The idea of “social change” is theorized – in the literature that we consulted – in a sense of linear development, from a unit of a society to all. Raymond Boudon<sup>2</sup>, for example, understands this change “not only as a result of some “historical changes”, but as the actions and interactions of social actors and therefore the change should be regarded as a “consequence of individual actions”. The society is in a series of continuous movement from microstructure to macro (case of globalization). The continuous changes are based on series of rules and resources that can provide predictability for the involved mechanisms<sup>3</sup>.

In terms of adopting/accepting a common self, the fundamental direction comes from Weber, who thinks the identity is like a subjective belief, maintained by several factors: phenotype, social comparison, political action, collective memory.

We think also at Charles H. Cooley’s theory of self<sup>4</sup>. He understands the common/self through the common co-ownership. He speaks about the “we-ness”, as a feeling generated in the primary group, a feeling characterized by close association, cooperation and direct interaction; it is a consequence of

primary relations in a group. This feeling develops a sense the individual emotionally identify with him.

The reconstruction and repositioning movements can be easily captured in media, because, by its nature, the press operates at the intersection of public administration and political discourse.

Through the press fact the idea is legitimate and is spread, the events meanings are interconnected and the wider social implications are generated. The press fact – on the communication platform provided by the journalistic discourse – can be treated as “the social event of verbal interaction”. Through the dialogue that cultivates, the press – the text – lends strong shades of meanings in the social dialogue, which can be acceptable for a large group.

Beside this rebirth, communism represents an animated topic across all the Romanian society levels. Any major social act is related like a ritual to the period 1948-1989.

Furthermore, beside the political, economical, cultural changes, after those 20 years, we can view a considerable number of communist period explanations.

### **I. Two faces of Romanian Society after communism**

We can speak about a first period, the proximal period after 1989, like the period of the euphoric, Dionysian wildness, a time of forcing the interior or exterior boundaries, the social or individual ones. Those are the years 1990-1996. During this time, excepting some inertial resuscitations in case of some public personalities or even political groups who was trying a reversal on the background of the discontent in front of the economical changes, the general attitude was a total, impetuous denial of the communist period. Sometimes we can find even some tentative of elusion only to create a relation, a bridge with the glorious period between the two world wars.

Most of the references layed on some absolute assessment, like *good-bad*, communism being understood purely “bad”. This period was dominated also by the inertial resistance of some public personalities, which have assumed the communism ideas. Gradually, these declared attitudes resolved in some discourses addressed to the social categories promoted by the communist ideology (the villagers and the workers) or they resolved in left groups, but without any social influence. The social euphoria and the institutional boom allowed, *inter alia*, the penetration of masses of non-specialized people, forced to find their work-tools on the spot, to discover the journalism profession while producing “journalistic texts” to meet the demand for information.

Secondly, during 2000-2008, we can speak about an equanimous attitude towards the communist legacy, or the impossibility to eliminate from the society the points that enchain those two faces of the Romanian society, ante- and post- Decembrist.

## II. A nostalgic Romania

Thirdly, nowadays, after twenty years from the crush of the communism, the references to this period received multiples gradations. The absolute assessments diminished (we refer at what Vattimo<sup>5</sup> calls “the weak thought”). Gradually, in the social discourses, appeared already a formal, inertial nostalgia, “an imagination disadjustment”<sup>6</sup>, a nostalgia like a “moral sickness” (*apud* Baudrillard) towards communism, a superficial nostalgia, only as a speech in the social and economical changes context.

This phenomenon can be better observed in the press, and it seems to feed the collective mentality the “memory signs” (as Baudrillard says) exactly for maintaining this nostalgia.

The press itself changed at the same rate with the society. After 20 years of institutional seizures, the press in Romania is still in the process of building its identity. After the enthusiasm with which the first post-revolution publications were received, the press institution had to face the untrustworthiness, the system of competition, the lack of appropriate professional training. Besides the general social problems, the press was enforced to dill with professional challenges. In succession, the Romanian press confronted the ultimate, uncontrollable freedom of expression, in the first years after the Revolution, then with the explicit or implicit subjectivity, then with the condition of objectivity, then with the relation between employed and employer, and finally with the tabloid journalism.

Within press in an uninterrupted transformation and accelerate evolution, we can see a representative attitude for the entire society concerning the assimilation of the communist period. Due to the fact that the society faded away form the 90s euphoria and the democratic relations become more powerful as a result, a disengagement and a programmatic, objective, rational, Cartesian reading was expected to come into view.

But in 2010, during the economic crisis, the reference to the communist period assumed a new resemantisation. Beyond the social trend, beyond an artificial nostalgia for an elusory safety (the safety job, the permanent incoming), an interesting phenomenon appeared in the Romanian press.

Beyond the “objectivity” of the facts presentation, through their selection, and through the stylistic structures we can observe a sustained attitude of the press concerning the political administration.

At the macro social level, we can observe that all the deep committed actors practice a repetitive reference (as a ritual) at communism. This ritual include two steps: first, a denial, a self delimitation from this ideology, second, an evaluation of the enemies and to label them by using communist words. But the habitual discursive gesture is to eliminate the label “communism”.

From the outburst of the economic crisis, we can see in public space two discursive main roads: the presidential discourse, the authority discourse, and the press discourse. Both sources practiced that ritualic reference to the communism. *Stricto sensu*, the authority explained didactically the economic solutions of austerity. These explications were based on the antithesis between

capitalism and communism. First word received connotation as "efficiency", "economization", "professionalism", "individualism". The second one was presented through connotations such as "easiness", "unjustified social protection", "financial extravagance".

On the other hand, the press used the term "communism" to define the austerity solutions. Systematically, in publications that we analyzed, are published the polls to demonstrate the regret of the Romanian people concerning the communism. We find also many public debates to understand this nostalgia. The press lectured the anti-crisis solutions using the emotional implications of the communist memories. We can see here the pattern of the communist imaginary, as Eugen Negrici<sup>7</sup> and Lucian Boia<sup>8</sup> show in their books.

So, Eugen Negrici, following Lucian Boia, observed the resemblance between the imagological representations of the communism and the religious one, naming communism "a religion without God". The researcher observed the affinity for the anthem rhetoric in the propagandistic mechanisms.

The communist propaganda tries to increase the credo, the conviction, by building, at the textual level, the Founder, the Hero, the protective institution. Gradually, as Eugen Negrici shows, we come to the creation of the Redeemer, the Savior. This image of the religious representation used as a mirror the hate's discourse. We also observed similar discursive gestures, in our days, in Romania of the economic crisis. The Romanian Government, the President was presented to the readers using these patterns.

The communist representations in post-Decembrist Romania, in the press, but also in the public space generally, accumulate a set of words-landmark. An essential word, that establish a direct link with communism and that is one of the most important sources of the need to compare democracy and communism, is *poverty*. These words, in the social context, receive two explanations: the nostalgic one, of those who are not adapted to the conditions of the competitively as it is the capitalist society and also are not adapted to the unloyal competition in the corrupt Romanian post communist society.

The second set came from the incapacity of Romanians to adapt at the conditions of the open market (*the presidential discourse*). One of the most frequent events transformed in press fact is the opening of some stores, an occasion to play with the prices. The press achieved to create many grotesque spectacles around the poverty in post communist Romania:

"the Romanian people are footing, are crowding and are expecting more than few hours in front of the hypermarkets only to receive a place in a queue. Most of the times, those people don't know what are the products underbid and they take things that they don't need"<sup>9</sup>.

The psychological explanation is presented in the same article and connects this behavior pattern with the communist experience:

“«It is a frustration those they can't negotiate», says Daniela Gheorghe. It is an education problem, but also a despair one: the Romanian has feared that they will die hungry, because they don't have food in communism”<sup>10</sup>.

The memory of the empty shops passes across the newspapers that we studied:

“the flowering of mega, super-stores in the last 7-8 years was a sign that Romanians are better, becoming amateur of big family rides between shop's windows and the temple of abundance - known during communism only to those who wandered the West, as Traian Basescu – worth, periodically, a small offering. But Saturday, the president noted that «it seems it has increased»”<sup>11</sup>.

Another benchmark is the absence of the minimal conditions for subsistence (heat and electricity). As we know, one of the major strands of blame communism in Romania was even without minimal conditions of existence: heat, electricity, food. In fact, it was also one of the motives of social movement in the winter of 1989.

Cold, caused by national obsession of savings, was and remains one of the fundamental themes of characterizing communism and this was exploited in press many times even from the title: “The first free city in Romania back in communism: 90,000 households receive hot water portion”<sup>12</sup> or “City Hall has «sent» in the communist block”<sup>13</sup>. One anti-crisis measure taken by Romania was rethinking subsidies for heat and electricity. This point raised a real wave of creating similarities between communism and the current leadership of the country.

Another issue is the theme of the Savior. We can note here a characteristic of groups of actors in the post-December Romania, namely that, generally, the society seeks for an absolute leader, a “character-train”, as such a character is called, or the reflex to seek and shelter under a “Father” (with direct reference to Stalin).

What is more, political leaders in Romania have not reached the protective aura of absolute Soviet leader, but had at one moment, a more favorable social imagine because of the immediately social discontent. Actually, the president has assumed the role of “player president”, assuming and repeating the idea that he is a “commander of the ship”, with the characteristics, qualities, skills that result from this. So, from the authority was sent to the society the image of a strong leader.

The press took these labels and turned them into a dictatorial image. The quality of a “player”, meaning a person directly involved, was translated in the media as improper interference in the state structures – government, parliament. This label has activated in the collective imaginary the picture of the communist structure, autarchic, the image of the unique leader under whose authority it carried out a pyramid of subordinates, the subjects handy. In addition, the circle of associates, of the political clientele appeared.

Clienteles relations, vassalage disciplined by the party, was another issue that has generated the resemblance between Romania of 2010 and Romania during communism. This creates and maintains relationships corruption. This theme is traditional in Romanian society. At the time when Romania had a leftist government, they were called "barons".

This label disappeared from public discourse today, from the media discourse, specifically and it doesn't receive a specific substituent. The feudatory was replaced by the communist-person. "Barons" and the semantic field derived from this word was replaced by a network, the idea of "relationship" and, especially, by party discipline.

From here, another theme that links the current media representation of power with representation of communism, and we name here *the political control over all aspects of social life*. "The party is in all" corresponds to a single leader competence, supported by intelligence. This theme is one on which that is based *the hate class speech*, another recurring theme in Communism and now resurrected.

From this picture of the themes that link the two periods of dramatic existence of Romania could not miss *the shade of passion*. Feminine figure could not miss. This point was covered by Elena Udrea, the Minister of Tourism. This character was covered by the evil presence. Elena Udrea became a symbol of political corruption during the crisis.

From the country's leadership, the character was invested with meanings of equality between women and men, and with competence attributes. Of course, there aren't missing any onomastic parallel between post-December Minister and dictator's wife, Elena Ceausescu. The press tried to turn her into a symbol of evil produced by Traian Basescu, which was linked to the sentimental insinuations.

Another very sensitive issue in Romania was the intellectuals involved in the affairs of society. During communism intellectuals have mostly adopted a neutral official attitude. As in all communist countries, complicity was created here between writer and reader in the frame of Aesop allegorical texts.

But beyond this complicity, after 1989, the intellectuals have not enjoyed a large audience from the public. Accusation of cowardice and hanging still hovered over them. Besides this class of intellectuals and artists, there are others who have been feeding propaganda machine with ideas, with their creations. They were so-called "court poet".

This category, not all the same characters, was revived in recent years of post-communist Romania. "Court poets" or "Basescu's intellectuals" were appointed intellectuals who publicly and explicitly expressed support for Traian Basescu during his first election campaign. Amid austerity measures they have more nuanced speech to total avoidance of the subject.

This act caused a great wave of antipathy expressed in the press. The violent discourse against these intellectuals reminded us the intensity of virulence with which "court poets" were excommunicated during communism.

Most of the times, they are present in the media opinion pieces, articles that are more permissive:

“«What shall we do, what shall we do, do you see the Chairman’s statement? What a mistake. How could we respond to this? », the dialogue quietly starts between two intellectuals present on Thursday night at a book launch. «Don’t answer», while a consultant advises the reliable, disinterested consultant who came to support the group”<sup>14</sup>.

In such materials the confused intellectuals are present and they are evaluated solely by the criterion accompanying the Romanian intellectual over 50 years, cowardice and complicity:

“When an intellectual is silent from conviction it is normal, but the situation gets serious when the intellectual is in complicity”<sup>15</sup>.

Besides these topics, the theme of the threat of territorial and national integrity appeared. Myth of threatening the country, heavily exploited during the communist era, witnessed an amazing resurgence during this period. The conflict actors are Romanians and Hungarians, and this conflict has been revived due to the participation in the governance of the most important organizations of the Hungarian Democratic Union of Hungarians in Romania. The theme was driven mainly from the press, which showed the close relationship between the two parties as a possible attempt to create autonomy for territories in Transylvania:

“President PCM, Jenő Szász said on Wednesday in a press conference that «Széklers do not threaten Romania, but Széklers are challenged in a very rude» while deputy party Csaba Farkas said that there is an «ethnic» tension Széklers”<sup>16</sup>.

Regarding the actual image events generated by the Government or the Presidency – more often the different openings – all were treated in the press in an *ironic register*. For example, in the report “The opening of a half-completed section of highway: *If you prefer, choose another route*”<sup>17</sup> the event is presented in an ironic key. The irony is constructed by phrases such as “the Bucharest - Constanta route stops suddenly at Cernavoda and reappears near the locality Murfatlar”, selecting details “workers give the roundabout last sledge”, “Prime Minister does not repeat the test with the glass to see how smooth is the highway to the sea”, “Emil Boc praises Boagiu, congratulating the minister for infrastructure investments.”.

Promoted personalities are also presented in an ironic key:

“«Get out the Prime Minister is coming», cried someone at the official column arrival of Prime Minister and Minister of Transport”.

There is a tangential approach of the issue of property nationalization, in the same comparative momentum:

“But not everyone is happy with the new section of highway construction. A resident is calling on the prime minister and asked him when the money for expropriation will be given back. «We are not in communism» said the rebel man. The Premier does not respond to this challenge”.

## Conclusions

Our thesis is that the press apparently assumed a monitoring role, and a radicalization, revolutionary role, in fact. We use here the theory of Clifford G. Christian, Theodore L. Glasser, Denis McQuail, Kaaerle Nordenstreng and Robert A. White<sup>18</sup>. They continued and updated the theory created by Fred Siebert, Theodore Peterson and Wilbur Schramm, *Four Theories of the Press* (1956), the only work (to 2009) to systematize the media's role in society.

Beyond the witticism that journalism is a central point in society in general and in democracy in particular, both, the study from 1956 and the one from 2009 tried (and succeeded) to systematize the assumed role of media in society.

The four roles identified by Clifford G. Christian's group are the monitoring role, the role of facilitation, the role of radicalization and the role of collaboration. To satisfying this monitoring role involves effect of government accountability to society, but also a healing effect for the public sphere (cf. 144). The radicalization role is not assumed explicitly in the Romanian press, but we found a range of stylistic features which lead us to believe that we are in a period where the media takes at least challenging trends.

Concerning the theory that we have adopted, radicalization involves insistence on values of equality and liberty that all citizens should enjoy (see p. 179). If the monitoring role does not challenge the Establishment as a source of information, radical media assumes that power prevents free flow of information, not so much by censure (a characteristic *par excellence* of authoritarian and communist models), but with a strong control information released to the press. The radical takes fight injustice, seeks and exposes conflicts of interest, corruption, uses a stylistic challenge, takes ambitions of emancipation and enlightenment of the public, seeking to cause changes in economic and political system. On purely stylistic characteristics are identified strong participatory discourses, dialogical and persuasive-mobilizing.

To cover the subject “economic crisis”, the press has abandoned the role of monitoring and even assumed the role of opposition to the system that generated the anti-crisis measures.

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- <sup>16</sup> Szasz Jenő (PCM): *Nu secuii amenință România, ci secuii sunt provocați într-un mod foarte grosolan*, 22.06.2011 17:39
- <sup>17</sup> Cristian ANDREI, 29.07.2011 20:47, <http://www.gandul.info/reportaj/gandul-tv-mesajul-lui-boc-si-boagiu-la-inaugurarea-unui-tronson-de-autostrada-finalizat-pe-jumatate-daca-nu-va-convine-alegeti-alta-ruta-8543329>
- <sup>18</sup> Clifford G. Christian, Theodore L. Glasser, Denis McQuail, Kaaerle Nordenstreng, Robert A. White, *Normative Theories of the Media. Journalism in Democratic Societies*, University of Illinois Press, Urbana and Chicago, 2009.

## ORIGINAL PAPER

Ionuț RĂDUICĂ

### Cultural anthropology of media after the communism fall

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**Abstract:** *Although neither being genuine, nor being purely by any metaphysical instance (such as an exterior substance), the Romanian media (as any media in the world) is a vast congregate of ornaments (stereotypes, preconceptions, virtues, lies etc.). The main topic of our research starts within two following questions: 'How can we find a uniform mix in mass media, since it seems to be rather an eclectic diversity?' And 'How can be interpreted such a unity found?' After we will answer at the first question through some theories (Siegfried Kracauer, Theodor Adorno, Marshal McLuhan, Guy Debord etc), we will interpret the unity accordingly with two main directions. First of them can be placed within the spectrum of tradition. The second of them can be found in the vast theories of the Lebenswelt. Accordingly with some theories that set a precisely roll of world's signs using a common ground for media activity (die Lebenswelt's Theories, for instance), or using some cultural traditional background (some clichés, for instance), we will proof the existence of some inner connectors of media, which built an enormous system (although it is in motion, this media system still has a structural perennial functionality). If the traditional connector of media can be found in cultural historical background, then the second connector within the world of universal signs (the Lebenswelt theories) can be identified in media mottoes. The topic we prefer in both directions is: a) the traditional connector: lock of individual being existence (instead individual being existence, the group, the 'nation', the world etc. are rather preferred by media), the presence of 'must', or 'it is need to...' in relation to some abstract ideals, the idea that the individual is insufficient and he or she needs to be 'improved' (by media) and other points which shall be detailed in my work and b) the Lebenswelt connector: general use of 'the reality is...', 'come into reality', 'this is the reality for this time', 'there is a world who needs to be opened', 'there is a sign which needs to be interpreted in a single way', 'there are universal signs such as the common sense signs' 'there is one single truth', 'there is a necessary connection between a fact and its effects'.*

**Key words:** *media, Lebenswelt, symbolic media, cultural anthropology, culture.*

At the beginning we are enforced to target a framework in order to provide a justification of our title. It suggests there would be a huge difference between media in the era of communism and the journalism in the age of a post-communism society in Eastern Europe. Aiming this, we do not intend to handle this topic in the light of an historical point of view, but rather more to generate a theory which can state the media is defined as a flexible and mobile system.

Speaking about the concept of communication, allowing a general theory of media that might arise, the writers Stanley Baran and Dennis Davis underline themselves that 'all social theory is a human construction and that it is dynamic, always changing as society, technology, and people change'<sup>1</sup>. Although, the media has been changed during the time not only because communism's fall occurred, but because the media has some inner forces to interfere with own system parts, laws, or coordinates<sup>2</sup>.

The major function of media is mobility and interaction, as McQuail showed. He briefly indicated the interactive and mobile of media: 'In the history of mass media, we deal with four elements: a technology; the political, social, economic and cultural situation of a society; a set of activities, functions and needs; people – especially as formed into groups, classes or interests. These have interacted in different ways and with different orders of primacy for different media, with sometimes one seeming to be the driving force or precipitating factor, sometimes another'<sup>3</sup>.

Claiming this we only wish to avoid the causes-effect restrictive paradigm and to gain a self-permissive theory in interpreting mass media. The purpose of this study is different – is the one to gain a theory of a general functionality in actual world after the communism's fall.

We will start our work from three permissive points of view in interpretation of media. As it is expected, a general definition of media cannot be found easily. The first definition we achieved subscribes the idea that, in general terms, the media should inform its public in any circumstances. Therefore, it will be a contract between the media and the public with mutual benefits and disadvantages. This level of understanding the media claims that there would be a contract between journalism and his public/audience. This view implies a type of a contractualism perspective, which finally has to do with the economical sphere as a place for these mutual interact between actors<sup>4</sup>. For the earlier media, a newspaper is designated to bring economical information, and to stand for multiple purposes, such as advertising, diversion, gossip: 'The early newspaper is marked by: regular appearance; commercial basis (openly for sale); multiple purpose (for information, record, advertising, diversion, gossip)'<sup>5</sup>.

The media that McQuail speaks about is 'a form of service' and 'its distinctiveness, compared to other forms of cultural communication, lies in its individualism, reality orientation, utility, secularity and suitability for the needs of a new class, the town-based and bourgeoisie'. The new tool of newspapers used at that time had the advantages not only of 'the technology or the manner of distribution' but in the way of using its functions.

Instead of this, the later media (newspapers) can be define as a 'continuous progress towards mass distribution, independence and authority in society or as a series of struggles, advances and reverses', says McQuail. In the 20<sup>th</sup> century we deal with a press held into the 'commercialization area'. The press organizations grew and became huge corporatist industries, as it is well known. The definition of media we talked about above became old and abstract. The key of relation between the consumption and the media cannot be placed on the lock of low and normative directions. Although there was a 'triumph of liberalism' and birth of 'a progressive capitalist class' in the previews century, a genuine interaction (as economical) between media and public cannot be set on the grown of economical goods. Thus, the definition of media such as a 'contract' between the media organizations and its public, within mutual benefits and disadvantages, is not practicable. Now we speak about expectations and satisfying these expectations. That will be the second definition found by us.

Considering this, the media is seen as a public actor, who has a specific social role in order to validate the public expectations. In brief, the second definition found implies a social role for journalism/journalist. The background for this turn can be recognize into the following: 'The chief features of the new 'elite' press which was established in this period were: formal independence from the state and from open vested interests; an acceptance into the structure of society as major institution of political and social life; a highly developed sense of social and

ethical responsibility; the rise of a journalistic profession dedicated to the objective reporting the events; an adoption, at the same time, of the role of opinion-giver or -former; frequently a tendency to identify with the 'national interest'. Many current expectations about what is a good or 'elite' newspaper reflect several of these ideas and they also provide the basis for criticisms of press forms which deviate from the ideal, either by being too partisan or too 'sensational' <sup>6</sup>.

McQuail insists to use the term 'paid writing' when he is referring to journalism, even he admitted that a general view of journalism as a paid profession does not exclude some restrictions or qualitative determination from buyers. More than McQuail, another media analyzer – Brian McNear – claims that media needs to be adjustable by some vectors. The British author says that media has a social role, either in defining the public political sphere, or in influencing the public in any circumstances<sup>7</sup>. The critique of the first definition we placed above rises on the territory of a possible gap of practices and actions. If we do not have some rules to follow, there would be disaster, said critics. This can be observed in the following paragraph: 'The attempt to put critical distance between journalism and ethics by arguing that journalists are simply in the business of selling newspapers or getting larger viewing figures in the same way as you'd sell a brand of soap, won't work either. Quite apart from the objection that reporters engage in practices that can directly affect the lives of their fellow human beings, even soap selling can raise questions about right and wrong practice'<sup>8</sup>. According with this vision, media *should*, claim some authors, educate its public, and it should also fight against the corruption, or against the violation the laws.

A third definition we found asserts that media is a human construction that includes all determinations from above, and furthermore it also includes some 'ornaments' such as virtues, lies, desires etc. This general definition is probably too large, too abstract to be used. Although its generality, this definition, which for media is considered to be a *vast* congregate of ornaments (stereotypes, preconceptions, virtues, lies, elitist assumptions, a democratic institution etc.), no one can frankly doubt for its efficiency in practice.

The first definition ('Media generally inform its public: there is a contract between the media and the public with mutual benefits and disadvantages') *basically* refers to the Media's economic profile, while the second definition of it ('Media *should* play a social role, it should educate its public, and it should also fight against the corruption, or against the violation the laws etc.') is merely focused upon the expectations. One expectation drawn, for instance, then it gains one clue that we are not able to find easily in practice, such are 'ideals' required by laws, or norms.

As a consequence, the first definition, considered by us, a 'non-idealistic' one, *basically* refers to the Media's economic profile. The second definition, which asserts some targets or goals (social, moral, axiological etc.) for media, is *naturally* satisfied by only a small part of Media. While the first definition describes only one media's profile (from a multitude of profiles), the second definition can not be achieved through only a economic relation between media and audience, especially because of imperfection of economical relation, and their lack of morality, social virtues and so on. Thus, for the second definition would be more proper to refer only a small part of media.

The third definition, which it sees the media as *everything determination* from public point of view, or from some authors point of view is *expected* to be true because of its ideal understanding. In brief, according with such definition, media *is at the same time* every definition and every understanding of it. For this reason, we call it an *idealistic* definition, and, of course, everything is ideal can be at the same time realistic<sup>9</sup>. The definition can go further and asserts that media is a *vast* congregate of ornaments, which includes stereotypes, preconceptions, virtues, lies, elitist assumptions, a democratic institution etc.

Till now we have three definitions (from a theoretical infinite spectrum of possibilities) – the first two of them are too restrictive and can be applied to only a small part of media, but ironically the later definition is too vast and abstract. The question, for this moment is: What definition/understanding of media can be use? The answer is not that simple as it looks. We found here two possibilities. Either of them has a 'its part of truth': a) the media is a uniform mix of aspects; and b) the media is an eclectic diversity. One excludes another, but the remains

question of 'How can we find a uniform mix in media system, since it seems to be rather an eclectic diversity?'. If we go over this question, how then can we analyze such a unity found?

The further step here is to subscribe to a general assembly of media's attributes, fact, laws etc. Taking this action, we intend to attest that an ideal understanding of media is a useful and efficient. The third definition we wrote above consists into an assembly of the media's pieces.

According with Theodor Adorno, one of the most fervent critic of journalism, as it was seen in the 20th century, the Media acts as an actor, but the play ends up into assimilation of the men by the technology's structures. Such play is rather more similar with a non-personal abuse of the technology (a product of human being too). Thus, the Media is a result of a sick culture, says Adorno. Into a bigger paragraph he says: The poetic mystery of the product, in which it is more than itself, consists in the fact that it participates in the infinite nature of production and the reverential awe inspired by objectivity fits in smoothly with the schema of advertising. It is precisely this stress upon the mere fact of being which is supposed to be so great and strong that no subjective intention can alter it in any way – and this stress corresponds to the true impotence of art in relation to society today – that conceals the transfiguration against which all sober objectivity gestures. Reality becomes its own ideology through the spell cast by its faithful duplication. This is how the technological veil and the myth of the positive is woven. If the real becomes an image insofar as in its particularity it becomes as equivalent to the whole as one Ford car is to all the others of the same range, then the image on the other hand turns into immediate reality<sup>10</sup>. This can be considered a clue that a uniform diversity emerged.

Another theory of another popular critic is the one of Sigfried Krakauer. For him, a society or a culture has an ornament. This is defined as a specific decoration of the common destiny of the people. Media is the middle point between so-called reality and group's perception<sup>11</sup>.

Both theories claim there is a necessary relation between a cause and its effects. Media is a result of... a particular cause. But at this level we do not have an appropriate answer for the question 'What is media in itself?', if we take the causes away. While both theories indicate there is possible to find a general shape of media, that includes all variables, we focus on finding such diversity that is not necessary held by some causes. For this reason, we claim that the media has a 'power' in itself, nor in 'outdoor' features. This later interpretation follows a separation between the probabilistic point of view and the deterministic point of view<sup>12</sup>.

If we follow some deterministic points of view, we conclude at this level there are some effects in media that originate in communism. In this particular case of cause-effect relation, the influence of the (communist) past is related with:

- 1) lock of individual being existence (instead individual being existence, the group, the 'nation', the world etc. are rather preferred)
- 2) the presence of the 'must', or of the 'it is necessary to...' in relation to abstract ideals; the idea that the individual is insufficient and he or she needs to be 'improved' (by media)<sup>13</sup>.

The current step for our research is to indicate a proper theory that can easily generate an interpretation to media. In our point of view, such theory can be found in a *Lebenswelt Theory*, which can be a good starting point. This theory asserts that a united diversity of the world is achievable. Furthermore, this unity of diversity found can generate a general interpretation of the diversity of media. The syllogism is simple: a) if a united diversity of the world (A *Lebenswelt Theory*) is valid and b) a united diversity of media (within the world) is also valid, then it results c) that a general interpretation of such diversity is valid.

In brief, we have to say that when referring to the *Lebenswelt* we mean the theory that belongs to Edmund Husserl. The concept of the *Lebenswelt* (*Lifeworld*) is introduced by Husserl in *The Crisis of European Sciences*. The concept is defined as a common horizon of signification. In other words, the world is *self-given* and we are able to understand it in similar (maybe objective) ways. Husserl noted: 'In geometrical and natural-scientific mathematization, in the open infinity of possible experiences, we measure the life-world—the world constantly given to us as actual in our concrete world-life—for a well-fitting *garb of ideas*, that of the so-called objectively scientific truths. That is, through a method which (as we hope) can be really carried out in every particular and constantly verified, we first construct numerical indices for the actual and possible sensible

plena of the concretely intuited shapes of the life-world, and in this way we obtain possibilities of predicting concrete occurrences in the intuitively given lifeworld, occurrences which are not yet or no longer actually given. And this kind of prediction infinitely surpasses the accomplishment of everyday prediction<sup>14</sup>.

As a metaphor, the *Lifeworld* is a theatre, the actors are the secrets themselves. For this reason, we all are able to understand the 'truth'. As we said above, our thesis is that the media system works using the assumptions that are specific to a 'lifeworld' vision, rather than to historical causes, in some strict meanings. To gain such vision, we need to find that part in media that lead us to our conclusion. And these parts are the mottoes of media. These mottoes are sufficient indicators for a *lifeworld* vision, for the reason that a motto works as an axis, a foundation, or a basis. Accordingly with Husserl words, we can easily come to conclusion that there is possible an application of such theory into the media ground. For Husserl, 'the life-world is the world that is constantly pregiven, valid constantly and in advance as existing, but not valid because of some purpose of investigation, according to some universal end. Every end presupposes it; even the universal end of knowing it in scientific truth presupposes it, and in advance; and in the course of [scientific] work it presupposes it ever anew, as a world existing, in its own way [to be sure], but existing nevertheless'<sup>15</sup>. In our study, the mottoes are considered to be 'pregiven', and the 'media-world' is 'valid constantly' in a merely common sense of the media, that built a comprehensive coherence for a general interpretative picture for us.

For a better evolution of our theory, we have to say that our conclusion is *less* than necessary, but rather more *probable*, for the reason that there are many correspondences between a *Lebenswelt* theory and the way the media is organized today. To assert only few examples, it is easy to see that media *think* in specific ways, as the reality would be 'selfgiven'. This is the reason for at every car accident, the news itself is focused upon only one *necessary* cause<sup>16</sup>.

The current mottoes in Romanian media field speak clearly about a genealogy and an analogy with a *Lifeworld* theory, as it shows following 'samples': 'Come into reality' (News, Realitatea TV); 'We open the world for you' (News, Realitatea TV); 'This is the reality for this time' (News, Realitatea TV); 'We live in Romania and that takes all the time' ('In gura presei', TV Show, Antena 3). The link with the ground of the *lifeworld* is generated by many principles. We note here some of them: 'The reality is...'; 'There is a world who needs to be opened'; 'There is a sign which needs to be interpreted in a single way'; 'There are universal signs such as the common sense signs'; 'There is one single truth'; 'There is a necessary connection between a fact and its effects' etc.

In our vision, the media *acts* is the way it took from *anteriority* to a *self-given reality*. It constructs a circuit, starting from the point of 'human creation', then crossing to the level of 'usage of creation' (including usage of this creation of any type by the media itself), transforming at the next level into the 'negative effect of creation' (including negative parts of media's principles), and finally reaching the later level, which is the one of 'Transforming the effect (including media) into a new type of 'reality' already existed'. The circle starts again, over and over. This circle demonstrates that there is a structural perennial functionality in society, including in the field of media.

As an ironically conclusion, we are enforced to admit that although this circle even we are influenced by a *lifeworld*, because we exist within a world and we are part of it, too. For this reason, if the *Lebenswelt* is a fashion for us (metaphorically, we wear clothes that we are not aware of), then we do not know the objective reality of us. For example, a fish in a fish bowl could not know what is outside of it system. Even there is a probability to be wrong, we asserted above that our theory uses a probabilistic point of view, instead a deterministic one. This showed us that *some* aspects are more probable to be into this way, rather than another. It is then very probable for us to be right and thus the media would be a generous coherency of a system that is interpreting live *in some specific ways*, accordingly with a *lifeworld* theory.

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<sup>1</sup> Stanley J. Baran, Dennis K. Davis, *Mass Communication Theory: Foundations, Ferment, and Future. Sixth Edition* (Boston: Cengage Learning), 23.

<sup>2</sup> Such variety of `elements` is described by Peter Ludes: `Immer mehr Menschen weltweit wachsen mit mediatisierten Welt-Anschauungen auf: Mischungen aus Tönen, Bildern, Texten, von Selbstdarstellungen, PR, Werbung, Propaganda, Docufiction, Info-Edutainment, vereinzelt Information; mit Druckmedien, Radio, Fernsehen, Computerschirmen und Gameboys bis hin zu Nintendo Wii interaktiv. Eingebunden in diese Medienwelten sind unmittelbare Erfahrungen, voll sinnlich und nicht nur mono- oder bi-sensuell. Für jeden Typ alltäglicher und außeralltäglicher Erfahrungen, wie Elternliebe oder Ödipus-Komplex, Kücheneinrichtungen oder Kochen, Spielen, Sport oder Sterben, gibt es mediale Vervielfachungen, Modifizierungen, Übertönungen und Übertreibungen. Peter Ludes, `Geld/Schein/Öffentlichkeiten`, in Tobias Eberwein and Daniel Müller, ed., *Journalismus und Öffentlichkeit: Eine Profession und ihr gesellschaftlicher Auftrag* (Wiesbaden: VS Verlag für Sozialwissenschaften, 2010), 119.

<sup>3</sup> Denis McQuail, *Mass Communication Theory: An Introduction* (London: Sage Publication, 2000), 19

<sup>4</sup> This view starts on the key of `communication revolution` applied to media since the invention of printing to the current usage of computer and other modern techniques, but it also implies the topic of the economy, the cultural, the political and the social terms.

<sup>5</sup> McQuail, 20.

<sup>6</sup> McQuail, 20-21.

<sup>7</sup> Brian McNair, *Journalism and Democracy: An Evaluation of the Political Public Sphere* (London: Routledge, 2000)

<sup>8</sup> Karen Sanders, *Ethics and Journalism* (London: Sage Publication, 2003), 11.

<sup>9</sup> Considering this, *ipso facto*, no critique can rise the question of `which part is idealistic and which is realistic?`, because the definition avoids any value judgment.

<sup>10</sup> Theodore W. Adorno, *The Culture Industry, Selected Essays on Mass Culture* (London: Routledge, 2001), 63.

<sup>11</sup> Siegfried Krakauer, *The Mass Ornament. Weimar Essays* (Cambreadge: Harvard University Press, 1995).

<sup>12</sup> See Georg Henrik von Wright, *Causality and Determinism* (New York Columbia University Press, 1974)

<sup>13</sup> As it well known, the current science tendency to move from determinism to probabilism gives the opportunity to science to make better theories. As Hume said `two objects may be considered as placed in this relation, as well when one is the cause of any of the actions or motions of the other, as when the former is the cause of the existence of the latter. For as that action or motion is nothing but the object itself, considered in a certain light, and as the object continues the same in all its different situations, it is easy to imagine how such an influence of objects upon one another may connect them in the imagination`. David Hume, *A Treatise of Human Nature* (The Floating Press, 2009), 32-33.

<sup>14</sup> Edmund Husserl, *The Crisis of European Sciences and Transcendental Phenomenology* (Evanston: Northwestern University Press, 1970), 51.

<sup>15</sup> Husserl, 382.

<sup>16</sup> See the endnote no. 13.

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# STATISTICAL METHODS: **APPLICATION PROGRAM**

## ORIGINAL PAPER

**Mihai-Radu COSTESCU**

### Identifying indicators of dynamics. Application Program

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**Abstract:** *The analysis of different social-economic phenomena is characterized by specific elements. Even the average level of a series can be determined in different ways, given the fact that time series can be either of intervals of time, or of certain moments of time. Also, estimating evolutionary trends is influenced by the real progress suggested by the considered time series. Thus, for an accurate analysis, it is necessary to determine indicators specific to the series of time, indicators that are summarized below. At the same time, in order to determine the set of specific indicators, a program was presented as a procedure that can be easily applied.*

**Keywords:** *indicators, increase (decrease), indicator, rate, procedure.*

Time series analysis has some specific features. Characteristic indicators to the series, considering the fact that time is that variable that defines these indicators, are also known as *indicators of the dynamics*. These indicators can be divided into three groups: absolute, relative and average.

The first group represents the absolute growth or reduction, which is determined as the difference between the absolute successive levels of one of the variables of the series and a given level considered as a basic level of comparison.

There are two variants of this indicator:

a) *Fixed base*. It is calculated as the difference between absolute levels of the series and a certain level remained constant. The original level of the series, symbolized by  $x_0$ , is typically used as a referential level. Relationship calculation is:

$$\Delta_{n/0} = x_n - x_0,$$

that is:

$$\Delta_{1/0} = x_1 - x_0, \Delta_{2/0} = x_2 - x_0, \Delta_{3/0} = x_3 - x_0, \dots$$

Fixed base growth or reduction shows the increase (+) or decrease (-) to the absolute levels as a basis for comparison.

b) *Base chain*. It is calculated as the difference between each successive level and its predecessor:

$$\Delta_{n/n-1} = x_n - x_{n-1},$$

that is:

$$\Delta_{1/0} = x_1 - x_0, \Delta_{2/1} = x_2 - x_1, \Delta_{3/2} = x_3 - x_2, \dots$$

Base chain growth or reduction shows the increase (+) or decrease (-) of the levels of the series from one period to another or from one point to another.

Comparing the relations of the two variants of calculation, we can see that:

$$\Delta_{n/0} = \sum \Delta_{k/k-1}.$$

From the group of relative indicators we consider the *index of dynamics* and the *rate of dynamics*.

*Dynamic index* is calculated as the ratio of absolute levels, taken in succession, and a certain level considered as a basis for comparison.

In this case we can also see two variants:

a) *Fixed base*. It is calculated as the ratio of absolute levels and a constant level using the relation:

$$I_{n/0} = \frac{x_n}{x_0}$$

that is:

$$I_{1/0} = \frac{x_1}{x_0}, I_{2/0} = \frac{x_2}{x_0}, I_{3/0} = \frac{x_3}{x_0} \dots$$

b) *Base chain*. It is calculated as the ratio between each successive level and its predecessor, using the relation:

$$I_{n/n-1} = \frac{x_n}{x_{n-1}}$$

that is:

$$I_{1/0} = \frac{x_1}{x_0}, I_{2/1} = \frac{x_2}{x_1}, I_{3/2} = \frac{x_3}{x_2} \dots$$

Comparing the two relations, we can see that:

$$I_{n/0} = \prod I_{k/k-1}.$$

Dynamic indices can also be expressed as a percentage.

*Growth rate* is in turn two versions:

a) *Fixed base*, computed with:

$$R_{n/0} = (I_{n/0} - 1) \cdot 100$$

or, more detailed:

$$R_{n/0} = (I_{n/0} - 1) \cdot 100 = \left( \frac{x_n}{x_0} - 1 \right) \cdot 100 = \frac{x_n - x_0}{x_0} \cdot 100 = \frac{\Delta_{n/0}}{x_0} \cdot 100.$$

b) *Base chain*, which mainly has the same calculation method, except that, in its calculation, are used base chain indicators:

$$R_{n/n-1} = (I_{n/n-1} - 1) \cdot 100,$$

or:

$$R_{n/n-1} = \frac{\Delta_{n/n-1}}{x_{n-1}} \cdot 100.$$

Growth rate is expressed only as a percentage and shows the increase (+) or decrease (-) levels of a phenomena.

Finally, the third group, the average indicators, is divided into two groups:

a) Average absolute indicators, including:

a1) Average absolute levels

If the time series is expressed in periods of time, the average is calculated as an arithmetic mean.

If the time series is expressed in moments of times, the average is calculated as a chronological average; if the intervals between moments are equal it is used the simple chronological average; if the intervals between moments are not equal it is used a weighted chronological average.

Chronological averaging involves:

- calculating mobile averages, as average of two consecutive terms, one of which is repeating:

$$\bar{x}_1 = \frac{x_1 + x_2}{2}; \bar{x}_2 = \frac{x_2 + x_3}{2}; \bar{x}_3 = \frac{x_3 + x_4}{2}; \dots; \bar{x}_{n-1} = \frac{x_{n-1} + x_n}{2};$$

- calculating chronological averages:

- ✓ as a simple arithmetic average of moving averages, if the intervals between moments are equal:

$$\bar{x}_c = \frac{\bar{x}_1 + \bar{x}_2 + \bar{x}_3 + \dots + \bar{x}_{n-1}}{n-1}$$

- ✓ as a weighted arithmetic average, where the weights are the intervals between moments of times if these intervals are different:

$$\bar{x}_c = \frac{\bar{x}_1 \cdot t_1 + \bar{x}_2 \cdot t_2 + \bar{x}_3 \cdot t_3 + \dots + \bar{x}_{n-1} \cdot t_{n-1}}{t_1 + t_2 + t_3 + \dots + t_{n-1}}$$

a.2) *The average growth as a simple arithmetic average of the growths with base chain:*

$$\bar{\Delta} = \frac{\sum \Delta_{k/k-1}}{n} \text{ or } \bar{\Delta} = \frac{\Delta_{n/0}}{n}.$$

b) Average relative indicators, including:

b.1) Average index dynamics:

$$\bar{I} = \sqrt[n]{\prod I_{k/k-1}} = \sqrt[n]{I_{n/0}}.$$

b.2) *The average rate of growth:*

$$\bar{R} = (\bar{I} - 1) \cdot 100.$$

The average is only expressed in percent.

To determine these indicators, a procedure easy to be attached to a Turbo Pascal program was created.

```

procedure indicatorii_dinamicii;
type vect=array[1..20] of real;
var dbf,ibf,rbf,dbl,ibl,rbl,val,t,medm:vect;
    dmed,imed,rmed,med:real;
    raspuns:char;
    i,n,eps:integer;

procedure citire(var eps,n:integer;var val,t:vect);
var k:integer;
begin {procedure citire}
    eps:=0;
    write('Introduceti numarul valorilor din sir: ');
    readln(n);
    for k:=1 to n do
        begin
            write('v(',k,') = ');
            readln(val[k]);
        end;
    write('Seria este de momente de timp (y/n)?');
    readln(raspuns);
    if raspuns = 'y'
    then
        begin
            write('Intervalele dintre momente sunt egale (y/n)?');
            readln(raspuns);
            if raspuns = 'n'
            then
                begin
                    for k:=1 to n-1 do
                        begin
                            write('intervalul ',k, ' = ');
                            readln(t[k]);
                        end;
                    eps:=1;
                end;
        end;
    end;
end;{procedure citire}

```

```

procedure scriere(n:integer;dbf,ibf,rbf,dbl,ibl,rbl:vect);
var i:integer;
begin {procedure scriere}
writeln;
writeln;
writeln('Indicatori cu baza fixa');
writeln('Sporuri/deficite');
for i:=1 to n-1 do
begin
write(' D',i+1,'/1 ');
end;
writeln;
for i:=1 to n-1 do
write(' ',dbf[i]:7:2,' ');
writeln;
writeln('Indici');
for i:=1 to n-1 do
begin
write(' I',i+1,'/1 ');
end;
writeln;
for i:=1 to n-1 do
write(' ',ibf[i]:7:2,' ');
writeln;
writeln('Ritmuri (%)');
for i:=1 to n-1 do
begin
write(' R',i+1,'/1 ');
end;
writeln;
for i:=1 to n-1 do
write(' ',rbf[i]:7:2,' ');
writeln;
writeln;
writeln('Indicatori cu baza mobila');
writeln('Sporuri/deficite');
for i:=1 to n-1 do
begin
write(' D',i+1,'/',i,' ');
end;
writeln;
for i:=1 to n-1 do
write(' ',dbl[i]:7:2,' ');
writeln;
writeln('Indici');

```

```

for i:=1 to n-1 do
  begin
    write(' l',i+1,'/',i,' ');
  end;
writeln;
for i:=1 to n-1 do
  write(' ',ibl[i]:7:2,' ');
writeln;
writeln('Ritmuri (%)');
for i:=1 to n-1 do
  begin
    write(' R',i+1,'/',i,' ');
  end;
writeln;
for i:=1 to n-1 do
  write(' ',rbl[i]:7:2,' ');
writeln;
writeln;
end; {procedure scriere}

function media_ponderata(n:integer;val,t:vect):real;
var k:integer;
    sum,ttot:real;
    medmob:vect;
begin {function media_ponderata}
  sum:=0;
  ttot:=0;
  for k:=1 to n-1 do
    begin
      medmob[k]:=(val[k]+val[k+1])/2;
      sum:=sum+medmob[k]*t[k];
      ttot:=ttot+t[k];
    end;
  media_ponderata:=sum/ttot;
end;{function media_ponderata}

function media(n:integer;val:vect):real;
var k:integer;
    sum:real;
    medmob:vect;
begin {function media}
  sum:=0;
  for k:=1 to n-1 do
    begin
      medmob[k]:=(val[k]+val[k+1])/2;

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    sum:=sum+medmob[k]*t[k];
end;
media:=sum/(n-1);
end;{function media}

begin {procedure indicatorii_dinamiciei}
citire(eps,n,val,t);
for i:=2 to n do
begin
    dbf[i-1]:=val[i]-val[1];
    ibf[i-1]:=val[i]/val[1];
    rbf[i-1]:=(ibf[i-1]-1)*100;
end;
for i:=2 to n do
begin
    dbl[i-1]:=val[i]-val[i-1];
    ibl[i-1]:=val[i]/val[i-1];
    rbl[i-1]:=(ibl[i-1]-1)*100;
end;
scriere(n,dbf,ibf,rbf,dbl,ibl,rbl);
dmed:=dbf[n-1]/(n-1);
imed:=exp(ln(ibf[n-1])/(n-1));
rmed:=(imed-1)*100;
if eps = 1 then med:=media_ponderata(n,val,t)
else med:=media(n,val);
writeln;
writeln(' Media                = ',med:7:2);
writeln(' Sporul/deficitul mediu al dinamiciei = ',dmed:7:2);
writeln(' Indicele mediu al dinamiciei    = ',imed:7:2);
writeln(' Ritmul mediu al dinamiciei      = ',rmed:7:2);
end;{procedure indicatorii_dinamiciei}

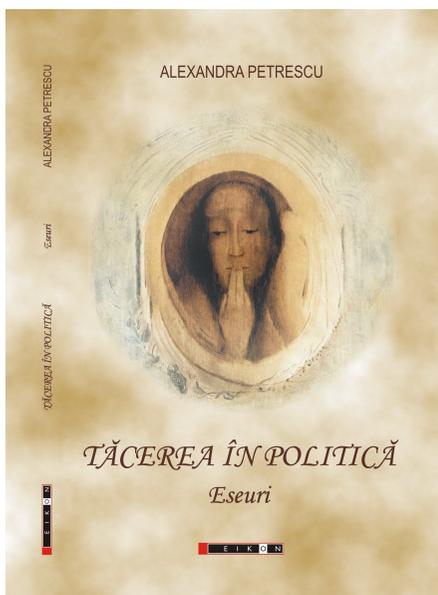
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## **BOOK REVIEW**

## BOOK REVIEW



**Alexandra Petrescu, *Tăcerea în politică. Eseuri* (*Silence in politics. Essays*), Cluj-Napoca, EIKON Publishing House, 2011  
ISBN 978-973-757-539-5, 123 pages.**

*Tăcerea în politică* (*Silence in politics. Essays*) is an excellent book. At its core is what I would view the exhaustive overview of various forms of a theater scene with political actors and political scenarios. For the author, examples of convergence between the theater scene and political life include the contemporary picture of an "acting puzzle stage": "the silent actor", "homo ludens", "political game", "women and politics", "letters to

God", "language of power", "the price of silence", "corruption", "political scandal", "political clown", "Web 2.0 generation", "Internet" etc. Meanwhile, the scenarios of the political game gather in a large circus arena silent spectators "paying" for the privileged role of being themselves actors for just one day. Throughout the book, the author systematically presents political strategies and tactics in twenty two well-organized linked sections.

Following a brief introduction which presents the recent literature on silence, Alexandra Petrescu begins her exploration of the "open politics" by demonstrating how virtual space and social networks play a leading role in the political theatre of the recent years (page 12). In sections two to eleven, Petrescu details the bases of contemporary virtual politics and introduces political scenarios as the primary playwrights in a public virtual political theatre. Alexandra Petrescu argues that political scene became for the past twenty years an arena virtually "silent" with actors playing and spectators applauding. The scenario is simple and it follows a parallel one-day evolution in the theatrical and political representation: actors (*active politicians*) on the scene and actors (*silent voters*) in the audience (pages 19-20).

While Alexandra Petrescu introduces important challenges for researchers and political analysts, this new form of representation features many convincing schemas and strategies to effectively determine real political outcomes (pages 46-54).

According to Alexandra Petrescu, the two types of actors follow a repeatable role embodying a fictional stage (political arena) and a virtual participation to the "civilized and democratic world". *Tăcerea în politică. Eseuri*

*(Silence in politics. Essays)* is a quite compelling work, dwelling on the reasons for the retention of public interest in political scene. In her analysis, Alexandra Petrescu presents through a remarkably effort the political developments that marked the past years. Dramatic scenarios and actors (non-governmental organizations, political institutions, analysts and specialists, candidates, politicians, voters, political parties) become one-by-one the main characters of the play "my space, my politics" in Alexandra Petrescu's book. This old, but always new representations gather old (or) and new actors/ scenario/ scenes/ passive observers or performances (pages 19-21).

Aside from carefully exploring the "theatrical aspect" of "political game", the author also challenges the fundamentals of political subterfuges as the reflection of the "discourse practice" based on the dichotomy between "we" and "they" (page 98). Arguing the recent literature on the political sense of silence, Petrescu argues that political game in contemporary times is mostly designed to separate and even to discredit the sources of real social players.

In light of this, Alexandra Petrescu deftly examines the discourse and rhetoric surrounding the public perception, analysing the manner in which political system is communicated to the public via one particular aspect: media and the language of power (pages 105-107). Following this analysis, the author moves on to consider the relationship between the language of power and the "functions of statute" as part of the institutional game (page 105). The author also notes the difficulties which the language "as social function" poses for the institutions, in particular, and political scene, in general.

So this book is a journey, personal/ public, political, social, but also spiritual and cultural and even educational insight to discover "silence in politics" in all its approaches, and an objective exploration of what is the place of silence in everyone's public or private life through "a discursive hierarchy" (page 87). Finally, having painted most of the political space as the medium of virtual space (pages 57-60), the author establishes an "authentic" research imperative to "accept" the borders and scope of the virtual political scene.

For anyone with even a passing interest in the political, or indeed an interest in the interaction between politics, media, and private life, this book is excellent reading. This work stands as a "silent witness" in the study of political outcomes providing fascinating insights into the realm of political intrigues.

These points aside, *Tăcerea în politică. Eseuri (Silence in politics. Essays)* is an impressive book that constitutes a convincing and logical analysis with a diverse set of innovative approach into political scene that goes beyond the simple analysis. Nevertheless, this book, and its unique use of comprehensive political approach, is not a handbook on how "to read" politics, rather it is a guide to understand the antagonistic terms, tactics, and strategies under different political conjunctures.

**Anca Parmena OLIMID**

## ***Editors' Note***

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### ***Report on the Second International Conference After Communism. East and West under Scrutiny, Craiova, 2-3 March 2012***

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*On the morning of March 2<sup>nd</sup>, 2012 participants in the Second International Conference After Communism. East and West under Scrutiny gathered in Craiova, where the Rector of the University, Professor Dan Claudiu Dănișor, Ph.D., the Director of the Department of Sociology, Political Sciences, Philosophy and Journalism of the same university, Professor Aurel Pițurcă, Ph.D. and the two co-organizers of the conference lecturer Anca Parmena Olimid, Ph.D. and assistant professor Cătălina Maria Georgescu, Ph.D. (Political Sciences Specialization, University of Craiova, both Managing Editors at the Revista de Științe Politice. Revue des Sciences Politiques) welcomed all participants and media guests at the House of the University for the presentation of the keynote addresses of the conference.*

The official language of the conference was English (a few papers were presented in Romanian due to the specific of their research).

In the plenary session and opening panels of the first day *History, Transition, Democracy*, the audience warmly welcomed seven distinguished professors from Turkey, Macedonia and Poland (Harun Arikan, Ph.D. Associate Professor, head of Department of International Relations at Cukurova University, Turkey, Bruno J. Surdel, Ph.D., Faculty of Economics and Administrative Sciences, Zirve University, Gaziantep – Turkey, Hasan Jashari, Ph.D., Faculty of Public Administration and Political Science, South East European University, Tetove, Macedonia, Jonuz Abdullai, PhD, South East European University, Public Administration Faculty, Tetovo, Macedonia, Luan Sinani, MA and Ali Pajaziti, Ph.D., Department of Public Administration and Political Science, South-East European University, Tetove, Macedonia,, Mladen Karadjoski, Ph.D. Faculty of Administration and Information Systems Management, Bitola, State University of "St.Kliment Ohridski", Bitola, Macedonia, Krzysztof Olszewski, Ph.D. candidate Uniwersytet Mikołaja Kopernika w Toruniu, Wydział Politologii i Studiów Międzynarodowych, Katedra Historii Stosunków Międzynarodowych), who presented a series of peculiar aspects of the transition period in Eastern Europe and created an intermediary synthesis which would serve as basis for future researches. All their studies of recent history of the former-communist space raised the issue of the relations with the Western world and the encounter with the "New Europe".

The next day, Sandro Steinbach and Mariusz Rybak, Division of International Agricultural Trade and Development, Humboldt University of Berlin, Germany presented the evolution of traditional economic relations in the post-soviet states involved in the twenty years that have passed, inventorying methods and instruments in Georgia, Russia and Ukraine in a comparative perspective.

The same day, Sonja Bunčić, Ph.D. University Union, Faculty of law, Belgrade pointed the models of privatization applied in the former Yugoslav region and linked them with the achieved results analyzing the theories and the possible choices of privatization models and Magdalena Radomska, Ph.D. Adam Mickiewicz University, Institute of Art History focused on the presentation of the 'Post-Communist' art – the art form in Central-Eastern Europe, which, in the author's opinion does not discredit its own Communist past, frequently inspired by political events.

The conference gathered the studies and research materials of more than 40 Ph.D. candidates and more than 5 M.A. candidates reflecting the current situation of historical, legal, political, sociological, educational and cultural

research in German, Romanian, Bulgarian, Polish universities in the field of post-communist transition.

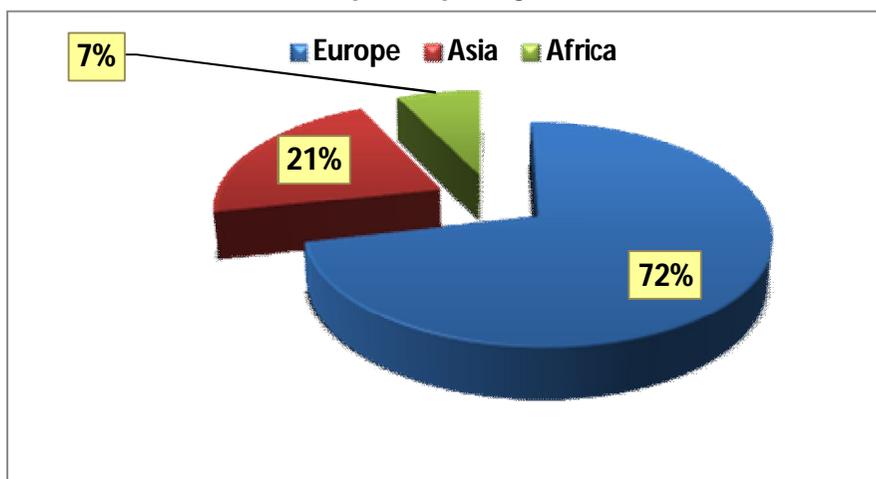
At the end of the second day of the conference, a special international panel untitled "First Political Sciences Students' Scientific Symposium After Communism. East and West under Scrutiny" gathered selected 11 students' papers from the University of Craiova, Political Sciences Specialization. All students' papers pointed the changes occurred in the East as a direct or indirect consequence of the Western "wind of change".

All panels of the conference directly contacted those involved on both sides of the barricade (history and present) inventorying intentions, ideas, models, and instruments of searching for the public opinion of the moment by combining common and scientific knowledge.

The 14 panels involved a complex thematic of the post-communist transition considering social policies and regional development, political representations in the media, political elites, politics and public administration, political theory and society, economies after communism, political culture and education after communism, politics and reform in justice, political ideologies and culture after communism, political parties electoral systems, electoral campaigns, human rights and migration.

In brief, the conference gathered 14 participating countries from 3 continents: Europe (represented by 10 countries), Asia (represented by 3 countries) and Africa (represented by 1 country) (see Chart 1. Conference participating countries/ continent).

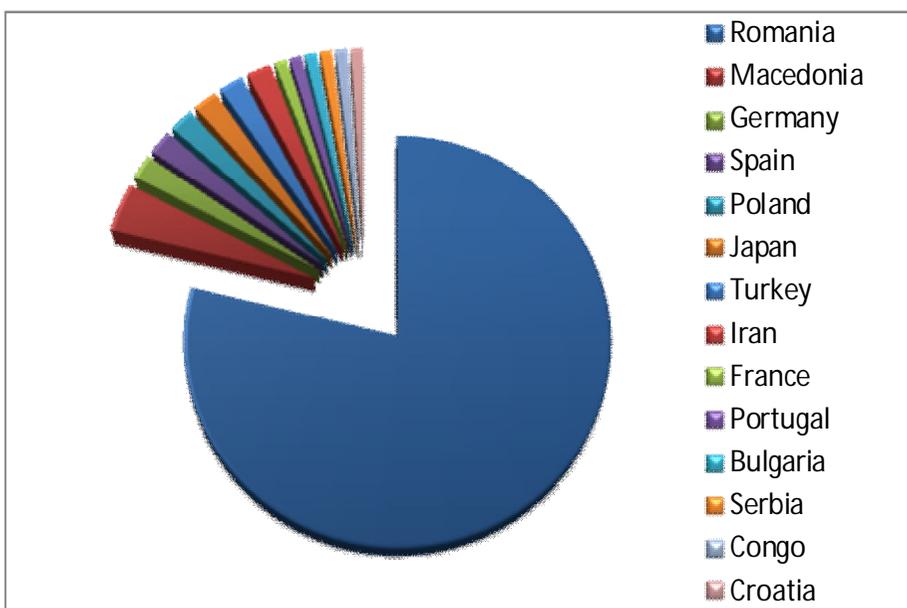
**Chart 1. Conference participating countries/ continent**



The organizers managed to put together not only a high-class academic programme, but also to achieve the proper educational and enjoyable conference atmosphere gathering 104 participants from East as well as from West:

- Romania (82 participants),
- Macedonia (4 participants),
- Germany (2 participants),
- Spain (2 participants),
- Poland (2 participants),
- Japan (2 participants),
- Turkey (2 participants),
- Iran (2 participants),
- France (1 participant),
- Portugal (1 participant),
- Croatia (1 participant),
- Bulgaria (1 participant),
- Serbia (1 participant),
- Congo (1 participant) (see Chart 2. Conference participants/country).

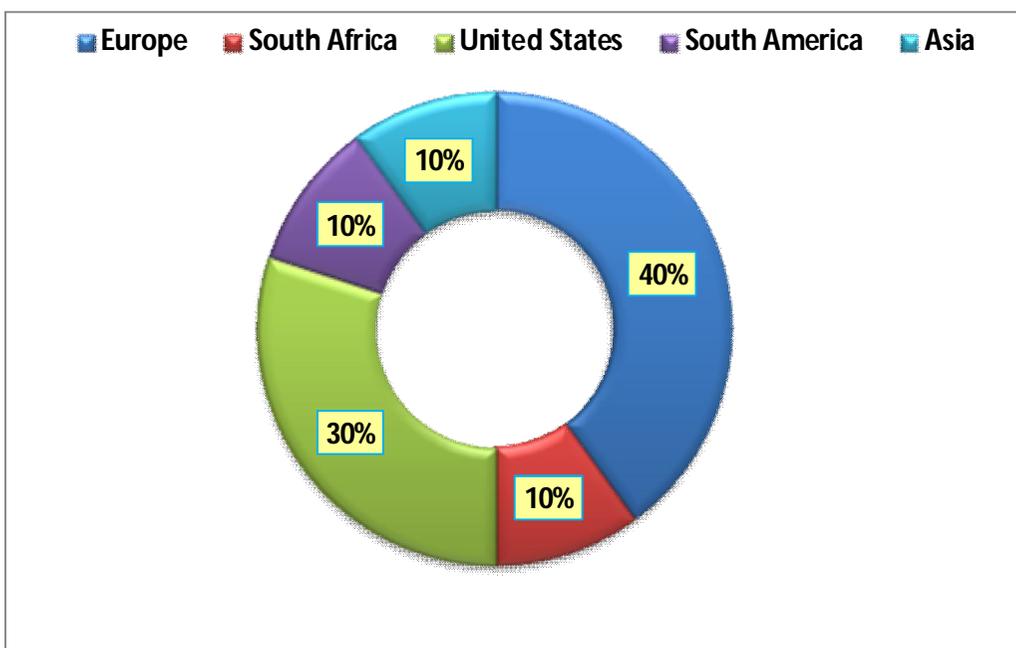
**Chart 2. Conference participants / country**



By all accounts and reviews, the Second International Conference *After Communism. East and West under Scrutiny*, Craiova, 2-3 March 2012 was very well received by the national media and successful indexed in more than 10

international databases and services from 5 continents: EU AGENDA.EU (Brussels, Belgium); CONFERENCE ALERTS.COM (Garsfontein, South Africa); SEMINARS AND CONFERENCE.INFO (New York, United States); FOLLOW SCIENCE.COM (Recife, Brazil); Humanities and Social Sciences Net Online (USA, Michigan State University); OLIAC.COM (Japan); BALKANMYTH.COM (Thessaloniki, Greece); SCSM POSTGRADS.COM (Wales, UK); HIGHEREDSPACE.COM (Houston, USA); GETINVOLVEDCES.WORDPRESS.COM (Krakow, Poland); (see Chart 3. Conference indexing in international databases and services/ continent).

**Chart 3. Conference indexing in international databases and services/ continent**



It was furthermore announced that the Third International Conference *After Communism. East and West under Scrutiny* would take place in 2013 at the University of Craiova.

In short, the Second International Conference *After Communism. East and West under Scrutiny* created a descriptive and analytical sketch of what is usually referred to as transition period.

The opening speeches and panel sessions will be well remembered, as will the intense and interesting discussions during the two days conference involving the national media objective observance and international conference

indexing which showed that the conference represented one of the most important events on the higher education agenda at the beginning of March 2012.

Furthermore, the organizing committee presents its most sincere and warm thanks to all the members of the Scientific Committee: Professor Patricia Gonzalez-Aldea, Ph. D. (Universidad Carlos III de Madrid, Madrid, Spain); Professor Iordan Bărbulescu, Ph. D. (National School of Political and Administrative Studies, Bucharest, Romania); Professor Ioan Horga, Ph. D. (University of Oradea, Oradea, Romania); Professor Nicu Gavriluț, Ph. D. (University A. I. Cuza, Iași, Romania); Associate Professor Adrian Basarabă, Ph. D. (West University of Timișoara, Timișoara, Romania), but also to all participants.

We would like to give our sincere thanks to our outstanding international conference participants. Once again thank you all for your involvement and participation.

**Anca Parmena OLIMID, Cătălina Maria GEORGESCU**