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ANABİLİM DALI**

**EU'S ENLARGEMENT POLICY
TOWARDS CENTRAL AND EASTERN EUROPE:
THE CASE OF ROMANIA**

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ABSTRACT

This thesis mainly aims at analyzing the determinants of the EU decision to accept Romania as a fully fledged member in 2007. In this context, the overall argument of the thesis is that at this date Romania in fact was not ready to be accepted into the Union and if the EU had strictly implemented the formal requirements of membership, accession would not have taken place on January 1, 2007.

In this thesis, it is also suggested that there were multiple reasons reflecting *inter alia* geopolitical and strategic concerns, as well as political commitments, preferences, interests whether shared by the EU as a whole or by influential groups of member states that paved the way for this “premature” acceptance.

In parallel to this assumption, it is argued that one other important factor opening the way for her early inclusion into the Union was Romania’s very special and close relations with her transatlantic ally, the United States.

In this context, the thesis further claims that the EU strategically preferred to absorb Romania completely into the European Union without any delay, in order to temper the country’s transatlanticism and keep Romania away from aligning herself with the US foreign policy orientations any further.

ÖZET

Bu çalışma esas olarak AB'nin Romanya'yı 1 Ocak 2007 tarihinde tam üyeliğe kabul etme kararının ardında yatan faktörlerin ele alınmasını amaçlamaktadır. Tezin ana argümanı Romanya'nın AB üyesi olduğu tarihte aslında Birliğe kabul edilmeye hazır durumda olmadığı ve AB'nin katılım şartlarına ilişkin hükümleri katı bir şekilde uygulamış olması halinde, Romanya'nın 1 Ocak 2007 tarihinde üyeliğe kabul edilememiş olacağıdır.

Çalışmada, Romanya'nın “vaktinden önce” kabul edilmesinin ardında, çeşitli jeopolitik ve stratejik nedenlerin yanı sıra, üye ülkelerin tamamı veya bir bölümü tarafından paylaşılan siyasi taahhütler, çıkarlar veya tercihler gibi unsurların da rol oynadığı ileri sürülmektedir.

Buna paralel olarak, tezde ayrıca, Romanya'nın AB üyeliğini çabuklaştıran nedenlerden birisinin, bu ülkenin transatlantik müttefiki Amerika ile arasındaki çok özel ve yakın ilişkiler olduğu savı dile getirilmektedir.

Bu çerçevede, tezde son olarak, AB'nin stratejik bir kararla, Romanya'yı vakit kaybetmeden ve tamamen Birliğe entegre etme yolunu tercih ettiği, böylelikle, bu ülkenin ABD yanlısı tutumunu dengelemeyi ve dolayısıyla Romanya'nın dış politika yönelimlerini Amerikan politikalarıyla özdeşleştirmesinin önüne geçmeyi hedeflediği ileri sürülmektedir.

ABBREVIATIONS

ARIS	Romanian Foreign Investment Agency
BSEC	Black Sea Economic Cooperation
CAP	Common Agricultural Policy
CEECs	Central and East European Countries: BG, CZ, EE, HU, LT, LV, PL, RO, SK, SL
CFSP	Common Foreign and Security Policy
CSCE	Conference of Security and Cooperation in Europe
CVM	Co-operation and Verification Mechanism
DA	Justice and Truth Alliance Party in Romania
EC	European Commission
EEC	European Economic Community
EFTA	European Free Trade Agreement
EU	European Union
EU-8	The EU 10 without BG and RO
EU-10	The CEECs: BG, CZ, EE, HU, LT, LV, PL, RO, SK, SL
EU-25	The EU from 2004-2006
EU-27	The EU from 2007 onwards
ESDP	European Security and Defense Policy
EUPM	European Union Police Mission
FDI	Foreign Direct Investment
FTA	Free Trade Area
GDP	Gross Domestic Product
JHA	Justice and Home Affairs
ICC	International Criminal Court
MEP	Member of the European Parliament
MFN	Most Favored Nation
MP	Member of the Parliament
NATO	North Atlantic Treaty Organization
NMS	New Member States
NSF	National Salvation Front

OMS	Old Member States
OSCE	Organization for Security and Cooperation in Europe
SECI	Southeast European Cooperation Initiative
SEECF	South-East European Cooperation Process
SEED	Support for East European Democracies
SEM	Single European Market
PCR	The Romanian Communist Party
PD	Democratic Party
PNL	National Liberal Party
PSD	Social Democratic Party
ROL	Romanian national currency, Lei
UDMR	Democratic Union of Hungarians in Romania
USAID	The United State Agency for International Development

I. INTRODUCTION

Romania joined the European Union (EU) on January 1, 2007. When Romania joined the EU, few observers were convinced of its state of preparedness. There were serious concerns about Romania's outstanding issues such as corruption, child adoption and the situation of the Roma. According to the strict interpretation of the formal requirements of the membership, the accession should not have taken place in 2007. Romania nevertheless did get admitted on 1 January 2007.

However, her accession process differed in some respects from that of Bulgaria and the other Central and Eastern European countries (CEECs) of the 2004 enlargement.

Though Bulgaria and Romania are often mentioned at the same time, there are important differences between their political and economic structures as well as their readiness for the EU membership. (*Phinnemore, 2006 and Nugent 2004*) This study will not follow the trend to handle these countries as homogenous and will concentrate on Romania only, without any further references to Bulgaria.

In this thesis it will be argued that the accession negotiations were closed in the full knowledge that Romania had not yet met many of the necessary requirements of membership and therefore the closure in December 2004 was "premature". In parallel to this assumption, it is suggested that adherence to existing practice regarding the use of conditionality was clearly overlooked in the process of Romania's accession process and closure came in the absence of a clear political endorsement from the Commission.

Therefore, the other main interest of this paper is to investigate some of the determinants of the EU's decision to accept Romania as a fully fledged member in 2007. In particular the thesis wants to respond to the question: which factors, if not conditionality, shaped the development of Romania's relations with the EU?

As will be presented in detail in the following chapters, the results of this study suggest that there is no monocausal explanation for this outcome. A number of geopolitical and strategic arguments can be advanced. However, an extensive or even complete overview of these arguments is by no means envisaged or provided in this paper.

When reviewing these geopolitical events and developments, a special focus will be given to Romania's strategic relations with the US. Here the underlying assumption would be that, among other geopolitical and strategic concerns of the EU, one other important factor paving the way for her early inclusion was Romania's close and special relations with her transatlantic ally, the United States.

Within this context, the paper is organized as follows: The first part (chapter 2) sketches the theoretical framework of CEECs enlargement. This section brings together the contributions of three prominent academicians namely; Helene Sjursen, Andrew Moravcsik and Frank Schimmelfenning. Afterwards, chapter 2.5 focuses on the economic aspects and expectations of CEECs enlargement, which will be contrasted with evidence from the 2004 enlargement. Overall, this first part of the paper is meant as a short overview of the European integration and CEECs enlargement. The chapter closes with a short assessment of the possible challenges and opportunities of this round of enlargement.

The second part, (chapter 3) is solely about Romania. This chapter opens with an overview of the Romanian history during the last century and a half. This section tries to cover the period from the emergence of Romania as a modern state in the middle of the 19th century on to the period of the communist rule that eventually ended with the overthrow of the Ceausescu regime in December 1989.

Chapter 3.3 as a whole establishes the context of Romania's accession process by providing an overview of the historical and political developments in the country. Chapter 3.3.1 touches upon the question of how Romania participated in the process of accession on equal footing despite the fact that the country was clearly failing to meet the necessary conditions to be fulfilled before accession and draws attention to specific issues affecting the progress of Romania towards the EU membership. Chapter 3.3.3 focuses on the initial conditions between Romania and the EU before the opening of the accession negotiations. Chapter 3.4 provides further details on the accession process. In this section Romania's negotiation strategy will try to be summarized with special reference to Leonard Orban, Romania's Chief Negotiator. Chapter 3.4.6 tries to explain which theoretical enlargement argument fits better

to the case of Romania. The main observations of Chapter 3 are finally summarized in the subchapter 3.4.8.

Chapter 4 elaborates on the country's special relations with America, drawing particular attention on the "Strategic Partnership". This section brings together examples of the convergence of the two countries' common foreign policy orientations regarding subjects of common interest on the international agenda. Romania's quest to establish and sustain a special strategic partnership with the US and her unavoidable transatlanticism will constitute the main focus of this section.

Chapter 4.1 presents bilateral relations from the point of view of economics, providing further details of the US economic presence in the Romanian market. Chapter 4.2 is devoted solely to military and strategic cooperation.

Finally, Chapter 5 summarizes the proceedings of the thesis and reiterates its findings.

II. GENERAL EVALUATION OF THE EUROPEAN UNION EASTERN ENLARGEMENT

Enlargement has long been on the European Community/European Union agenda. Since the Community was founded in the 1950s, there rarely has been a time when a membership application has not known to be pending and the Community/Union institutions and member states have not been considering whether applications are acceptable in principle. Enlargement is thus best viewed not as series of discrete events but rather as an ongoing process (*Nugent, 2004*).

Although as an ongoing process, enlargement has dominated the EU agenda in recent years, it is hardly a new phenomenon in itself. However, the scale of enlargement process that has been underway is new. In the mid 1990s, 10 Central and Eastern European countries (CEECs) applied for EU membership. Malta, Turkey and Cyprus¹ had already made their membership applications. The 10 CEECs were Bulgaria, the Czech Republic, Hungary, Estonia, Latvia, Lithuania, Poland, Slovakia, Slovenia and Romania.

In December 2002, the leaders of the existing EU member states decided that Cyprus, Malta and all of the CEECs apart from Bulgaria and Romania had met the EU's membership conditions and could become EU members on 1 May 2004. The leaders also decided that Bulgaria and Romania could join in 2007, provided that by that time they meet the membership conditions.

Because of its dominance by CEECs, the enlargement round that began in the mid-1990s is often referred to as the Eastern Enlargement. However this designation may overlook Malta and Cyprus. Therefore, in this paper, the term CEECs will be used for only the 10 Central and Eastern European countries, including Romania and Bulgaria.

As Nugent (2004) states, the CEECs enlargement round is quite momentous. It is so partly because of the sheer number of applicants involved. The largest number of applicants the EU has faced in any single enlargement round before that time was four, in the enlargement

¹ The Republic of Turkey and the Turkish Republic of Northern Cyprus officially do not recognize Cyprus and call it "The Greek Cypriot Administration".

rounds of the early 1970s and early-to-mid 1990s. It is momentous also because of the opportunities and challenges it offers to the EU.

Baldwin (1997) defines enlargement as “a central pillar in Europe’s post-Cold War architecture”. The typical argument for CEECs Enlargement is that peace, prosperity and stability in Western Europe can be maintained or even enhanced by promoting it all over Europe (*EC 2006*). As pointed out above, the fifth enlargement has been the most ambitious one; in terms of both the number of the countries involved and the population size joining the EU. In particular, the acceding countries had very different political, economical and social backgrounds compared to the EU-15 (*EC 2006*). It was the first one reunifying countries from the former European blocs which were divided by the Iron Curtain for nearly half a century. Actually, the foundations of the CEECs enlargement were laid in 1993 on the Copenhagen summit of the European Council (ECO) where the well-known Copenhagen criteria were settled and an invitation to apply for membership was made. According to Breuss (2002), the process of integration into the EU was designed as having two steps; first, the acceding countries should be integrated into the EU Single Market and second into the European Monetary Union (EMU)².

To sum up, negotiations for the fifth enlargement were conducted from 1998 to 2003, when accession treaties were signed for Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. (*EC 2006*) In the case of Bulgaria and Romania negotiations lasted until 2004 (their accession treaties were signed in 2005). The first ten countries joined the EU in 2004, Bulgaria and Romania followed in 2007.

2.1 Different Theoretical Approaches Towards CEECs Enlargement

The enlargement of the EU has been one of the most important and difficult challenges that Europe faced in the post-cold war period. Enlargement not only threatened to disturb the internal order of the EU but also create new divisions on the European continent and foster instability in Europe at large.

² Romania Central (<http://www.romania-central.com/economy-of-romania/eu-enlargement/24-eastern-eu-enlargement-2004>)

Despite these risks, why the EU simply did not choose to remain as it was or why the member states, especially those that expect to pay the highest price for enlargement did not use their power to veto this process?

In addition to these questions, another question may be formulated: Why the EU has prioritized some states over the others during the preparation period for full membership?

There are different theoretical and academic approaches that have been used in answering these questions.

According to Helen Sjursen (*Sjursen, 2002*), the answers may be classified into three different types of approaches; pragmatic, ethical-political and moral.

In her definition, in a pragmatic approach, policy would be justified with reference to the output that it is expected to produce. Here, actors are considered to take decisions based on calculations of utility and on a given set of interests.

In an ethical-political approach, enlargement would rely on a particular conception of the collective 'us' and a particular idea of the values represented by a specific community. Here, one would seek to justify enlargement by referring to duties and responsibilities emerging as a result of belonging to a particular community.

In a moral approach, the aim would neither be to justify policy with reference to calculations of utility nor with reference to the values of a particular community, but to find justifications that rely on universal standards of justice.

According to Sjursen, ethical-political reasons explain the CEECs enlargement most convincingly. In her opinion, these reasons correspond to a sense of kinship-based duty and were the main drive behind the enlargement round that is under consideration.

She argues that the EU will prioritize enlargement to those states with which it admits an element of kinship.

Enlargement through values and ethical-political arguments

As stated above, Sjursen claims that normative justifications that might have led actors to support enlargement is ethical-political arguments. These arguments are revealed through references to values and traditions that are seen as constitutive of European identity.

The EU claims that the rules that govern the enlargement process are not just ‘specially preferred’, but rely on universally valid principles (European Council, 1993). In parallel to this assumption, Spain, for example, as a country who would be expected to lose materially by enlargement considered it impossible to veto enlargement: this would be morally unacceptable even if it would make sense from a purely utilitarian perspective. Former Prime Minister of Spain Felipe Gonzalez (1995) had argued, ‘*We have a moral obligation to let them in*’.

When looking more closely at the EU’s statements about relations with CEECs, what emerges as a predominant pattern is the description of east and west in Europe as two parts of the same entity. Sjursen justifies the aim of policies towards eastern Europe as “to overcome the division” and to fulfill “the aspiration of the peoples of central and eastern Europe to rejoin Europe”. This is a constant factor not only in policy documents and speeches on enlargement after 1989 but also in western policies towards eastern Europe during the cold war. Sjursen formulates the argument as: “Eastern Europe is a part of ‘us’ that now must be returned”

We in Western Europe must not disappoint the great hopes which the peoples of Eastern Europe have of receiving our aid in their current emancipation process. Our credibility depends on how consistently we set our course towards integration to achieve a new European identity
(European Parliament 1991).

Reference to this sense of a shared past destiny and a duty to enlarge is a regular characteristic feature in the arguments for enlargement to CEECs. This sentiment was epitomized by the words of the President Santer of the Commission (1998), who once said,

‘the collapse of the Iron Curtain ended the Cold War and presented us with a unique opportunity to unite Europe We have a historical and moral duty to seize this opportunity’.

In this respect, during the opening of the negotiations with the CEECs, the image of the west abandoning eastern Europe at the end of the Second World War has remained powerful. On the eastern side of the iron curtain was ‘the kidnapped West’. This common identity was promoted by the CEECs themselves, and was systematically echoed in the west. The borders between east and west in Europe were often referred to as ‘artificial’. Hence the term central Europe which included parts of both east and west was often seen as more ‘appropriate’ (*Sjursen 2002*).

To conclude, Sjursen (2002) suggests that a sense of ‘kinship-based duty’ contributes to an explanation not only of the general decision of the EU to enlarge to CEECs but of the differentiated support for enlargement to this group of states.

Andrew Moravcsik (*Moravcsik and Vachudova 2003*) on the other hand argues that the most important structural force of national interests constitute the underlying dynamics of enlargement. He states that the EU enlargement process and its likely consequences for the future are hardly mysterious when viewed from the perspective of national interests and state power. In his opinion, leaders of EU-15 promoted CEECs accession because they considered enlargement to be in their long-term economic and geopolitical interest. While some interest groups in EU-15 opposed enlargement because they would bear a disproportionate share of the short-term costs, Moravcsik (2003) believes that the EU bargaining process will work this out much as it has had prior conflicts about the uneven distribution of the costs of integration projects that proved to be beneficial in the long run. In line with this argument, he claims that the CEECs took part in the accession process because the EU membership would bring tremendous economic and geopolitical benefits—particularly as compared to the uncertain and potentially catastrophic costs of being left behind as others move forward. So, while the candidates have had to comply with the EU’s requirements and to face certain unfavorable terms, the EU membership has remained a matter of clear national interest.

To conclude, Moravcsik claims that national interests explain the “major turning points” in the history of European integration more convincingly than alternative theories.

On the other hand, Frank Schimmelfennig (*Schimmelfennig 2001*) argues that economic and geopolitical interests cannot account for the EU’s decision to embark on such an ambitious and costly enlargement. Instead, the West pushed itself into a commitment to admit countries that share its liberal values—and this “rhetorical entrapment” has subsequently sustained enlargement despite the fact that mere association with the CEECs would have better served the EU’s interests.

Schimmelfennig (2001) suggests that the EU has committed itself ideologically and institutionally to the integration of all European liberal societies from its beginning and has continually confirmed this commitment in its rhetoric. He continues by suggesting that this rhetorical commitment created the prerequisite for effective “shaming” during the enlargement process. The supporters of enlargement among the member states as well as the CEECs regularly justified their demands for enlargement on the grounds of this commitment and of the Community’s collective identity. These arguments effectively silenced any open opposition to CEECs enlargement and ensured that enlargement policy has remained on track in spite of difficult practical problems and major distributional conflicts.

Schimmelfennig (2001) continues by claiming that “rhetorical commitment” led to “rhetorical entrapment”. Both the CEECs and the supporters of enlargement in the EU tried to demonstrate that these values and norms obliged the EU to admit them and that failing to do so would be an act of disloyalty to the foundations of the European community. They uncovered inconsistencies between the constitutive values and the past rhetoric and practice of the EC, on the one hand, and their current behaviour towards the CEECs, on the other hand. According to Schimmelfennig, in doing so, they have managed to “mobilize” the institutionalized identity and to make enlargement an issue of credibility. Finally, in order to advance their accession, they disclosed failures of the EU to honour past commitments, match words and deeds. State actors in CEECs have repeatedly pointed to the mismatch between political declarations and actual behaviour like protectionism and stalling tactics concerning enlargement. Moreover, policymakers in CEECs compared the EU’s Eastern policy with its relations toward other non-members and its behaviour in earlier rounds of enlargement and demanded equal treatment.

Lastly, Schimmelfennig (2001) claims that members of both the Commission and the European Parliament invoked the standard of legitimacy against the egoistic preferences of the member states, by emphasizing collective identity. He suggests that the supporters of a generous policy toward the East have repeatedly addressed the *credibility* issue directly in order to exert pressure on the opposers of enlargement. He claims that the most systematic and formal attempt to rhetorically commit the Community to CEECs enlargement can be found in the Commission's report, entitled "Europe and the Challenge of Enlargement," to the Lisbon Summit in June 1992. Prepared shortly after the signing of the first Europe Agreements, it marked the starting point of the Commission's attempt to turn the association "equilibrium" into a concrete promise and preparation for enlargement.

According to Schimmelfennig's assessments, as a result of "rhetorical entrapment", the policy of CEECs enlargement appears to be safely locked in and effectively shielded from the "fallout" of the tough bargaining on European integration.

2.2 Restructuring of CEECs' Relationship with the EU

In the era of Brezhnev (1964-1982), there was an "ice-age" between Moscow and its Central and Eastern European satellites on the one hand and Brussels on the other. (*Sajdik, 2007*). Each was a world apart with its distinctive philosophy and its own ideas of cooperation and dynamism. Only later a relationship between both economic blocks emerged as an effect of Mikhail Gorbachev's policy of perestroika (*ibid.*)

In Europe, memories were omnipresent of the frustrated hopes for a detente triggered by the Final Act of the Conference of Security and Cooperation in Europe (CSCE) of Helsinki 1975, which had to give way to a period of renewed confrontation, characterized by the USSR's invasions in Afghanistan, the development of nuclear intermediate range missiles in Europe and the crushing of the Solidarnosc movement in Poland in 1982. Only when the leadership of the USSR finally recognized that it would not be able to win the arms race with the far superior technological and economic power of the West, it began to see the relationship to the EC from a different angle (*ibid.*)

2.2.1 Uniting a divided Continent

It has often been said that the historical importance of the EU enlargement of 2004 was that this step reunited the European continent (*Sajdik, 2007*). The World War II ended with large parts of Europe being occupied by the Allied forces. In those countries and territories that were occupied by the Soviet army, communist governments were established. The Russian policy of conferring forcibly its political system to other European countries and the reaction of the United States and Western European countries to it led shortly after the World War II to the outbreak of the “Cold War”.

When communism collapsed, the new governments immediately decided to transform their states and economies into liberal market economies. The old structures of the command economy disintegrated before market economy structures could develop. Many firms soon became insolvent when subsidies of the communist era were stopped and competition set in. Therefore, the transforming states were not only confronted with the task of dismantling their old systems and rebuilding adequate ones but they also immediately fell into a serious economic crisis. Consequently, freedom came to these nations not together with the wealth and leisure time that everybody was familiar with from Westerns life style but it came accompanied by additional sacrifices and it was perceived by many with a sense of disappointment (*ibid*).

The transforming states were in desperate need of financial funds, trade opportunities, and transfer of technology, training and education of their human resources (*Breuss, 2002*). The international financial institutions such as, World Bank, IMF, intervened and the Western industrialized member states of the OECD agreed on a substantial joint aid program.

The EU saw itself confronted with the task of establishing first generous economic relations and political dialogue and then also thinking about a viable long-term strategy for a positive relationship between Eastern and Western Europe. (*Baldwin, 1993*) After a short while it became apparent that accepting as many former communist countries into the EU as possible was a superior strategy over all other eventual alternatives. But that was not easy since both parts of Europe had, for over forty years, developed in dramatically different ways, and practically had been drifting away from each other. It was therefore difficult to imagine in the

early 1990s how Europe as a whole could be brought together forming one large supranational political union, with a common harmonized internal market, with free movement of goods, capital, services and labor, with schemes of solidarity and cohesion, and unified trade and monetary policies (*ibid*).

It can be suggested that the EU succeeded in doing it with skilful support programs and reform schemes, and with complex and many sided negotiation processes. Incorporating ten post-communist European states into the EU was a huge achievement of the EU.

2.3 The Challenge of CEECs Enlargement for the EU

The CEECs enlargement round posed many challenges for the EU. Some of these challenges arose solely from enlargement while others had different roots but had come to present themselves in altered, and usually more complex, forms as a result of enlargement (*Nugent, 2004*).

It is useful and convenient to group the main challenges under the below mentioned headings.

The identity problem

Whether the EU can be said to be based on a collective identity is a question that is extensively being discussed among the academicians. There was much diversity amongst the peoples and governments of the EU-15 states: diversity based on language, religious background, political ideology and, above all, national and cultural histories and interests. This diversity made it hard for EU citizens to identify with one another and with the EU policies. If any kind of collective identity could be said to exist, it was based on very loosely shared attachments and values, related to notions of the desirability of democracy and individual liberty (*ibid*).

Whether widening of the EU would dilute such identity, as the EU-15 could claim, depended largely on how strong or weak the pre-enlargement identity was perceived to be. If it was confined to little more than vague attachments to democratic values than there was not much room for further weakening. But even in this case, widening still might be seen as a threat because it might be judged to endanger any prospect of a genuine EU identity being forged.

This is because the CEECs, in important respects, were very different from the EU-15 member states.

Institutions and decision-making processes

At the 1993 Copenhagen summit EU leaders laid down three sets of conditions that applicant states would have to meet if they wish to be considered for membership. A fourth condition for enlargement was later laid down at Copenhagen:

“The Union’s capacity to absorb new members, while maintaining the momentum of European integration, is also an important consideration in the general interest of both the Union and the candidate countries” (Council of the European Union, 1993).

This condition has been taken as meaning that the EU’s institutions and its decision-making systems must be adapted so as to accommodate new member states in a way that will not in itself produce a slow-down in the integration process.

Regarding the adaptation of the institutions, acceding states have been accommodated simply by allocating them an appropriate number of votes and places. This approach has not been so easy to use in the CEECs enlargement round, partly because some institutions-notably the Commission and the EP-were seen as already becoming too large and partly because of the sheer number of applicants.

As for adapting decision-making systems, since the time of the Spanish and Portuguese accessions in the mid-1980s, it has been recognized that bringing in new member states makes quick and efficient decision-making more difficult unless policy and law-making processes are streamlined.

Internal Dynamics and Balances

The number and variety of states acceding in the CEECs enlargement round has raised questions about how the EU’s internal political dynamics and balances will be affected by enlargement. Will the EU not become more internally divided into groupings of member states than ever before?

Clearly, there is some potential for increased internal differentiation. But the impact of this should not be exaggerated. According to Nugent (2004), one reason for this is that there have always been differences between EU member states, yet EU processes have not been brought to a standstill. The fact is that internal EU dynamics have not rotated around fixed internal majority or minority power blocks or coalitions, but rather around viewpoints, alliances and coalitions that have shifted according to issues.

In sum, it can therefore be anticipated that internal dynamics and balances will be disturbed by enlargement but probably not undermined fundamentally by it (*ibid*).

The economy and related policy difficulties

Though the accession of CEECs creates enormous potential market opportunities for the EU, it also creates considerable economic difficulties (*Breuss, 2002*).

First, although the accession of the CEECs increased both the size of EU's population and territory by around one-third, the size of the EU's GDP increased by only about 5 % and its per capita GDP drops by about 18 % (*Nugent, 2004*).

Secondly, bringing less prosperous states into the EU necessarily brings with it pressures, and many feel obligations for generous redistributive policies to be adopted to assist these states. However, the existing beneficiaries of the funds would be anxious to ensure that a consequence of their supporting CEECs accession would not be a significant reduction in the assistance they themselves were receiving from the funds (*ibid*).

The CAP which accounted for around 45 % of the EU's budget before the CEECs Enlargement had been a major problem, since most CEECs had relatively large, but inefficient agricultural sectors. (*Breuss 2002*) Whereas agriculture accounts for less than 5 % of the EU-15 employment, it accounts in Romania for 44 %. According to Breuss, in total, enlargement to the CEECs would more than double the size of the EU's agricultural labor force, increase its agricultural area by about half, but raise its output by only about 12 %.

There were also a number of other reasons why the EU-15 had been cautious in their financial allocations to support enlargement. First, at a time when they had been practicing financial

prudence at home, the EU-15 states had had no wish to be “profligate” at the EU level. Second, Germany, who was the major contributor to the EU budget, had been willing to transfer more money to the EU given that it was still paying the costs of German unification. Third, the EU’s budget had always been relatively small and several EU-15 states, especially those with a more cautious approach to the integration process, had not been inclined to approve an upward drift (*ibid*).

The EU-15 therefore took the decision to give only modest pre-accession aid and to phase in post-accession aid gradually to the new member states. Certainly the CEECs were afforded much less generous treatment than were the last group of relatively poor states to become members, the Mediterranean’s in the 1980s.

There was still a heavy reliance in the CEECs on outdated and inefficient industries that had only been able to survive through low costs-especially cheap labor-and state support of various kinds. However, this situation was changing as the CEECs economies modernize and liberalize.

From the CEECs viewpoint, it clearly would be damaging for them if their economies prove to be uncompetitive after the accession and if they do not attract the inward investment they expect (*ibid*).

Other Internal Policy Concerns

Since EU membership involves accepting all of the *acquis*, the EU and the new member states have naturally had to address a range of problems and difficulties in internal policy areas. The first of these problems arises because there are nearly 300 environmental laws in the EU, many of them in the form of directives. Directives have to be transposed into national law, so the EU had to ensure that the transpositions have occurred and have been done so in an accurate and legally correct manner.

Because of the legacy of inefficient planned economies and insensitive political systems, all of the CEECs emerged from communism with economies that were focused on productive output and paid little attention to environmental protection and management. In consequence,

the CEECs had major problems with, amongst other things, air quality, water pollution, waste management, and protection of habitats (*Nugent, 2004*).

As for the effect of the EU in promoting the tackling of environmental problems, it has been an important issue even since before accession processes formally began. Because they wanted to become EU members, applicants were anxious to show they were doing as much as they could to meet the environmental *acquis* as fully and as soon as possible. So, the very act of seeking membership put applicants on the road to reform. Once on this road and especially since the accession processes got underway, much of what has been done has involved working with EU representatives and within EU frameworks (*ibid*).

External relations and policies

By virtue of increasing its population, geographical size, and economic output and activity, an enlarged EU should carry more weight when conducting its external relations and policies. (*Cameron 1999*). However, the advantages deriving from increased size and weight may be counter-balanced by the fact that the EU will also be much more heterogeneous in its membership and so will find it even more difficult than it has in the past to develop united stances on the bases of shared identities and interests.

For example, at the heart of some of the differences between EU-15 states on Common Foreign and Security Policy (CFSP) related matters have been relations with the US. While all EU-15 have testified to the importance of the transatlantic relationship, they have differed in at least emphasis over the extent to which the EU should seek to be independent of the US (*Nugent, 2004*). These differences were no more clearly demonstrated and were no sharper than during the US led campaign in 2003 to overthrow the regime of Saddam Hussain in Iraq. EU states were divided in their attitudes towards the war, with the United Kingdom, Spain and Italy leading those who supported the US position, and France, Germany and Belgium being prominent amongst the states that opposed it. CEECs tend to be transatlanticists in their foreign policy orientations, and certainly were very much so during the war. In this context, Nugent suggests that it seems likely that their transatlantic leanings will tilt the balance of opinion more in the direction of ensuring that EU foreign policy and security policies are firmly located within the transatlantic framework, which could create future problems (*ibid*).

Another CFSP problem that enlargement could exacerbate is that created by the existence in the EU of, on the one hand, a small group of large countries which are ready and able to drive foreign policy and on the other hand, a larger group of mainly small countries that are often interested in having a significant role but are unwilling or unable to participate in a major way. The EU needs to find an answer to the question of how the member states can get together on foreign policy issues without provoking resentment (*Grabbe, 2002*).

2.3.1 Unfolding of the CEECs Enlargement Round

After gaining independence in 1989-1990 following the collapse of communism, most CEECs were soon openly expressing the hope that, as they established liberal democratic and market-based systems and as the east-west relations were transformed, the way would be eased for their accession to the EU (*Schimmelfennig and Ulrich, 2005*). They were motivated by a mixture of overlapping and inter-connected political, security and economic aims. Politically, there was a widespread desire to become reintegrated into the European, and more broadly the Western world. This resulted in CEECs governments necessarily seeking membership of the EU- the organization which both symbolized “the new” Europe. In security terms, EU membership was seen as offering a measure of “soft” security protection to bolster the “hard” protection of NATO, which most CEECs also were seeking to join, especially against any communist revival or nationalist surge. And economically, the EU market was clearly crucial for trade. And also the EU as an entity offered a framework and policies to assist with and to underpin economic liberalization, re-structuring, regeneration and growth.

The then EU prompted and guided by the Commission, was quick to assist CEECs as they set about economic and political reconstruction. This assistance took various forms, much of it set within the framework of association agreements that were contracted between the EU and CEECs. The assistance was given on the assumption that this was the first step in what was likely to be a very long transitional process. EU membership for CEECs was not thought of by many EU decision makers to be a realistic prospect for the near future. After all, in early 1990s, the CEECs were still in the very early stages of post-communist reconstruction and were nowhere near being ready to meet the demands and disciplines of EU membership (*Nugent, 2004*).

However, notwithstanding the reservations of most of the EU-12 about moving too quickly, increasingly specific promises about membership were made to CEECs. A key step in the process occurred at the June 1993 Copenhagen European Council where, in the knowledge that applications from CEECs were likely in the near future, EU leaders declared in the Conclusions of the Presidency that “the associated countries in Central and Eastern Europe that so desire shall become members of the EU. Accession will take place as soon as an associated country is able to assume the obligations of membership by satisfying the economic and political conditions required” (*European Council, 1993*).

So as to ensure that the enlargement to CEECs would not threaten the functioning or continuing development of the EU, the Copenhagen summit also laid down-for the first time in the Community’s history-conditions that countries aspiring to membership would have to meet. The Copenhagen criteria were designed so that there would be a convergence between existing and new member states in respect of their political and economic systems and also their adoption of Union laws and policies.

Between March 1994, when Hungary applied, and January 1996, when the Czech Republic applied, 10 CEECs had formally applied for EU membership. The December 1995 Madrid European Council officially reacted to these applications, by requesting the Commission to investigate the implications for the EU of enlargement to these countries and to produce Opinions on each of the CEEC applicants. This led to the issuing in July 1997 of the Commission’s influential communication Agenda 2000: For a Stronger and Wider Union. (*European Commission, 1997*), which claimed that enlargement could be achieved with little extra cost to the Union provided significant reforms were made in the existing main spending areas (*Grabbe, 2001*).

The Commission recommended that negotiations should be opened with five of the 10 CEECs-the Czech Republic, Estonia, Hungary, Poland and Slovenia-plus Cyprus but should be delayed with the other five-Bulgaria, Latvia, Lithuania, Romania and Slovakia-until their economic transitions were further advanced. The European Council accepted the Commission’s recommendations at its December 1997 Luxembourg meeting and negotiations with the first wave states (5+1) began in March 1998 (*ibid*).

The enlargement strategy was revised at the 1999 Helsinki summit, where it was decided that negotiations with the second wave (5+1) would be opened in early 2000. (The 1 being Malta). Decisions on the preparedness for membership of all CEECs +Malta and Cyprus to become EU members would be made solely on the basis of their progress in negotiations, not on when the negotiations with them were opened.

At the December 2002 Copenhagen summit, the European Council decided that an accession treaty could be signed in April 2003 with all negotiating states apart from Bulgaria and Romania, with a view that they can become members in May 2004. It was further decided that if Bulgaria and Romania made satisfactory progress in complying with the membership criteria, they could anticipate membership in 2007 (*Council of the European Union 2003*).

Negotiations with 10 of the 12 candidate countries were completed in December 2002. Two years after, negotiations with Bulgaria and Romania were completed in December 2004.

An Accession Treaty with the 10 states-eight CEECs, plus Malta and Cyprus- was signed in April 2003. By September 2003, all eight CEECS had held successful ratification referendums. The Accession Treaty with Romania and Bulgaria was signed on 25 April 2005.

2.3.2 Accession Negotiations

For the six first-wave countries, once the screening process was completed, “real” negotiations began in November 1998. For the six in the second wave, the negotiations began in February 2000.

For all candidate countries the negotiations were divided into 29 chapters, plus two chapters that were left until all other chapters were closed. The 29 chapters covered the full range of the *acquis* and so included the areas of agriculture, energy, competition and free movement of capital. The chapters left to the end were institutions and other matters.

With the December 2000 Nice summit, having set the December 2002 summit as the target date for the conclusion of negotiations with the most prepared candidate states, the accession

process quickened in the months before the issuing of the Commission's 2002 Regular Reports (Nugent, 2004). In the Report, the Commission stated that negotiations had been completed successfully with all applicants apart from Bulgaria and Romania and that the ten states concerned should now proceed to membership. The European Council accepted the Commission's recommendations and determined that the Treaty of Accession would be signed in April 2003 with a view to ratification processes being completed in time for the new states to join the EU on 1 May 2004. In addition, the European Council anticipated Bulgaria and Romania joining the EU in 2007 if they continued to make satisfactory progress in meeting the requirements of membership. This approach was reinforced at the June 2003 Thessaloniki and December Brussels summits, with the conclusions of the latter stating: "*Welcoming Bulgaria and Romania in January 2007 as members of the Union, if they are ready, is the common objective of the Union of 25....Bulgaria and Romania should continue energetically their preparations... so that accession negotiations can be brought to a successful conclusion in 2004...and the Accession Treaty can be signed as soon as possible in 2005*" (European Council, 2003). In April 2003, the European Parliament gave its assent, with overwhelming majorities for each of the 10 states with which accession negotiations had been concluded (*ibid*).

Following the European Parliament's assent, the Accession Treaty was formally signed one week later. The final stage of the accession process was for the Accession Treaty to be ratified by the EU-15 and the candidate states.

2.4 Distinctiveness of the CEECs Enlargement

At first sight the CEECs enlargement round appears to be rather like a larger and more challenging version of the Mediterranean round. It shares some of the characteristics of that earlier round: applicants just emerging from dictatorships, applicants of low per capita GDPs and applicants with large agricultural sectors (Nugent, 2004).

However, as Nugent has stressed, further inspection reveals the differences between the two rounds to be far greater than the similarities. The Mediterranean dictatorships were internal in that they were not engineered or controlled by another courtyard and they had a much less embracing grip on society than did the communist regimes in the CEECs; the Mediterranean

applicants had most of the features of a market economy, whilst the CEECs were just emerging from centrally planned economic systems; the Mediterranean states were all firmly within the Western zone of influence in the post World-War II era, not least through NATO membership, whilst the CEECs were part of the Soviet bloc, and by the late 1990s and early 2000s, also the EU was much more concerned with respect of both institutional arrangements and policy responsibilities than had been the EC, when the Mediterranean's were negotiating accession terms (*ibid*).

These differences serve to make the point that all enlargement rounds are unique. They are so, most obviously, in terms of:

- ***The number of applicants:*** There were four applicants in the first round-Denmark, Ireland, Norway and the UK-with all but Norway joining; one plus two applicants in the second round-Greece, plus Portugal and Spain; four applicants in the third round-Austria, Finland, Norway and Sweden-with, again, all but Norway joining; and the 10+2 in the fourth round.

- ***The characteristics of applicants:*** These have varied enormously both between applicants in the same enlargement round and, in more general terms, between rounds. Focusing on differences between rounds, examples of variations include: geographical location-the first enlargement brought in northern countries, the second Mediterranean countries, the third two northern countries and one central European country, and the fourth central and eastern countries and two Mediterranean countries. Also political inheritance-the countries which joined in the first and EFTA enlargement rounds all had well-established and solid democratic systems, whilst those that joined in the Mediterranean and CEECs rounds had recent histories of authoritarian/military/one party rule (Avery, 2004). Concerning GDP per capita, the EFTA countries joined the EU with an average per capita GDP well above the EU average, whilst the average of the applicants in the first round was 90 %, in the Mediterranean round was 70 %, and in the CEECs round was 40 % (Breuss, 2002).

- ***The level of development of the EC/EU:*** In Nugent's words: "As European integration advanced, accession processes have necessarily embraced a wider range of issues and in turn, have necessarily become more complex". So, for example, the first enlargement round did not stray much beyond market-related issues, even on these the *acquis* was much narrower

than it has subsequently become. The fact is that in the early 1970s the EC did not have a foreign and security policy, a justice and home affairs policy, coordinated macroeconomic policies and a single currency, or much in the way of environmental policies. As a consequence, unlike in later enlargement rounds, especially the CEECs round, these issues barely arose during the accession processes that led to Denmark, Ireland and the UK joining the EC.

- ***The number and nature of policy issues creating difficulties:*** Kok (2003) argues that all applicants come to accession negotiations with policy issues about which they are particularly concerned and he further suggests that this can create problems, on both sides, during the accession process. He gives the example of the UK for whom the key issue was protection of its historical important trading links with Commonwealth countries. For Spain, the Common Fisheries Policy was an important issue because on entry it would have the largest fishing fleet in the EC; and for most CEECs-but especially Poland-there was a desire to secure early access to the full benefits of the CAP (Kok, 2003).

- ***The length of the accession process:*** It might be assumed that the process would have become progressively longer as the *acquis* has developed, but this is not so (Nugent, 2004). It certainly is the case that the rapid completion of the first enlargement round-the negotiations themselves lasted only around 18 months-was assisted by the relatively undeveloped nature of the *acquis*, but of equal importance was the fact that the applicants were all well-established democracies with solid market-based economies (*ibid*)

Papadimitriou (2002) argues that though there were many specific points on which agreements had to be negotiated, all of the applicants were adjusted to the main bases of membership and he further claims that such was not the case in the second round, where the political and economic bases of the applicants were much less secure and where many more adjustments were necessary to meet the requirements of Community membership.

In consequence, five and a half year elapsed between Greece's application and its entry, for Portugal the gap was almost nine years, and for Spain it was eight and a half years. For the 10+2 applicants the necessary adjustments were, of course, even greater than they had been for the Mediterranean's, with the consequence that for the CEECs the gap was on average 10

years. (Nugent, 2004) The EFTA round was completed very quickly; the negotiations lasted only 13 months and less than three years elapsed between the last EFTA application-from Finland in March 1992-to the three accessions in January 1995. According to Avery (2004), there were two main reasons why the round was completed so quickly: all the applicants more than met the broad political and economic criteria of membership, and many of the technical matters that feature in accession negotiations had been cleared in earlier negotiations to create the European Economic Area (EEA).

- *The nature of the EU's approach to the new members*: The 2004 enlargement differed decisively from previous enlargements of the EU also as regards the EU's approach to the new members. Key differences included: an extended period of gradual approximation and adaptation, which lasted for some 15 years; a much greater emphasis on the adoption and full implementation of the *acquis* prior to accession than had been the case in the 1980s, when Greece, Portugal and Spain had joined. Detailed attention is paid to domestic institutional capacity of the CEECs to implement the *acquis* and wide-ranging conditions applied for membership in the form of the 'Copenhagen criteria' adopted in 1993, which included 'stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities; the existence of a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union (*Council of the European Union, 1993*) .

In other words, as Grabbe (2002) also mentions, an informal *acquis* emerged, norms and expectations applied against which the applicants would be measured that were not part of the legal obligations of membership that was applied to the EU-15.

According to Kok (2003), this distinct approach to enlargement reflected concerns of both the EU Commission and the EU-15 member states over the consequences of adding ten new member states. These concerns centered on the functioning of the institutions of the EU, notably the Council of Ministers, but also the Commission and, to a lesser extent, the European Parliament. There were also concerns regarding the tensions between widening and the prospects of a further deepening of integration; and, perhaps most significantly, the question of how the political, economic and security interests of existing member states and their power in the EU could be safeguarded (*ibid*).

The nature of the new members' relationships to each other: Although there were important commonalities in their experiences of enlargement, the new members didn't evidently form a cohesive group. Malta and Cyprus had not much in common, beyond their status as Mediterranean islands. The CEECs were, in themselves, a heterogeneous grouping, including the Baltic states, which emerged from the break-up of the Soviet Union; Slovenia, which declared its independence from Yugoslavia in 1991; the Czech Republic and Slovakia, which became sovereign states in January 1993. With the exception of Poland, all were medium-sized, small or micro states, and they differed significantly in terms of key socio-economic data. Political ties amongst the CEECS were weak, and, in some cases, strained, not least because of the existence of ethnic minorities in neighbouring countries (the relationship between Romania and Hungary might serve as an example). According to Avery (2004), attempts to strengthen such bonds, including the formation of the 'Visegrad group' of the Czech Republic, Hungary, Poland and Slovakia, had only very limited success.

Wallace (2001) has stressed the importance of functional, territorial and affiliation linkages in understanding the European enlargement in Western Europe, resulting in a 'distinctive pattern of integration: multi-framework, multi-layer, multi-lateral and multi-purpose'. This pattern is contrasted to that found in CEECs with 'a segmented history, followed by recent attempts to define European engagement by achieving incorporation within the west European-defined transnational system. The manner in which the accession negotiations were conducted did little to encourage the applicants to co-ordinate their views. Thus, 'the "bilateral nature" of the process was an important structural factor of the negotiations and it rendered it difficult for the applicant countries to present a common front to the EU' (*ibid*).

-The nature of the new members' relationships to existing member states: The horizontal dimension of European integration consists, at its core, of a series of 'special relationships', of which the Franco-German alliance has, perhaps, been the most celebrated.

Enlargement has added decisively to this tapestry of special relationships, some of which are historically and politically highly charged. One need only mention the examples of Poland and Germany; Cyprus and Greece; Hungary, Slovenia and Austria; or Malta, Italy and the UK. These ties indicated a potential for interstate co-operation and strategic alignment, but, in

some cases, they also marked a source of conflict. Inevitably, they promoted further bilateralisation and multilateralisation of relationships amongst the EU member states.

As Nugent (2004) mentions, CEECs enlargement round, therefore, has been in important respects distinctive and indeed unique. It has been so because of the applicant CEECs on the one side and of the EU on the other side.

2.4.1 Attitudes of the EU members towards CEECs Enlargement

The CEEC enlargement round is sometimes thought of as having been conducted at a slow pace. After all, the gap from the collapse of communism in CEECs to the May 2004 accession date was almost 15 years (*Nugent, 2004*).

In fact these time spans are not so long or excessive as they might at first appear. Although communism collapsed in 1989/90, CEECs did not actually apply for EU membership until the mid-1990s. The gap between applying and joining is thus 10 years or less, which much the same is as was the gap for Portugal and Spain. Another reason is that the CEECs round had been not only the biggest but also the most complex enlargement round that the EU had had to manage. It had been so partly because of the ever expanding nature of the *acquis* and partly because the CEECs had been in political, economic and administrative transition and so had to make many more changes to domestic laws, structures and practices than previous applicants (*ibid*).

It is possible that the CEECs enlargement round could have been pushed forward more quickly if there had been a strong political drive amongst the EU-15 to do so. (*Schimmelfennig and Sedelmeier 2005*) But the existing member states differed in their views, both about the enlargement process as a whole and about particular applicants (*Barysch and Grabbe 2002*). So, for example, amongst the customary integration enthusiasts, Germany, Italy, and the three Benelux countries were all ultimately in favor of enlargement, but in the early stages of the process they were concerned that it might threaten EU institutional and policy deepening, including the movements towards EMU. The UK was perhaps the most consistent supporter of enlargement, but in its case a major part of attraction was precisely that it might threaten deepening. (*Nugent 2004*) France was prominent in the “doubtful and hesitant” camp, partly because of concerns that its privileged axis with

Germany might be weakened and partly because existing support mechanisms within CAP, from which it is the largest simple beneficiary, would inevitably be brought into question. Beneficiaries from the EU's Structural Funds-especially Spain and Portugal-also harbored reservations because of fears that funds from which they benefited would be re-directed to CEECs (*ibid*).

Some applicant states were advantaged by having a member state or states that took a special interest in their cause, and in a few instances almost acted as their patron. As also mentioned in Chapter 2.4 subtitle "The nature of the new members' relationships to existing member states", for example, Germany virtually supported Poland, and less so Hungary and the Czech Republic. This led to Germany making it clear, when Poland began to slip behind in the accession negotiations, that there could be no question of Poland not being included in the first wave of CEECs accessions. For a mixture of cultural and strategic reasons, the Scandinavian member states promoted the interests of the Baltic applicants.

Just as CEEC applicants had sought membership for varying mixtures of economic and political reasons, so had existing member states been willing to open the doors for such reasons (*Breuss, 2002*). The central economic reason was the perceived opportunities and advantages that had been anticipated as flowing from widening the internal market. However, other economic considerations had played a part too, as with, for example, the EC-6 welcoming the fact that the UK would be a net contributor to the EC's budget. Political reasons had included the potentially greater global role and impact for the EU, the security advantages of bringing together the European continent-especially important in the CEECs enlargement round, a strong desire to help applicants to consolidate their new democratic systems. Such had been the perceived importance of this last reason that in 1976 the European Council did not follow the Commission's advice that accession negotiations with Greece should be delayed because the country was not ready for membership in economic terms but rather instructed that negotiations should be opened so as to help underpin Greece's newly restored democracy (*ibid*). After almost 25 years Romania's case would really resemble Greece, since closure came in the absence of a clear political endorsement from the Commission (*Phinnemore, 2006*).

But while existing member states had recognized reasons for being open to applicants, not only the CEECs enlargement but all enlargement rounds had been accompanied by concerns that enlargement might create too many difficulties for the EU and might damage national interests. (*Kok, 2003*) This had resulted in a certain hesitation, even reluctance, to embrace new members too quickly. Existing member states had helped to build and were part of an organization they believed furthers their interests and they did not want to see this endangered (*ibid*).

In the CEECs round, one of the concerns was that an enlargement might deflect the EU from its efforts to forge a further political and economic deepening (*Nugent, 2004*). For Nugent, another main concern was that the applicants were so far from being prepared for membership that their accession would be both hugely disruptive and too expensive and he suggests that this concern formed part of the background to the Europe Agreements and the assumption by existing EU member states in the early 1990s that these would serve to help put CEECs EU memberships on a long hold. However, as Nugent concludes, such was the attraction of EU membership for the CEECs that the Europe Agreements did not delay membership applications, or indeed membership itself.

2.5 Economic Aspects of the CEECs Enlargement

In the analysis of Breuss (2002), he stressed “several asymmetries” between the Old Member States (OMS) and the New Member States (NMS) and he explained that first, a bloc of rich countries had to integrate a bloc of still poor countries and second, a large bloc integrated a small one. In addition, according to Baldwin (1997) among these countries labor productivity differed notably. Baldwin further argued that this could be due to a bad capital stock, which might be changed easily taking the “high level of education in the CEECs” into account.

Some differences concerning population and GDP between the OMS and the NMS 2004 are illustrated in the table below.

Population and GDP for the OMS and the NMS				
All figures for 1995	EU-8	NMS 2004	EU-15	EU-25
Population (Millions)	74.20	75.32	372.26	447.58
% of EU-15 Population	19.93	20.23	-	120.23
% of EU-25 Population	16.58	16.83	83.17	-
Real GDP (Billions, Int-\$)	578.41	595.24	7,258.63	7,853.87
Percent of EU-15 GDP	7.97	8.20	-	108.20
Percent of EU-25 GDP	7.36	7.58	92.42	-
Real GDP per capita (mean, Int-\$) % of EU-15 GDP	8,639	9,857	19,683	15,753
per capita	43.89	50.08	-	80.03
% of EU-25 GDP per capita	54.85	62.58	124.95	-

Source: Romania Central

There were many sectoral differences between the EU-15 and the CEECs, particularly in the field of agriculture. The importance of trade also between the two blocs: while trade with the EU-15 was crucial to the CEECs, trade with CEECs was marginal to the EU-15. In general, foreign trade is more important to the CEECs. Exports plus imports account on average for 93 % of GDP in the CEECs but only to 55 % in the EU-15 (*Breuss, 2002*).

Accordingly, Breuss (2002) estimates the impact of integration as considerable for the CEECs but on average as marginal for the EU-15. On the other hand, this average was composed of very different levels of importance to separate EU-15 Member States. “Unevenly distributed” gains could be expected as countries like Finland, Austria and Greece had export shares of more than 11 % to the CEECs while the EU-15-average is about 4 %. Germany having an export share of 8 % to the CEECs should be considered in the first group, too (*ibid*).

2.5.1 Expected Economic Effects of the CEECs Enlargement

Before the CEECs enlargement took place, controversial debates with high expectations on the one side and serious concerns on the other side dominated the agenda. On one side, EU officials continuously stressed the benefits of CEECs enlargement, on the other side, economists sought to forecast the effects of integrating the CEECs into the EU. (*Romania Central*)

Although different models were used in these studies, results yielded consistent and even similar results. On average, all evaluations including Breuss (2002), agreed that enlargement would be a “win-win” situation, both for the CEECs and the EU-15 (*Baldwin, 1997; Breuss 2002*). Considering the asymmetric size of the two blocs, economists estimated that the shock

of enlargement would be much more pronounced in the CEECs than in the EU-15. It was predicted that 5 - 6 % of additional GDP growth for the Czech Republic and about 8 - 9 % for Hungary and Poland until 2011 would be achieved (*Breuss, 2002*).

But empirical assessments have proven that as Breuss (2002) mentions, “enlargement is not only about trade and growth potentials, but also about redistribution of income of the labor market winners and losers”. The OMS; Austria, Germany and Italy were typically expected to profit more than other OMS from enlargement (*Baldwin, 1997*) while Spain and Portugal might face a negative impact (*Romania Central*).

2.5.2 Conclusions for the Economic Impact of CEECs Enlargement

Beside its politically desired effects of promoting peace and stability among Europe, enlargement was believed to bring economic benefits for all participants. For example, the creation of the Single European Market (SEM) was expected to reduce the costs of trade, foster competition and efficiency through economies of scale and specialization. Prices for consumers were also expected to converge on a decreased level, like-wise the costs for producers. An important assessment was that the effects of CEECs enlargement started already several years before EU-accession actually took place (*Romania Central*).

Shortly, first evidence from the 2004 round of enlargement supported the beneficial expectations attributed to the CEECs Enlargement.

All CEECs grew faster than the EU-15 countries, though at different speeds. However, not all CEECs succeeded in the same extent to attract FDI. After their membership, while Hungary and the Czech Republic enjoyed an FDI-driven shift towards a more technology intensive production profile, countries like Latvia and Lithuania attracted more investments in labor-intensive industries (*ibid*).

Labor markets on the other hand recovered at a slower speed. In majority of the CEECs, unemployment rates were notably high even though there were important differences concerning the unemployment rates among the CEECs. Highest unemployment rate was recorded in Poland, the Czechs and the Hungarians were slightly better.

Overall, it may be argued that CEECs enlargement yielded several benefits for both the CEECs and the EU-15, too (*ibid*). It facilitated convergence of the economies of the CEECs and the EU-15. This round of enlargement was also suggested to increase the standards of living for the CEECs and create new markets for the EU-15. It would be misleading to claim that all the CEECs succeeded equally in attracting FDI-inflows or in achieving comparable levels of real convergence. EU provides a bridge to profitable markets but being a member does not automatically grant competitiveness and an attractive business environment. So there is still a lot to be accomplished internally (*ibid*).

2.6 Conclusions

According to Nugent (2004), the CEECs enlargement round was the most momentous enlargement round in the history of the EC/EU in that it marked the point at which the EU is transformed from being a Western European organization into being a European-wide organization. After Bulgaria's and Romania's memberships, the EU today has almost doubled in size in terms of the number of its member states and is embracing countries of Central and Eastern Europe from which Western Europe was estranged for most of the second part of the twentieth century.

The CEECs enlargement round has not only been momentous in its impact but also has been unique in many respects. This has been because of the sheer number of applicants with which the EU has had to deal with, their very different characteristics compared with EU-15 states and the fact that the scale of the enlargement has forced the EU to examine aspects of its own operation in a way previous rounds have not.

There exists a very wide range of studies and estimations on enlargement which focus on challenges that it poses to the prosperity, stability and continued development of the EU.

The challenges should also be placed in the context of the fact that, enlargement took place at a time when the EU was already facing many other problems (*Grabbe, 2006*). Amongst these challenges were institutional functioning, improving the efficiency of the economy, creating

an internal area of freedom and justice, tackling cross-border crime and illegal movements of people, and establishing the EU's place in the world.

Enlargement might be an additional challenge at a difficult time, but it also as Kok argues, offered the possibility of being a catalyst in helping to make progress in tackling some of these outstanding problems. For example, it certainly influenced important reforms to the Common Agricultural Policy (CAP) that were agreed by EU Agriculture Ministers in June 2003. And the Lisbon Treaty, which has as its main purpose as simplifying the EU's institutions and operation and making them more understandable to the citizenry, has at least some of its origins in the spotlight that enlargement has thrown on how the EU functions. As for enlargement being a catalyst for future problem solving, the extension of police, judicial, and border control cooperation to so much more of the European continent offers great opportunities for dealing with a variety of internal security issues (*ibid*).

III. ROMANIA

3.1 An Historical Overview

Romania first appeared on the map of Europe as an independent state in 1878. During the previous two decades Romania, comprising the regions of Wallachia and Moldova, had enjoyed a form of semi-independence within the Ottoman Empire. During the 1877, Russo-Turkish war in which Romania allied itself with Russia, the Romanian Parliament declared its independence from the Ottoman Empire (*Boia, 2001*).

During the middle and late nineteenth century Romania drew on European models for its constitution, parliamentary system, public administration, judicial system, education, universities, literary, artistic and architectural forms and even styles of clothing. France-a Latin sister- was the strongest role model. Even the Romanian language was "Westernized": the Cyrillic alphabet was replaced by the Latin one in 1860, while numerous words of Slavic origin were dropped and replaced by their French equivalents (*Light, 2006*).

Romania became a Kingdom in 1881 and under the rule of King Carol a rather unique system of governance emerged, whereby two parties-Conservative and Liberal-would alternate in

power, their tenure lasted until the King decided it was time for a change. However, Romania under Carol experienced an unprecedented period of stability. This was a period of consolidation for the new state. The armed forces strengthened, education was reorganized and infrastructure and communications improved (*ibid*).

The Balkan war itself brought Romania its first territorial change since 1878 when it gained Southern Dobrogea from Bulgaria even though most of the population of this region was not Romanian (*Boia, 2001*).

The First World War and its Aftermath

Romania initially declared its neutrality at the start of the First World War. However, the situation changed with Carol's death in 1914 and his successor, Ferdinand, was more inclined towards supporting the Triple Entente of France, Britain and Russia. Romania finally entered the war in 1916. After the war, Romania had gained Transylvania, Bessarabia, Bucovina and the eastern part of Banat-far more than even the most optimistic could have foreseen at the start of the war. Romania had more than doubled in area and its population increased from 7.5 million to 16 million. The new state became known as “Greater Romania” (*Duncan, 2006*).

The Second World War

Romania declared itself neutral when the Second World War broke out. However, with the fall of France, Romania faced the unenviable choice of siding with either Hitler's Germany or Stalin's Soviet Union. In any case, events were beyond King Carol II's control, particularly since Romania's neighbors were now in a position to reclaim territories they had unwillingly surrendered after the First World War. Facing mounting hostility both from inside and outside powers, the King granted dictatorial powers to an army officer, General Ion Antonescu, before fleeing the country, leaving the throne to his son Mihai. Romania entered World War II on the side of the Axis Powers in June 1941, invading the Soviet Union to recover Bessarabia and Bukovina, which had been annexed in 1940 (*ibid*).

However, in May 1944 the Soviet Union invaded Romania. Facing total occupation by the Red Army, King Mihai organized a *coup d'état* against Antonescu. Romania then changed

sides and declared war against Germany. Within a week, Soviet forces had arrived in Bucharest and taken control of the country. The Romanian army entered northern Transylvania, which was liberated by late October. Treaties at the end of the war confirmed Transylvania as Romanian territory, but Southern Dobrogea was retained by Bulgaria, northern Bucovina was incorporated into Soviet Ukraine and Bessarabia became the Soviet Republic of Moldova (*ibid*).

Communist Romania

Romania was now an occupied country and Stalin lost no time bringing it under Soviet control and installing the Romanian Communist Party (PCR) in power. The first communist-dominated government was formed in March 1945. In the elections of 1946 the communists took % 80 of the vote. On December the King was forced to abdicate and the People's Republic of Romania was proclaimed (*Deletant, 1999*).

Under the leadership of Gheorge Gheorghiu-Dej, the communists set about a complete political, economic, social and cultural transformation of Romania. The communists set about creating a new society: this meant completely recasting Romanian national values and history. Education was reorganized to stress Marxist principles. Romanian history was entirely rewritten to stress the Slavic influence on Romania's development. Even the Romanian language was revised to make it appear more Slavic and less Latin in origin (*ibid*).

However, in the 1960's a Soviet planner proposed an economic division within the Soviet bloc, whereby some countries would specialize in industry and others in agriculture. Romania was allocated a predominantly agricultural role, something that was unacceptable to the country's leadership. The proposal was later abandoned, but it caused a major change in Romania's relations with Moscow. Dej started to distance Romania from the Soviet Union and to stress Romania's national interests instead. This resulted in a campaign of “de-Russification” and the rewriting yet again of Romanian history to re-assert Romanian national values (*ibid*).

In 1965 Dej died and was succeeded by a little known apparatchik, Nicolae Ceausescu. One of Ceausescu's first actions was to rename the country the “Socialist Republic of Romania”.

In his early years, Ceausescu seemed to promise a more open and liberal Romania. Censorship was relaxed, western newspapers were available in Bucharest, western films were shown and even a Pepsi-Cola bottling plant opened in 1968. Ceausescu continued Dej's policy of maintaining Romania's independence from the Soviet Union. In 1968, when Soviet Union invaded Czechoslovakia, Ceausescu called a rally in Bucharest in which he denounced the invasion as an act of Russian aggression (*Boia, 2001*).

Ceausescu's actions in 1968 brought him the attention and respect of the West. They were followed by invitations for official visits to western countries (including the USA and the United Kingdom in 1978). Ceausescu increasingly sought to present himself as a reforming communist, pursuing an independent foreign policy within the Soviet Bloc. For much of the 1970's, the West bought into this myth. However, Ceausescu's reputation became increasingly tarnished during the 1980's and when Mikhail Gorbachev appeared on the scene in the Soviet Union; Ceausescu appeared as an unreformed Stalinist dinosaur (*ibid*).

Domestically Ceausescu never lived up to the promise of the early years of his rule (*Treptow, 1996*). Following a visit to China and North Korea in 1971, he implemented a new wave of censorship and repression, whilst also setting in motion the formation of a grotesque personality cult. The hagiographers also turned Ceausescu's wife, Elena into an academic chemist of global fame, even though she had left school with no qualifications. Power was increasingly concentrated in the hands of Ceausescu and his family.

He continued to give priority to the expansion of heavy industry. This entailed importing vast quantities of raw materials thus running up large foreign debts. However, because the quality of the country's industrial output was always poor, Romania was unable to export to the West. At the same time, the production of consumer goods for the domestic market was neglected, frustrating the demands of the population for an improved standard of living. Ceausescu's Romania got progressively bleaker during the 1980's (*ibid*). The economy was underperforming to the extent that Romania had to import food from West. By 1981 Romania's foreign debt had risen to 10.2 billion US Dollars. Ceausescu decided to pay off the entire foreign debt ahead of schedule. The result was unprecedented austerity and hardship for ordinary Romanians. Almost all food was exported resulting in domestic food shortages,

while imports were stopped. Heating and lighting in homes and workplaces were also rationed.

Despite the looming crises, Ceausescu became increasingly detached from reality. The dictator embarked on a draconian scheme to remodel Bucharest. Around 5 km² of the historic city were razed and in their place a modern “civic center” and an enormous monumental building known as the “House of the People” were built (*Light, 2006*). Ceausescu also announced a scheme to “systematize” rural areas that would have resulted in the destruction of around 6000 villages and the displacing of their population to new “agro-industrial” towns.

After the collapse of communism in the rest of Eastern Europe in the late summer and fall of 1989, Deletant (1999) describes that: “a mid-December protest in Timisoara against the forced relocation of an ethnic Hungarian pastor grew into a country-wide protest against the Ceausescu regime, sweeping the dictator from power. Ceausescu and his wife were executed on December 25, 1989, after a cursory military trial. About 1,500 people were killed in confused street fighting. A governing coalition, the National Salvation Front (FSN), installed itself and proclaimed the restoration of democracy and freedom. The Communist Party was dissolved and its assets transferred to the state. Ceausescu's most unpopular measures, such as bans on private commercial entities and independent political activity, were repealed”.

Unlike the other CEECs, where the transition from communist rule to democracy was the result of peaceful movements or round-table negotiations, Romania experienced a violent change of regime (*ibid*).

The last communist ruler, Nicolae Ceausescu was removed from his sultanistic position by a popular uprising (*Duncan, 2006*). Soon after Ceausescu's overthrow, rumors circulated that what had happened was not a mass popular revolution, but some sort of pre-planned *coup d'état* by a group of reform-minded communists.

According to Light (2006), many of the events of December 1989 are still clouded in confusion and what really happened may never be fully known. But the fact remains that the Romanian people mobilized to overthrow a particularly unpleasant dictator and bring about a major transfer of power.

3.1.1 Political Background and Dynamics after the Revolution in 1989

Alina Mingiu Pippidi (2006), divides Romania's politics after its 1989 revolution into two phases. She defines the first part as a phase of democratization, following the only “revolution” in the Central and Eastern Europe which did not bring about a victory of anti-communists in elections. During this phase, Ion Iliescu, a former communist leader, and his populist National Salvation Front (FSN), which campaigned with slogans against party politics and western capitalism, won an overwhelming victory after free but unfair elections in May 1990. The second was the phase of consolidation, which started with the peaceful departure from power of Iliescu in 1996, after he lost elections to a coalition formed by anti-communists and deserters from his own party. Despite fears to the contrary, Iliescu left power peacefully and so ended the Romanian political transition.

The first anti-communist President, Emil Constantinescu, who governed from 1996 to 2000, proved mostly a disappointment to voters. He interrupted the tradition of support for Serbia's dictator Slobodan Milosevic and backed the West on Kosovo. This might have helped Romania's bid for the EU, but it certainly did not help him with a nationalistic public opinion which sided with the fellow Orthodox Serbs (*Phinnemore, 2008*).

Ion Iliescu returned to the Presidency in 2000, but this did nothing to change what was then Romania's EU accession course. Actually, when returned to power in 2000, he wanted European recognition more than anything else (*Pippidi, 2005*).

According to Pippidi, the Romanian political transition shares few features with Central Europe. Rather, it followed a different “Balkan” pattern, which still greatly impacts current Romanian politics. Romanians were strongly encouraged and motivated by changes in Central Europe and tried to imitate anti-communist movements in that region. Gradually, a more organized, civilized and peaceful civil society developed. Pippidi claims that it is the media and the civil society, rather than the parties, which can be found behind the best policies in Romania. Pippidi further argues that the political parties have never attained the professionalism of the Central European ones, and have never succeeded in providing a good quality of governance, which was felt greatly during EU accession negotiations.

As Pippidi suggests, “the former communist power establishment was stronger and more determined to protect its advantage in Romania than in other CEECs, where it had less to fear, as the worst of communism could be conveniently blamed on the Soviets. Networks of real influence linked various sectors of society with the Securitate (secret service), with the goal of generating profit for themselves. These networks worked hard to save their influence and convert it into wealth. As elections have rarely touched anything other than Parliament and Government, as she mentions, these structures of influence within the secret services, military and business retained their power and succeeded in controlling the initial phase of privatization and generating immense wealth for themselves. Romania's much discussed corruption is mostly due to the existence of this “predatory elite”, which engaged in rent-seeking behavior, practically capturing the state and “privatizing the government”.

In Romania political environment changed rapidly after her acceptance as a candidate to the EU in 1999. In Pippidi's words: *“The prospect of accession to the EU opened the door for a new type of political change, a change pushed from below but taking advantage of external conditionality, necessary in a society where powerful people remained above the law. From 1996 on, democratization progressed slowly but irreversibly in nearly every field, although overall performance remained below Central European levels”*.

The EU was especially concerned with the state of corruption, according to Pippidi, a largely misunderstood phenomenon that Brussels thought it could fight by legal prosecution alone. Asking the state authorities to fight corruption has predictably brought no positive results.

One of the main reasons of the Nastase Government falling from power was its reputation related with corruption. This fall was a serious blow to the predatory elite and in a way generated new opportunities to build an economy based on fair competition.

As a conclusion, as Boulder (2005) suggests, if Romania did not become a second Belarus or Albania, this was largely due to the fact that the prospect of European integration prevailed all other dynamics. Every step of the Romanian political transition, as Freedom House reports show, (Boulder, 2005) had to be fought over fiercely, and there is still a way to go for Romania to achieve a substantial democracy. But as Light (2005) and many other

academicians suggest, more than any constitution or electoral law, European integration and the prospect of accession to the EU have shaped Romanian politics.

3.2 The Economic Inheritance of 40 years of Communism

Majority of the CEECs gained their first experiences with basic economic reforms starting the 1960s and onwards. Some CEECs faced political opposition however most of them who had a larger expatriate community, could manage to attract foreign advice and assistance (*Romania Central*).

Unfortunately, this was not the case in Romania. There was no expatriate community since emigration had been subject to tight controls, even concerning interior migration. Cities with over 100,000 inhabitants remained virtually closed and the institutional design was Stalinist (*Daianu 2000*).

Despite some few and insignificant reforms, the Romanian economy remained “essentially unchanged” until the very end of Ceausescu regime. It was a centralized economy and private production property was banned - with the unimportant exception of a few private farmers in the countryside (*Maniu, 2002*). Central government used to set the prices and wages. Labor mobility was likewise controlled from the top.

During the last years of Ceausescu, production targets were more and more unrealistic, what lead to a “vicious circle of tightening of controls, greater disorganization, and further tightening of controls” (*Romania Central*).

The main objective of Ceausescu at the beginning of 1980s was to re-pay all foreign debt, which relied on large current account surpluses. As export performance was weak, these were achieved by substantial cuts in imports and household supply - in spite of a continuous population growth. Since Ceausescu banned legally contraception and abortion what resulted in the desired high fertility rates which only started to turn low after 1990 (*Laviana, 2004*). Similarly during Ceausescu era, foreign trade was centralized, capital inflows were restricted (*ibid*).

According to Demekas and Khan (1991), the result of this economic policy was stagnation, low foreign reserves, the erosion of the capital stock and dramatic shortages of basic consumer goods. The industry got more and more energy intensive, so that energy was further diverted from households to industry.

Demekas and Khan concluded in their IMF working paper of 1998: “*The economic legacy of Ceausescu was an economy with an inefficient industrial structure and an almost totally obsolete capital stock, a completely disorganized system of production and distribution, a collectivized agricultural sector, a decaying infrastructure, and a population whose living standards had been forced steadily down to a level where even basic necessities - food, heating, electricity, medical attention - were hard to come by. There is little doubt that the initial conditions in Romania for the reform were far worse than those faced by the other reforming Eastern European countries.*”

3.2.1 Romanian Economy after the Revolution

Under the economic inheritance of 40 years of communism, Romania has experienced the greatest difficulty in creating the institutions of a market economy among the ten former CEECs that were invited to open negotiations for accession to the EU. As a result it was the last of them to be awarded the status of a functioning market economy by the European Commission in October 2004 (Daianu, 2006). As mentioned in the previous title, by 1989 the economy was on the verge of collapse, with widespread shortages and severe rationing of energy, while the population had endured nearly a decade of deep austerity and the capital stock had become increasingly obsolete (*ibid*).

According to Smith A. (2006), the slow pace of the transition to a market economy can only be attributed mainly to the adverse economic circumstances facing the country in 1989, but it also reflects the reluctance of the left-of-center governments that ruled Romania for eleven of the fifteen years between December 1989 and the end of 2004 to implement the structural changes that were needed to attract foreign investment and to create a modern open market economy that was capable of responding to the demands of consumers inside and outside the

country. This was reinforced by the failure of the right-of-center government that ruled from the end of 1996 to 2000 to implement a coherent and co-ordinated reform strategy.

1990-2004: An Overview

During 1990-2004, the Romanian economy was neither fully marketized nor centrally planned. The industrial sector was largely composed of inefficient and over-staffed large and medium-scale enterprises inherited from the communist era. Large-scale enterprises that were profitable were used as sources of hidden subsidies for non-viable sectors as well as a source of private income for “insiders”. Electricity and gas distribution, railways and urban transport remained under state control and suffered from lack of investment and modernization and of over-staffing and made considerable losses (*Smith, 2006*). The market sector largely consisted of a small, under-capitalized small business sector which employed over 30 % of the labor force but contributed to only 13-14 % of the gross domestic product. Attempts to reform the banking and financial system failed and financial scandals resulted in the loss of life-savings for many citizens. The narrow production base inherited from the communist era and the slow pace of restructuring means that Romania remains dependent on imports for machinery and equipment, a wide range of consumer goods, energy and raw materials. *Daianu (2006)*, highlights a range of factors, including the inheritance of post-communist Romania, to explain the relatively slow progress this country has made in establishing itself as a functioning market economy.

The slow pace of structural reform, involving continued state subsidies to industry has also made it difficult to bring about fiscal balance. As a result governments have struggled to restrict budget deficits which have largely been monetized, resulting in high rates of inflation (*Scriciu, 2002*).

Smith A. (2006) mentions, much of the impetus for reform has resulted from pressures by external agencies, including the EU, the IMF and the World Bank. Over the period Romania signed six standby agreements with the IMF which stipulated macroeconomic targets and structural reforms but only successfully completed one in 2003. Nevertheless, some progress has been made, particularly since 2000. After experiencing major falls in industrial output in 1990-1992 and in 1997-1999, Romania has experienced strong growth from 2000 onwards.

In 1997, the liberalization of prices and foreign exchange markets resulted in an immediate surge in open inflation with consumer prices rising by 155 %, whereas wages rising by 90 % resulting in a fall in real wages of 25 %. Although year end inflation was reduced to 41 % in 1998, no further progress was made in reducing inflation by the end of 2000. IMF agreements included policies for the progressive reduction of inflation involving reductions in budget deficits and stricter monetary policies. These have met with partial success in that the rate of inflation was reduced annually and fell to 9.3 % in 2004. This was the first time it has fallen below 10 % since the lifting of communist price controls (*Smith, 2006*).

In 2004, although privatization has been slow, the private sector accounted for 70 % of GDP as privatization accelerated in 2003-2004, with an increasing number of direct sales of enterprises and financial institutions to largely foreign owners who are investing in modernizing plant and equipment (*ibid*).

The formation of a centre-right administration since the end of 2004 has contributed to an acceleration of reforms including the introduction of flat-rate income and profit taxes and the liberalization of capital flows but the relaxation of macroeconomic policies has aggravated macroeconomic imbalances (*Smith, 2006*).

The EU recognized Romania as having a “functioning market economy” in October 2004, however it raised major concerns about widespread corruption and the lack of independence of the judiciary and its ability to enforce property rights and provide equal treatment to foreign investors which impacted negatively on the business environment (*ibid*).

3.3 Romania's Road to EU Membership

Romanian accession in 2007 was the culmination of a process of rapprochement and integration with the EU that has started since the revolutionary events of late 1989 (*Papadimitriou and Phinnemore 2008*). A trade and cooperation agreement was signed in September 1990 and was soon followed by agreement on a programme of PHARE assistance. Romanian requested from the EU in June 1992 to upgrade relations to the level of association (*Ionescu, 1993*). Negotiations were conditional on Romania ‘giving practical evidence of

their commitment to the rule of law, respect for human rights, the establishment of multi-party systems, free and fair elections and economic liberalization with a view to introducing market economies' (*European Commission, 1990*) They began in May 1992 and led to Romania on 1 February 1993 becoming the fourth CEEC – after Hungary, Poland and the Czech Republic– to sign a Europe Agreement.

Relations were soon given a new political direction with the commitment issued by the Copenhagen European Council in June 1993 to admit the CEECs once a series of conditions had been met. Eastern enlargement was on the agenda. A would-be member state would, however, have to demonstrate: 'stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union'. It must also be able to assume 'the obligations of membership including adherence to the aims of political, economic and monetary union' (*Council of the European Union, 1993*). In addition, the Copenhagen European Council launched 'a structured relationship' and a 'reinforced and extended multilateral dialogue' with Europe Agreement signatories.

Romania's integration with the EU was boosted further on 1 February 1995 when the Europe Agreement entered into force. At this time the EU was launching its 'pre-accession strategy' for the CEECs. Romania responded on 22 June 1995 with its membership application.

The Commission's 'avis' was published in July 1997 and noted only that Romania was 'on its way to satisfy the political criteria' for membership. More seriously, although progress in creating a market economy was deemed to have been 'considerable', the Commission concluded that Romania 'would face serious difficulties to cope with the competitive pressure and market forces within the Union in the medium-term' (*European Commission 1997a*). Accession negotiations could not therefore be recommended. The European Council agreed. The 'accession process' would, however, be 'all-inclusive'.

Romania therefore became part of an 'enhanced pre-accession strategy' involving increased PHARE assistance, 'accession partnerships' and annual reviews of progress. The European Council also declared that Romania – as a CEEC – was 'destined to join' the EU (*Council of*

the European Union 1997). An Accession Partnership was duly concluded in 1998 and a first Regular Report from the Commission recognized that some progress was being made. It did not though propose accession negotiations. A year later, there was change. While still critical about the state of domestic reforms, the Commission did recommend that Romania – alongside Bulgaria, Latvia, Lithuania, Malta and Slovakia – be invited to start accession negotiations. The Helsinki European Council endorsed the recommendation and on 15 February 2000 negotiations were opened.

Progress in closing negotiation chapters was slow. Romania did not therefore participate in the EU's 'big bang' enlargement of 1 May 2004. Her next goal was for 2007, a goal noted by the European Council in October 2002 and in the subsequent 'One Europe Declaration'. The date was then confirmed by a 2002 'Road Map' identifying the necessary measures that the Romanian government would have to take and a further revision of the Accession Partnership. With negotiation chapters being closed, the European Council in June 2003 announced the goal of completing negotiations in 2004. Six months later it confirmed that the EU too was committed to Romania becoming a member in 2007. Accession was planned for 1 January. The final chapters in the accession negotiations were closed on 14 December 2004. With the Commission issuing a positive opinion on 22 February 2005 and the European Parliament (EP) giving its formal assent to Romania's accession on 13 April 2005, the way was clear for the signing of the Treaty of Accession on 25 April 2005. The Treaty was ratified, Romania acceded to the EU on 1 January 2007.

3.3.1 The role of “Conditionality” in Romania’s progress towards EU membership

According to Phinnemore (2008), post-1989 Romania-EU relations developed at a rate that surprised many observers. Successive Commission and EP reports highlighted the slow pace of reform and the need for significant additional domestic efforts to ensure the further development of relations (*European Commission 1997a; European Parliament 1993 and 2004*).

Nevertheless relations developed rapidly and despite the relevant criteria not always being met, at least not in full. Negotiations on a Europe Agreement were opened well before Romania had met the criteria to a degree comparable to other CEECs. At the time, there were

persistent concerns about Romania's commitment to reform and allegations of human rights abuses. A credible conditionality-based case for granting Romania a Europe Agreement could barely be made (*Papadimitriou, 2002*).

Similarly, in 1999, the Helsinki European Council agreed to open accession negotiations even though the Commission's most recent Regular Report had been one of the most critical ever issued. The situation in Romania was 'very worrying' and had 'at best, stabilized' compared with 1998 (*European Commission, 1999b*).

Phinnemore (2008) once more underlines that a conditionality-based justification for opening negotiations simply could not be made. Accession negotiations were concluded despite significant concerns about whether the country would be in a position to assume the obligations of membership by 1 January 2007.

Significantly the EU only concluded negotiations after Romania assumed additional commitments on a range of justice and home affairs (JHA) and competition issues and accepted safeguard clauses allowing EU member states to delay accession by one year if Romania failed to fulfil these commitments. The clauses were in addition to a general one year delay mechanism that could have been triggered had there been 'a serious risk' of Romania – or Bulgaria – being 'manifestly unprepared to meet the requirements of membership' (*Official Journal 2005: Article 39*). No such clauses were deemed necessary in the context of the 2004 enlargement; nor were there precedents.

The above mentioned overview points to the role played by conditionality in determining the development of Romania's relations with the EU and the EU's use of conditionality generally as a determinant of enlargement. As Karen Smith (2005) asks: "Is it the case that conditionality was being overlooked or was its evident vagueness being flexibly interpreted?" It would be possible to argue that both conditionality and Romania's own domestic efforts to meet relevant criteria had a role in explaining these developments.

3.3.2 Romania's political system on the way to EU membership

When in 1997 the Commission issued its opinions on the membership applications of the CEECs it was able to conclude in all cases except two that they met the political criteria for EU membership (*Phinnemore, 2006*). One of the exceptions was Slovakia. The other was Romania. In a carefully chosen and cautious language, the Commission declared:

“The improvement now under way since the new government came to power suggest that Romania is on the way to meeting the political conditions laid down by the Copenhagen European Council” (*European Commission, 1997b*).

Behind its conclusion were concerns over respect for the primacy of law and for fundamental rights, corruption, the working of the courts, individual liberties, the activities of the police and secret service, the situation of the Roma, and the protection of children in orphanages. There were also serious concerns about the state of democracy in Romania. The mid-1990s saw various commentators questioning the progress made since 1989. In 1996, Tismeneanu (1996), described Romania having as the only post-communist government having “lingering authoritarian methods and mentalities”.

According to Shafir (2001), it was only due to the victory of opposition forces, a loose “coalition of coalitions”, operating as the Democratic Convention for Romania (CDR), that the Commission felt able to offer a positive, but guarded, assessment of the stability of Romania’s political institutions and conclude that recent measures to address the shortcomings mentioned were “a step in the right direction”.

In its assessment of Romania’s preparedness for accession, the Commission in 2006 offered, as was expected, a far more positive assessment stating clearly that “Romania fulfils the political criteria for EU membership” (*European Commission, 2006*). Such a conclusion had been drawn in each of the Commission’s Regular Reports since 1998. However, as previously, the Commission in 2006 listed a range of areas where further, improvements were still necessary. These included public administration reform, judicial reform, anti-corruption, child protection, and the protection and integration of minorities (*European Commission, 2006*). The list of areas was familiar. Romania had long struggled to satisfy fully the

Commission, the EU's member states and the EP, about its preparedness in terms of the political criteria for membership. It had succeeded in proving that it was a democracy, but there was always scope for improving the extent to which the fundamental norms set out at Copenhagen – the rule of law, human rights, respect for and protection of minorities – were being respected. The same was true regarding the administrative capacity to implement the *acquis*. Progress had always been made and in each Commission and EP report this was recognized. But the process had been long and often slow. And still at the time of accession, concerns persisted about whether outstanding issues concerning corruption, for example, would be addressed (*Macovei, 2007*).

Romania's struggle to satisfy the political criteria sufficiently for the EU to agree to admit the country raises a number of questions about the democratization process in Romania, the commitment of Romania's ruling elites to European integration and the capacity of the EU to influence reform in and promote the "Europeanization" of Romania (*Phinnemore, 2006*).

According to Phinnemore, the record of successive Romanian governments reveals only a gradual acceptance of democratic norms and practices in a country whose post-communist politics have seen only the gradual replacement of semi-authoritarian tendencies – embodied very much in the person of the three-time President, Ion Iliescu – with a respect for democratic norms across the political spectrum and a substantive commitment to European integration.

The receptiveness of the Romanian political bodies to the influences and pressures emanating from the EU has only increased over time. Phinnemore suggests that even then these attitudes had often been mediated by domestic political instability, the inertia of a politicized bureaucracy, political corruption, and an unwillingness among political parties to forego political point scoring for the sake of the shared national goal of EU membership. Likewise, Gallagher (2009) claims that, the overall balance sheet is generally positive with the stimulus of European integration contributing not to the consolidation of Romania's perceived backwardness, but to the furthering of the democratization process and the adoption of and improved adherence to the norms and principles of the EU.

3.3.3 Romania-EU Relations before the opening of Accession Negotiations

Relations between Romania and the EU have a special history, dating back to the 1960s, when several technical agreements in the field of agricultural and industrial products were concluded. Later on, in 1980, an agreement on trade in industrial goods was concluded. Among other things, this established a Joint Commission between Romania and the then EC. Romania was therefore the first CEEC to recognize *de facto* the EC (Orban, 2006).

Following the fall of the Ceausescu regime in 1989, Romania sought closer ties with the EU. On 1 February 1993, it signed a Europe Agreement (See chapter 3.3.4), acquiring with its entry into force in February 1995, the status of associate of the EU.

The Europe Agreement was a key stage on Romania's road to accession. It involved the liberalization of trade between Romania and the EU, the extension of the other freedoms on which the EU is based, and the promotion of economic and financial cooperation. Phinnemore (2008) states that the implementation of the Europe Agreement as well as “structured dialogue” with the EU contributed to a gradual rapprochement with and integration into the EU as a community of values and interests.

The process was intensified following the 1997 Luxembourg European Council's decisions to embark on an all-inclusive and evolving enlargement process and formally launch an accession process in March 1998 with all applicant countries, including Romania. Subsequently, on 13 October 1999, the European Commission recommended to the EU's member states that accession negotiations with Romania, Slovakia, Latvia, Lithuania, Bulgaria and Malta be opened. They were opened in February 2000 following a decision of the Helsinki European Council in December 1999 which also reaffirmed the inclusive nature of the accession process (Orban, 2006).

3.3.4 Europe Agreement

When the Council in December 1990 adopted negotiating mandates for the first set of Europe Agreements, it did so for only the Czech Republic, Hungary and Poland, the so-called Visegrád-3. Neither Romania nor Bulgaria was invited to negotiate. In Romania's case, there

were concerns about the commitment of the ruling National Salvation Front (FSN) and the country's President, Ion Iliescu concerning democracy, the rule of law, and respect for human rights. For external observers, Romania was very much as Gallagher calls a 'façade democracy'. Not only had the FSN's approach towards the Hungarian minority and violent events in Targu Mures in March 1990 caused considerable concern and scepticism abroad, so too had the government-backed descent of the Jiu Valley miners on Bucharest to quash anti-government demonstrations two months later. International condemnation had been swift, the European Community (EC) delayed the signing of the trade and cooperation agreement (*Papadimitriou and Phinnemore, 2008*).

Progress towards meeting the pre-conditions for a Europe Agreement – practical evidence of a commitment to the rule of law, respect for human rights, the establishment of a multi-party systems, free and fair elections, and economic liberalization with a view to introducing market economies' – seemed artificial. For the EP, the Romanian experience provided ample grounds for actually strengthening the principle of conditionality (*Papadimitriou and Phinnemore, 2008*).

Concerns persisted beyond 1990. The Commission viewed it 'premature' (*ibid*) to discuss the opening of negotiations on a Europe Agreement. The political reform process was clearly not as advanced as in the other CEECs. Within Romania questions were being asked about the 'willingness, motivation, and even ability' of the country's leadership and political elite to meet the West's democratic standards. And concerns were still being expressed by the EP (*European Parliament, 1993*).

Romania was not a member of the Council of Europe when the Europe Agreement was signed in December 1993. Romania became a member of the Council of Europe in October 1994. By contrast, the Visegrád-3 had all joined the Council of Europe before concluding a Europe Agreement.

To understand why, despite persistent concerns that Romania was not meeting the relevant criteria, the EC in 1991-93 agreed to open negotiations and conclude a Europe Agreement with Romania, it is necessary to focus on political developments elsewhere in Europe, most notably the attempted *coup d'état* in August 1991 in the then Soviet Union. (*Papadimitriou*

2002, Skalnes 2005). This was the catalyst for a new era in the EC's engagement with the CEECs, speeding up the conclusion of the Europe Agreements with the Visegrád-3 and triggering a major reconsideration of engagement with Bulgaria and Romania. In Phinnemore's words "*The event was decisive*".

However, some reconsideration was already underway in response to fears that the disintegration of Yugoslavia – seemingly a foregone conclusion following the declarations of independence of Slovenia and Croatia in June 1991 – could trigger further instability elsewhere in Southeastern Europe (*Papadimitriou 2002*).

According to Phinnemore, making the prospect of a Europe Agreement more explicit would encourage not only more solid Romanian support for Western actions, notably sanctions, against the Milosevic government, but also a more moderate response to domestic calls from the Hungarian minorities for autonomy and counter demands from Romanian nationalists for a suppression of these groups.

There were also worries that Romania might become embroiled in developments in Moldova as it moved towards independence (*ibid*). Much of the Moldovan Soviet Socialist Republic had previously been part of Romania and there were clearly voices to be heard supporting re-unification. In response, the Commission began to consult on the possibility of negotiations with Romania and Bulgaria. Within weeks, and with French and Greek support, it was seeking authorization to open exploratory talks. A new era in Romania-EU relations was beginning (*Papadimitriou and Phinnemore, 2008*).

The 1991 decision of the EC to sign a Europe Agreement with Romania was not therefore just reward for demonstrable progress in meeting the EC's conditions for negotiations on a Europe Agreement. Sufficient conditionality-based grounds did not exist. Some progress was being made, but significant concerns persisted about the commitment to the rule of law and to respect for human rights. A multi-party system had been established but the fairness of elections in 1990 was being challenged and political developments since had not diminished concerns over the commitment to democracy. In addition, progress with economic liberalization was well behind that of the other CEECs. Phinnemore suggests that without the security concerns generated by the disintegration of Yugoslavia and, more importantly, the

Moscow coup, Romania would have had a wait of several years before joining Hungary and Poland as associates of the EC.

3.3.5 Helsinki European Council and opening of the Accession Negotiations

When in December 1997 the European Council announced that Romania was ‘destined’ to join the EU and would be included in the ‘inclusive and evaluative’ accession process launched in early 1998, it was widely recognized that significant economic reforms in particular would have to be completed before Romania was likely to be invited to open accession negotiations. (*Phinnemore, 2006*) The Commission’s first regular report in 1998 provided little encouragement. Romania may now have been meeting the political criteria for membership, but it was making ‘very little progress in the creation of a market economy’. Moreover, ‘its capacity to cope with competitive pressure and market forces had worsened. Despite some progress, reforms had generally been ‘far too hesitant and slow, complicated by legal and administrative uncertainty, as well as by frequent changes and delays in implementation’ (*ibid*). The Commission, added: ‘the economic situation in Romania is very serious. The new government must give absolute and urgent priority to restoring macroeconomic stability and establishing credibility in international financial markets’ (*European Commission 1998*). Concerns were also expressed about corruption, human and minority rights, public administration reform and the adoption of the *acquis*; as well as fulfilment of the Accession Partnership’s short-term priorities (*ibid*). The 1999 Report made for scarcely better reading: Romania was still not a functioning market economy and the economic reform situation was ‘very worrying’ having ‘at best, stabilized’ (*European Commission 1999b*). Moreover, although Bucharest was still meeting the political criteria for accession, it was warned that the assessment could change if the government failed to continue to prioritize dealing with the crisis in the country’s child care institutions (*ibid*).

Despite its serious criticisms, the Commission nevertheless recommended the opening of accession negotiations in 1999. There were, two specific conditions: the adoption of a medium-term economic strategy (*Smith, 2005*) and action on improving institutionalized childcare.

At Helsinki, Romania saw its relations with the EU enter a new phase despite the fact that the country was clearly struggling and even failing to meet the necessary conditions. By December 1999, security was becoming an increasingly important determinant of the EU's approach to enlargement (*Papadimitriou and Phinnemore, 2008*).

This was most evident in the inclusion of a membership perspective in the Stabilization and Association Process (SAP) hastily developed for the countries of the Western Balkans in spring 1999 (*Friis and Murphy 2000*). The Commission stated in October 1999, enlargement was the 'best way' to achieve 'peace and security, democracy and the rule of law, growth and the foundations of prosperity throughout Europe' (*European Commission 1999b*).

Phinnemore claims that this shift was to Romania's undoubted benefit. While other 'pre-ins' were meeting the accession criteria, Romania – along with Bulgaria – was not. However, with enlargement increasingly regarded as the most effective means of promoting security in the EU's immediate neighbourhood, a sound rationale now existed for inviting Romania to open accession negotiations.

According to Phinnemore, Kosovo undoubtedly acted as a catalyst for a more inclusive approach of the EU to enlargement. This country shifted the discourse on enlargement and as a consequence led the EU to "renew" its policy towards Bulgaria and Romania.

Once again, in 1999, Romania owed the upgrade of its relations with the EU to events and developments generally beyond its control and extraneous to the bilateral relationship. Indeed, had the European Council based its decision to open accession negotiations with more CEECs purely on the assessments contained in the Commission's regular reports and according to the interpretation of the conditionality applied in 1997 – i.e. that invitees would possess a functioning market economy and be able in the medium-term to withstand the competitive pressure and market forces within the Union (*European Commission 1997b*), Romania should not have been invited. Its poor progress with especially economic reforms simply did not merit it. However, wider security concerns created windows of opportunity for supporters of a more inclusive approach to eastern enlargement. Excluding the least prepared countries from the process could have undermined their domestic economic and political reform processes.

Romania seized these opportunities and benefited from the response of the EU to pursue an “inclusive and evaluative accession process” involving all CEECs.

3.4 The Accession Process

Romania officially opened accession negotiations with the European Union in February 2000 following a decision of the Helsinki European Council in December 1999 (*Orban 2006*). With the EU pursuing a flexible, multi-speed accession process, the objective was to ensure that the pace of the negotiations would reflect Romania’s preparations for membership. At the same time, Romania was part of an “inclusive” process including ten countries from CEECs (*Papadimitriou and Phinnemore, 2008*). All these candidate countries participated in the process on an equal footing and all were destined to join the EU on the basis of the same criteria.

The pace of negotiations was determined not only by the commitments made by the individual candidates, but also by the correct transposition and implementation of the *acquis*, including effective and efficient application through appropriate administrative and judicial structures. Negotiations with Romania were completed in December 2004 when the European Council noted that the progress made in implementing the *acquis* made possible the formal conclusion of all negotiation chapters. It also decided that Romania’s Accession Treaty should be signed in April 2005 (*ibid*).

3.4.1 Romania’s Negotiation Strategy

Romania alongside the other CEECS started a societal reform process at the beginning of the 1990s aimed at bringing its society and economy over time up to levels comparable with those in the western part of Europe. This process of modernization after the communist period was heavily influenced in Romania by external factors.

Chief Negotiator Leonard Orban (2006) defines the situation of Romania as: “Romania has behind it a decade of change that nobody would have dreamt of only 15 years ago. Moreover, the dynamics of societal change have never been so profound. Accession to the EU has been

the biggest stimulus and challenge for Romania over the last 15 years. Indeed, the process of accession to the EU went in hand with the process of modernizing the country both economically and politically. In doing so, the EU aimed to achieve stable institutions guaranteeing democracy, the rule of law, human rights and the protection of minorities and the development of market economy”.

He further mentions that, for Romania, the negotiations were conducted in bilateral accession conferences with the EU member states on the basis of 31 chapters of the *acquis*. Negotiating sessions were held either at the level of ministers or deputies. Progress in negotiations depended on the degree of preparation and the complexity of the issues to be resolved. In order to open accession negotiation for each chapter, two conditions had to be fulfilled: a minimum necessary level of adoption and implementation of the *acquis*, together with the presentation of a Position Paper that should reflect properly the situation and that should present future programs for fulfilling the requirements of accession. Chapters were opened for negotiations following receipt by the EU of the negotiating position of the applicant country and a unanimous decision of the Council on a draft common negotiating position (Orban, 2006).

The provisional closure of the negotiation of one chapter required transposition and implementation of the *acquis*, including the conclusion of negotiations on transitional periods, derogations or technical arrangements, if necessary, and satisfactory answers to EU questions. Orban states that the EU, while accepting provisional closure of a chapter, insisted, however, on the global character of the negotiations: “nothing is agreed until everything is agreed”. Hence chapters could always be reopened.

The pace of negotiations was determined by the correct transposition and implementation of the *acquis*, including effective and efficient application through appropriate administrative and judicial structures. The period 2000-2004 represented basically the period when Romania initiated the most important administrative and legislative reforms necessary for building its institutional capacity and for coordinating the process of its internal preparations for accession.(Orban, 2006)

3.4.2 Progress in Negotiations: 2000-2004

By the end of 2000, Romania had officially transmitted to the EU Council position papers for only 13 negotiating chapters. Of these, nine had been opened and six provisionally closed. These were considered to be the “easy” chapters. Other candidates had opened and closed more chapters. Consequently, by December 2000, Romania was already lagging behind other candidate countries, including those that had started negotiations at the same time with Romania (*Papadimitriou and Phinnemore, 2008*). For example, Latvia, Lithuania and Slovakia presented their position papers for all negotiating chapters at the beginning of negotiations. Bulgaria too had presented significantly more position papers during 2000. Romania was lagging behind due to various factors, such as the economic situation in the country, its structural complexity compared to the other smaller candidate countries, and the state of Romania’s internal preparations for accession (*ibid*).

Indeed, little progress in the adoption and putting into force of the *acquis* which were essential factors for the advancement of accession negotiations, had been made prior to 2000. Furthermore, Orban explains that the team in charge of Romania’s negotiations with the EU—the National Delegation for Negotiations—was created relatively late and the institutional process of internal coordination only began at the same time as the opening of negotiations. The Ministry of European Integration could only be created in 2001 in order to ensure the coordination of Romania’s preparations for accession to the EU, as well as the coordination of the accession negotiations.

During 2001, negotiation strategy focused on a quantitative approach, analyzing the whole *acquis*. The process was inwardly oriented with the National Delegation for Negotiations focusing on consultations with the social partners, political parties, national parliamentary committees and civil society (Orban, 2006). The strategic objective for the year was to draw up and send to Brussels, by the end of 2001, the position papers for all outstanding negotiating chapters. The fulfilment of this objective would allow Romania to enter into the substance of negotiations and facilitate the speeding up of the opening and provisional closure of chapters. Orban underlines that 2001 was also significant in that it saw a new dimension added to preparations for accession: cooperation and communication with EU member states holding the Presidency of the Council of the EU. For him another important

development in 2001 was the beginning of the process of monitoring commitments made during negotiations. By the end of 2001, the position papers for 29 negotiating chapters had been officially communicated to the EU. Romania had also opened 17 chapters. Of these, nine had been provisionally closed.

During 2002, the negotiation strategy focused on a qualitative approach, comprising arguments for derogations, transitional periods, and technical arrangements and on providing the supplementary information requested by the EU in its Common Positions. The main objectives for the year were to open all negotiating chapters, to strictly monitor the commitments taken during negotiations and to enforce cooperation and communication with member and candidate states.

The European Council in Copenhagen, in December 2002, represented an important moment for Romania as it set 2007 as the goal for accession. Setting a date and adopting a new “road map”, together with supplementary financial aid, represented substantial advancements in the dynamics of accession negotiations. Added to this, negotiations were provisionally closed for seven more chapters. Also, by the end of 2002, Romania had opened negotiations on 30 chapters, out of which 16 chapters were now provisionally closed (*Papadimitriou and Phinnemore, 2008*).

2003 saw Romania negotiate some of the most difficult chapters. These covered large amounts of the *acquis* and required the harmonization of Romanian economic policies with those of the EU. The strategic objective for 2003 focused on substantial advancement regarding the provisional closure of the chapters, with an emphasis on the chapters related to the internal market. There was also a focus on the monitoring of commitments and the strengthening of cooperation and communication with the member and candidate states.

The progress registered by Romania in the process of internal preparation was recognized by the European Council in Thessaloniki in June 2003 (*European Commission, 2003*) and again in Brussels in December 2003. These reaffirmed the common objective of the EU to admit Romania as a member of the EU on 1 January 2007. Furthermore, the European Council announced its support for finalizing accession negotiations in 2004 and signing the Accession Treaty in early 2005.

In accordance with the strategy set out at the beginning of 2003, Romania focused on submitting supplementary information, as requested by the EU, which allowed the advancement in the negotiations. By the end of 2003, 22 negotiating chapters had been provisionally closed.

3.4.3 The Negotiation Marathon in 2004

As Orban defines, Romania braced itself for genuine “negotiation marathon from January to mid-December 2004. He claims that 2004 was the most difficult year in Romania’s accession to the EU. First, it was not the best period for finalizing EU talks, given the nervousness created by uncertainties surrounding the negotiations on a European Constitution. Second, debates were still ongoing about whether Turkey should be offered accession. Third, difficulties in digesting a large group of ten new member states following enlargement on 1 May added to the trend of euroscepticism in Europe.

For Romania, 2004 involved negotiating the most difficult chapters, including justice and home affairs, competition, environment. It also saw negotiations on the financial package governing the accession of Romania and Bulgaria to the EU. And domestically, 2004 was a year in which Romania not only accelerated the adoption and implementation of the *acquis* for the opened chapters but also strove to fulfil its commitments to the previously closed chapters.

The pressure on Romania was even greater after the accession of the eight CEECs, Cyprus and Malta on 1 May 2004. Indeed, greater attention was focused on Romania as an individual candidate due to fewer number of candidates. Its preparations for membership were put under the spotlight more than before. The European Parliament became particularly vocal in its demands that Romania meet its obligations (*European Commission 2004a*).

All these factors contributed to the speeding up of the accession negotiations in 2004. After the European Commission’s Regular Report in October 2004 (*European Commission 2004a*), Romania finalized the last and most difficult three chapters in December 2004. The chapters

were the same three that those CEECs involved in the 2004 enlargement had concluded last in 2002: competition, environment and justice and home affairs.

3.4.4 Most Difficult Chapters in the Negotiations

Unlike former accession rounds, the EU's fifth enlargement included negotiations on new and difficult policy areas like monetary union, justice and home affairs and security and defence policy. The negotiations and conditions imposed by the EU were tough. Within the negotiation process, tough bargaining took place over financing, the free movement of labor and market access.

Accession implies Romania's full acceptance and effective implementation of the actual and potential rights and obligations concerning to the *acquis* and the EU's institutional framework. Romania, like other candidate countries, has to apply this as it stands at the time of accession (*European Commission 2004a*).

Orban outlines the chapters which proved the most difficult to negotiate as; free movements of capital, competition policy, environment and justice and home affairs.

Chapter 4: Free Movement of Capital

The first difficult chapter negotiated by Romania was Chapter 4. Free movement of capital, which marked the opening of the negotiations on the four freedoms on which the EU is based. Furthermore, the negotiation on this chapter had for the first time a horizontal approach, due to the implications of this chapter in many other fields. The negotiation was opened in spring 2001 and provisionally closed in June 2003. The most difficult aspects concerned the motivation behind the requested transition periods on the acquisition of agricultural land, forests and forestry land by EU and European Economic Area citizens. Due to the lack of impact studies and the state of internal preparations, Romania lagged behind in the presentation of its position paper. All other candidate countries opened the negotiations on this chapter in 1999-2000 and provisionally closed them in 2001, although Poland only closed the chapter in 2002 due to political and historical reasons (*Orban, 2006*).

Negotiations on the free movement of capital were politically sensitive since property rights regarding agricultural land were only relatively recently re-established in Romania after a long period of state ownership and complete state control of land use. The extension of the right to own property on land to foreigners upon accession would have resulted in an increase in land prices in Romania and would have created distortions on the land market. These would have led to social problems at regional and national level. During the negotiation process, Romania reduced its request for a transitional period from 15 to seven years and accepted the EU position on this issue. At the end of the negotiations on this chapter, Romania obtained two transitional arrangements. The first is a five-year transitional period allowing for existing restrictions on the acquisition of land for secondary residences to be maintained. EU and European Economic Area citizens residing in Romania are not, however, covered by the restrictions. The second transitional arrangement concerns the maintenance for seven years of restrictions on the acquisition of agricultural and forestry land. Self-employed farmers who are nationals of the member states and residing in Romania are excluded from its scope (*ibid*).

Chapter 6: Competition Policy

This chapter was opened in November 2000 and was provisionally closed in December 2004. The conclusion of negotiations was not only conditioned by the existence of a transposed legal framework, but mainly by the appropriate implementation of the transposed legislation. For Orban (2006), the most difficult part of the negotiation process was implementation of the *acquis* regarding state aids, particularly in the steel sector, due to the large number of restructuring and privatization cases.

For the conclusion of the negotiations on this chapter, Orban mentions that the negotiation team had to convince all domestic institutions involved in this process to observe the competition rules, in accordance with the *acquis*.

Hence, regarding the steel sector, Romania is committed to: not granting or paying any state aids to the steel mills covered by the National Restructuring Strategy from 1 January 2005 to 31 December 2008; respecting the amounts of state aid established in the context of Protocol 2 of the Europe Agreement; and respecting the total capacity reductions for finished products.

To this end, Romania presented a detailed timetable of the expected dates for the cessation of production and for dismantling and destruction of installations. The final destruction will be notified to the Commission.

During the negotiations, Romania obtained three transitional arrangements. The first two cover the phasing-out of incompatible fiscal aid. The third transitional arrangement concerns the restructuring of the steel sector by the end of 2008. In addition, a specific safeguard that will allow the envisaged date of accession to be postponed by one year to January 2008 was also negotiated (*ibid*). Any serious shortcoming regarding competition policy, especially as regards Romania's state aid enforcement record, observed in the 2005 and 2006 European Commission's Regular Report can activate this delay. Activation will require a decision by the Council acting by qualified majority on the basis of a Commission recommendation.

Chapter 22: Environment

This chapter was opened in March 2002 and provisionally closed in November 2004. Because of the complexity of the *acquis* in this field and its horizontal implications, alignments to EU environmental norms have required profound transformation in all sectors of the economy. These have proved especially challenging in a country with no tradition in environmental protection. Numerous meetings were therefore held between industry representatives and the central administration in order to raise awareness of the new environmental requirements. Following these meetings, industry representatives provided the necessary arguments for the transitional arrangements requested by Romanian negotiations.

Orban also draws attention to another challenging aspect for the Romanian negotiators which he calls as the lack of a collective environmental conscience. At the beginning of the negotiations on the environment chapter there was no real understanding of the need to conserve the country's natural heritage. There was also no public environmental education and information that could facilitate the absorption and understanding of the environmental need to ensure the quality of life of current and future generations.

The transitional periods granted during the negotiations will last for up to twelve years.

Chapter 24: Cooperation in the field of Justice and Home Affairs

This chapter was opened in April 2002 and provisionally closed in December 2004. The main difficulty in negotiating EU policies on Justice and Home Affairs (JHA) consisted in the fact that it touched upon some of the most sensitive questions for public opinion, both in the EU and in Romania. JHA policies aim to maintain and further develop the EU as an area of freedom, security and justice (*Orban, 2006*). Thus, following negotiations on this chapter, Romania must respect hundreds of commitments resulting from the 13 areas covered by the JHA. This has involved a profound reform of the administrative, judicial, and political structures in the country and a most thorough reconsideration of not only state structures and organization but also of mentalities within the public administration and the judicial system. It basically involved rearranging the fundamentals of the state on a new basis, as the JHA chapter crossed with many issues found under the political criteria heading, such as combating corruption and reforming state institutions (*ibid*).

Unlike in the case of other negotiation chapters no transition periods were sought. This is because Romania focused on finding ways to build up confidence among the member states in its capacity to implement the *acquis*. On issues such as border control, illegal migration, drugs trafficking and money laundering, organized crime, police and judicial cooperation, data protection and the mutual recognition of court judgments, there was a need to ensure that Romania was equipped to meet required and acceptable standards of implementation. In many cases, institutions and structures had to be built from scratch and staff had to be recruited and trained to help meet new commitments, which in many cases did not exist before. Furthermore, the establishment of an independent, reliable and efficient judiciary and a re-organization of the police have been of paramount importance (*ibid*).

Romania is nevertheless subject to general and specific safeguard clauses in the JHA field. This covers judicial co-operation in civil and criminal matters and states that in cases of inadequate transposition or implementation of any parts of the relevant *acquis* during the first three years after accession, the application of these provisions may be temporarily suspended in respect of new member states. This clause was also included in the Accession Treaty with the first ten countries.

A second and specific safeguard clause can be activated by the Council acting by a qualified majority and allows for the entry of Romania to the EU to be postponed by one year in case of unsatisfactory progress in certain fields of JHA. The clause covers matters related to the implementation of the Schengen Action Plan, the modernization of external border controls, the development of a feasible, integrated strategy and action plan for the reform of the judicial system, intensification of the fight against corruption, the assurance of a clear legal framework of cooperation between the gendarmerie and police, as well as developing and implementing a coherent multi-annual strategy for combating crime.

3.4.5 Closing Accession Negotiations

Launching accession negotiations was no guarantee that they would ultimately be closed. However, they were concluded. For some observers closure in December 2004 was premature (*Phinnemore, 2006*). The Commission's latest regular report may have stated that Romania possessed a 'functioning market economy'; however, it did so for only the first time (*Euroactive, 21 September 2004*). Moreover, it noted that the economy could not yet 'cope with the competitive pressure and market forces within the Union'. It also highlighted a number of areas where progress was still outstanding and where Romania was failing to meet its obligations from the 27 negotiating chapters already concluded. It listed too a range of areas where further efforts in implementing and enforcing the *acquis* would be needed (*European Commission 2004a*). The Commission failed to provide any assessment of the likelihood of negotiations being concluded before the end of 2004. The report simply acknowledged that the Commission would make 'every effort in order to meet the *European Council's* objective to bring the negotiations to a successful conclusion' by the end of the year (*European Commission 2004b*).

The Commission's concerns were shared by politicians in a number of EU member states, notably the Netherlands. Members of the Parliament (MEP) also had their reservations. Some argued strongly against concluding negotiations. All this raised doubts about whether negotiations could and even should be concluded during 2004. (*Grabbe, 2006*).

The three weeks leading up to closure were tense and involved a major conflict between the Commission and the member states. They also coincided with parliamentary and presidential

elections in Romania, concerns about the conduct of which led some MEPs to call for the postponement of closure. Progress was, however, made. Negotiations on the environment and miscellaneous chapters completed on 26 November only. Two chapters were outstanding: JHA and competition. In both cases the Commission and the Member states had long been urging the Romanian government to address the shortcomings highlighted in successive Commission reports. Convention dictated that closure would only take place on the basis of a Commission recommendation. On 2 December 2004, the Commission announced its position: it would not be recommending the closure of either chapter (*Papadimitriou and Phinnemore, 2008*). On competition, there were problems with the compatibility of Romanian state aid legislation with the *acquis*, limited progress in restructuring the steel industry, and the record of Romania's Competition Council. On JHA, further progress was needed in fighting corruption and pursuing judicial reform.

The member states were willing, however, on closing negotiations before the European Council on 16-17 December and in line with a commitment to complete negotiations before the end of 2004. (*Phinnemore, 2006*) The Council Presidency, held by the Netherlands, indicated as much and signalled that the member states would proceed irrespective of the Commission's position. Formally no Commission recommendation was necessary. The situation was awkward for the Dutch. They wanted to avoid an inter-institutional crisis, however small, and find a compromise that would allow the negotiations to be closed according to schedule, although from a member state perspective they had reservations. (*ibid*).

The situation was made even more strange by emerging cracks in the consensus among the member states. Finland, having previously shown no signs of wishing to prevent closure, indicated that it was considering breaking rank over Romania's poor reform efforts. Several member states, large and small, privately at least, had reservations about closure. No matter, the response of the Council Presidency was to urge the Commission to find a solution that would allow it to support closure. The Commission responded by proposing additional safeguard clauses permitting the member states, by a qualified majority, to delay accession by a year if Romania failed to meet specific obligations. (*Agency Europe 2004: European Report, 2004*) These were formally presented on 8 December 2004. In doing so, the Commission, while supporting closure of the JHA chapter, was unwilling to do likewise for

competition (*European Commission, 2005*). Closure might have to wait until the beginning of 2005 or even later. The atmosphere was tense. Romania duly accepted the additional JHA measures and the chapter was concluded. However, Bucharest had to make further concessions and commitments on competition before this final chapter could be closed. In all, 11 additional measures had to be accepted (*Phinnemore 2006*).

Politically negotiations were closed on 14 December 2004. Closure was then formally endorsed, as planned, by the European Council when it met 16-17 December.

It is clear that the accession negotiations were closed in the full knowledge that Romania had not yet met many of the necessary requirements of membership and that doubts persisted about its capacity and commitment to do so by the time of its envisaged accession on 1 January 2007 (*Phinnemore, 2006*). Such doubts were well placed as subsequent developments have shown. Moreover, closure came in the absence of clear political endorsement from the Commission, the institution responsible for managing implementation of the EU's conditionality 'policy'. Conditionality appears once again to have been at least flexibly interpreted if not overlooked (*Grabbe, 2006*). What therefore explains the EU's decision to close negotiations? A number of arguments can be advanced. Unlike in 1991 and 1999, however, a security imperative does not dominate.

First, there is the nature of the eastern enlargement process. Ever since its formal launch, there had been a sense of inevitability surrounding the accession of the CEECs involved. This had been reflected in the language used, not least the 1997 reference to the countries being '*destined to join*', the reaffirmations of the commitment to admit countries like Romania, and the sense that the accession of Bulgaria and Romania was integral to the completion of an 'historic' enlargement process. When this was combined with the preprogramming of dates for the conclusion of negotiations and accession, the EU, found itself entrapped by rhetoric and timeframes of its own making (*Schimmelfening, 2001*).

A second set of factors concerns the broader dynamics of EU enlargement, notably the assumption that Romania would accede alongside Bulgaria.

Both countries had long been treated by the EU as a pair, even though Bucharest and Sofia have rarely shown any interest in being regarded as such. For most of the period before their EU membership, these two countries were generally competing rather than cooperating with each other. However, they negotiated Europe Agreements at the same time, were grouped together as the two CEECs 'laggards' and were obviously the only two CEECs countries not to conclude negotiations in 2002.

Most obviously, the EU's handling of the two countries together ensured that despite the gap between the two countries widening in terms of negotiating chapters closed – by mid-2002 Bulgaria had closed 22 chapters to Romania's 11 – the view persisted that the two countries should join together. This caused irritation in Bulgaria. Bulgarian officials started to seek openly for a decoupling. However, Bulgaria and Romania, in the eyes of the Commission and the member states, would join as part of the same enlargement round, even though there were clear differences in their respective states of preparedness.

With Bulgaria completing negotiations in June 2004, the EU was eager not to delay the signing of a joint Accession Treaty and therefore either postpone Bulgaria's accession or decouple the two candidates. As participants acknowledged, not only would this create a new sense of ambiguity and open-endedness to Romania's accession efforts but there was also the risk that the country's membership bid would be relegated to the broader process of Southeastern enlargement. Moreover, enlargement fatigue within the EU institutions was setting in. The general consensus was that any decoupling should be avoided (*Phinnemore, 2006*). So, as in the past, this tendency to treat the two as a bloc benefited Romania.

Third, the view had emerged among some member state governments during eastern enlargement that as much pressure could be brought to bear on a member state failing to meet its obligations towards the EU than on a country seeking membership. (*Grabbe, 2006*) It therefore followed that if the interests of the EU were best served by admitting a country, then there was little reason, other than to comply with existing practice, to insist on the country concerned being in a position to assume all the obligations of membership, subject to agreed derogations and transition periods, on the day of its accession. Romania was just such a country.

Finally, it is clear that by late 2004 Romania had more supporters within the EU. These lobbied strongly for its accession for reasons often unconnected with the country's preparedness. Prominent among them was France. Others, primarily for geo-strategic reasons, included Italy, Greece and the UK. Indeed UK support intensified following the 2003 war in Iraq and reflected, in part, gratitude for Romanian support for the US and its allies. Its position was shared by Italy and Spain (*Gallagher 2005*).

These explanations for why the EU decided to close accession negotiations with Romania in December 2004 once again point to factors other than conditionality driving developments (*Papadimitriou and Phinnemore, 2008*). This is not to argue that conditionality played no role. Even if concerns about Romania's ability to assume all the obligations of membership existed, progress had been made during the course of the negotiations (*ibid*). Successive Commission reports and the Treaty of Accession show this. However, as on previous occasions, strict adherence to existing practice regarding the use of conditionality was subordinated to a mix of more immediate political commitments, preferences and interests of the EU's member states.

3.4.6 Explaining Romania's progress: Theoretical Approaches

In trying to explain Romania's EU membership from a theoretical point of view, the approaches of the EU members can be defined as being ethically-politically constructed. Taking this assumption a stage further and referring to the arguments of Helen Sjursen, the decision of the EU to enlarge by Romania may be explained to a certain extent by a kinship-based duty.

Romanians have always regarded themselves as Europeans, geographically, culturally, linguistically and spiritually. Romanian President Basescu, during his contacts with the EU representatives, often made references to the fact of Romania's Europeanness, claiming that Romanians are the only Latin people in that area of the Balkans and Romania is the border between Catholic and Orthodox Christianity, as well as Christianity and Islam, on the frontier between the Slav and non-Slavic worlds. He further stresses that even during the communist era, Romania distanced itself from the Soviet Union and various campaigns of de-Russification were pursued. (*Preface written by President Basescu, in the book*

Phinnemore, 2006)

Looking at EU's statements about relations with Romania, it could be seen that the arguments of the Romanian officials were deemed acceptable and there was an increased acceptance of Romania as a 'European' country and one that had suffered miserably as a consequence of communist rule. There was also a sense that the EU could not sit back and leave this country to deal on its own with the political, economic and social uncertainties of post-communist transformation. As Sjursen suggests, for reasons reflecting a sense of 'kinship', Romania could not be left on its own.

In 1997, in a series of speeches to applicant states in central and eastern Europe – Estonia, Lithuania, Bulgaria, Romania and Czech Republic – van den Broek makes this same point: “You are a profoundly European nation ...” (*Van den Broek, 1997*).

On the other hand, it can be argued that Schimmelfennig's suggestions of “rhetorical entrapment” may also be valid in the case of Romania (*Chapter 3.4.5*).

In this context, Romania could not be left on its own, particularly since there could be no credible justification, given the rhetoric of eastern enlargement, for ultimately treating Romania differently with regard to membership of the other CEECs. So, having opened negotiations with Romania, there appeared to be no turning back for the EU.

Moreover, as Papadimitriou and Phinnemore (2008) argues, “although there may not have the same enthusiasm within the Commission for Romania's accession as there was for eastern enlargement generally, having embarked on negotiations with the country, admitting Romania was now part of its *raison d'être*, notwithstanding the concerns that obviously existed”.

3.4.7 Onwards to Membership: 2005-2007

The newly elected Justice and Truth Alliance (DA) Government lead by Prime Minister, Calin Tariceanu committed itself immediately on taking office to implement the necessary reforms to ensure accession in 2007 (*Papadimitriou and Phinnemore, 2008*). To this end the Ministry of European Integration was retained as was the ministerial post coordinating

integration efforts. And, a respected civil rights lawyer, Monica Macovei, was appointed as the Minister of Justice. She would prove to be a decisive figure in the government's efforts to implement the JHA *acquis* and reduce corruption. The Commission was quick to remind the new government that progress in these areas – as well as competition – was vital. Otherwise it would not hesitate to invoke the safeguard clauses and delay accession (*Le Monde*, 11 January 2005).

Despite its concerns, the Commission soon issued a positive opinion on the outcome of the negotiations. It reminded the Romanian government, however, that it needed to 'pursue vigorously the improvements that still need to be made in the context of the political and economic criteria for membership and in relation to the adoption, implementation and enforcement of the *acquis*'. (*European Commission, 2005b*) MEPs were quick to indicate what still needed to be done before accession could take place. They nevertheless gave their assent to Romania's accession to the EU with 497 votes in favour and 93 against and 71 abstentions. However to make a simple comparison, more MEPs (522) voted in favour of Bulgaria's accession; whereas 70 voted against. The proportion of MEPs supporting Romania (68%) was lower than for any other a CEEC acceding to the EU. The accession of each CEEC involved in the 2004 enlargement was supported by at least 78% of MEPs (*European Parliament, 2006b*).

The Council approved the accession of Bulgaria and Romania on 25 April 2005, the way was now clear for the Treaty of Accession to be signed. On this occasion, the Romanian President Basescu commented that, signing the Treaty of Accession 'opens the door wide' to accession and 'one of the most important moments in Romania's long European history'. Romanian MPs and senators were of a similar view when, in a joint parliamentary session, they voted overwhelmingly (434 v 0) in favour of ratification. The vote would not, however, ensure accession. The EU's 25 member states had each to ratify the Treaty. Moreover, even if ratification were completed in time, accession could be delayed by a year.

To avoid such a delay, Romania had to implement a range of reforms. And the early signals were far from positive. Only six weeks after the Treaty of Accession had been signed the European Commission sent a 'warning letter' to Bucharest indicating the inadequate

implementation of judicial reforms.³ Delay appeared to be a real possibility, particularly with the Romanian government facing renewed problems in expediting reforms. And the news from the Commission's first monitoring report, published in October 2005, was not particularly good either. Although it noted that Romania continued to meet the political requirements for membership and was a functioning market economy, attention was drawn to the need to pursue public administration reform, implement effectively the reform of the justice system, ensure effective enforcement of the fight against corruption and further improve the situation of disabled and mentally ill people. On the economic front, the Commission called for vigorous implementation of the government's structural reform programme and for improvements in the legal and administrative business environment, notably concerning the enforcement of decisions on bankruptcy. Once again, the Commission detailed the steps the government should take to prepare Romania for accession. It also reminded all concerned that the safeguard clauses contained in the Treaty of Accession meant that accession could be postponed by one year.

The Commission's warning had the desired effect. Progress in addressing its concerns was soon noted such that by early 2006 Bulgaria, not Romania was the focus of concerns about preparations for membership. Romania appeared to be on course for accession on 1 January 2007.

Indeed, a decision not to use the safeguard clauses appears to have been taken by Rehn as early as February 2006. Nevertheless, the pressure on the Romanian government to persist with reforms had to be maintained. Hence, although it noted progress with reforms since October 2005 – the number of areas of 'serious concern' had fallen from 14 to four – the Commission in its second monitoring report in May 2006 called for further efforts in tackling corruption and implementing judicial reform areas (*European Commission, 2006c*). A further 'to do' list would be drawn up with the Commission. Moreover, primarily because of the concerns regarding Bulgaria's preparations, but also reflecting a desire to ensure that the Romanian government continued with reforms, it declined to issue a definitive recommendation on when accession should take place. Instead, it scheduled a further monitoring report for the autumn. However, there was by now little likelihood of accession being delayed. Not only had several member states indicated that they would veto the use of

³ *Euractiv.com, 2 June 2005*

the general safeguard clause, but the Commission had confirmed in May 2006 that Romania had fulfilled its obligations in ten of the 14 areas covered by the ‘super safeguard clause’ The green light had all but been given to accession on 1 January 2007.

As expected, the Commission’s final monitoring report, published in September 2006, was positive, noting Romania’s ‘considerable efforts’ in addressing earlier concerns and concluding that the country was ‘sufficiently prepared’ to meet the EU’s accession criteria by 1 January 2007. The Commission therefore looked forward to welcoming Romania as a ‘fully-fledged’ member on that date (*European Commission, 2006d*). It was nevertheless made clear that further work was still necessary concerning judicial reform, the fight against corruption, the functioning of agencies responsible for the distribution of CAP funds, and aspects of food safety. To this end, benchmarks were established. Moreover, Romania was informed that monitoring would not cease with accession. The Commission underlined its readiness to use the full range of safeguard and transitional measures available to it under the EU treaties and the Treaty of Accession to ensure the functioning of the single market and application of the *acquis*. It also announced that appropriate measures – including ‘financial corrections’ to EU funds received and a Co-operation and Verification Mechanism (CVM) for the judiciary and the fight against corruption – would be used where benchmarks were not met.

CVM was subsequently adopted two weeks before accession and required Romania to report annually every March on progress in addressing each of four benchmarks: transparency and efficiency of judicial processes; the work of an ‘integrity agency’; investigations into allegations of high level corruption; measures to prevent and fight against corruption (*European Commission, 2006d*).

The Council subsequently welcomed the Commission’s recommendations. No move was made to activate the safeguard clauses and delay accession. All that was needed now therefore was completion of the domestic ratification process in each of the member states. Much progress had been made. In fact, only in Denmark and Germany, ratification was outstanding. Most member states ratified between the Commission’s first and second monitoring reports for example in the period October 2005 to May 2006. Slovakia, Hungary and Slovenia ratified prior to the first report while Finland, Ireland, Luxembourg and the

Netherlands awaited the outcome of the second report before proceeding with ratification. France and Belgium completed ratification between the third report and the Council decision of 17 October 2006, although did not formally confirm this until later.

The Danish duly approved the document in November. In Germany, centre-right politicians had long been expressing their doubts about Romania's preparedness for membership and were openly calling for the Commission to use safeguard clauses from the date of accession (*Handelsblatt, 24 October 2006*). Concerns coupled with popular opposition to further enlargement – 64% of Germans opposed Romania's accession (*Papadimitriou and Phinnemore, 2008*). The MEPs only approved the Treaty of Accession after a special appearance by Rehn before the Bundestag's EU Committee in an attempt to assuage concerns. Indeed, in other countries there were even suggestions previously that they might lead to a member state failing to ratify. A spat with France at the time of the signing of the Treaty of Accession led to suggestions that the French Parliament might refuse to ratify.

However, despite all these concerns, once Germany formally completed ratification on December 2006, the way was cleared for Romania to join the EU. Accession duly took place on January 2007.

3.4.8 Progress achieved under the Co-operation and Verification Mechanism

Bulgaria and Romania, which joined the EU on January 1, 2007, were widely regarded as the two laggards of the CEECs Enlargement. Their accession process differed in some respects from that of the CEECs of the 2004 enlargement.

The two countries can be considered as being “either the last to benefit from the old enlargement policies, or the first to experience the novel, and expectedly more restrictive stance of the EU to the admission of new member states” (*Smilov 2006*).

Following accession, the Commission preserved the right to monitor Bulgaria's and Romania's judicial systems and the fight against corruption and organized crime, and may invoke “safeguard measures” against the two countries. The extension of EU conditionality to the post-accession stage was an unusual procedure. It marked the final point of a pre-

accession process in which EU officials frequently complained that there would be a strong discrepancy between rhetoric and action over EU conditionality issues (*Pridham, 2007*).

So, when Romania joined the European Union in January 2007, a Co-operation and Verification Mechanism (CVM) was set up to help the new Member State tackle the recognized need for far reaching judicial reform and the fight against corruption.

The CVM is an autonomous Commission decision based on the Accession Treaty. It enables the Commission to work closely at political and technical level with the Romanian authorities to monitor and evaluate progress, to provide technical advice and financial support. The CVM enables all other Member States to follow and support developments in these areas in Romania and to provide both expertise and financial support. The interim and annual reports prepared by the Commission under the CVM assess progress and identify remaining shortcomings to help Romania set priorities for actions to be undertaken to fully meet the benchmarks set out at the time of accession (*ibid*).

According to the first report, published in July 2007, the Commission concluded that “in the first six months of accession, Romania has continued to make progress in remedying weaknesses that could prevent an effective application of EU laws, policies and programmes” (European Commission 2007c, 19). The fight against high-level corruption remained a salient issue, however.

At the beginning of 2008, it went public that persecutors investigated several high politicians over allegations of corruption and gathered evidence against former Prime Minister Adrian Nastase, former transport minister Miron Mitrea, the then labour minister Paul Pacurar and five other senior officials. Yet, the investigations were hindered by a ruling of the Romanian constitutional court which stated that the parliament must first approve the investigations against high-ranking politicians. The ruling was controversial and prompted the Romanian president Traian Basescu to label the constitutional court “a shield against corruption”.

Against this background, the fight against high-level corruption was the most important issue for the Commission. In February 2008, it complained that with regard to the fight against high-level corruption “convincing results have not yet been demonstrated” (European

Commission 2008c). The Commission, however, conceded that Romanian authorities displayed a “serious commitment” towards implementing the benchmarks set by the EU. The Romanian government had swiftly prepared and adopted an action plan on how to meet the benchmarks and advanced the reform of the judiciary (*ibid*). The overall assessment of the Commission also remained positive in the third Commission report on Romania, published in July 2008. The Romanian government was praised for its efforts to reform the judiciary and to investigate corruption. (*European Commission 2008h*). Yet, the Commission encouraged Bucharest to do more in several areas, in particular “to show that the judicial system works and that investigations into corruption lead to arrests, prosecution and, depending on the court’s judgment, convictions with dissuasive effect and seizure of assets” (*ibid*). From the Commission’s point of view, the country’s fight against corruption was clearly too politicized.

In July 2009 the parliament was encouraged to “show its full commitment to pursuing the fight against high level corruption” meaning that it should refrain from protecting politicians from prosecution. However, on a positive note, the Commission mentioned the adoption of new Criminal and Civil Codes and a number of initiatives taken by the Romanian government in response to concerns expressed in the February 2009 report in which Romania had been criticized not to maintain the pace of reforms (Commission of the European Communities 2009b, 2). Romania was thought to have regained its “reform momentum” even if the positive results of reforms “remain fragmented, [...] have not yet taken firmly root and shortcomings persist” (European Commission 2009d).

In the view of the Commission, the CVM acts as a support tool which needs to be maintained until these reforms are achieved. The Commission will reassess further progress in summer 2010. These concerns need to be addressed by Romania before the Commission carries out a full assessment again in summer 2010.

In short, recovering from this mechanism is one of the current priorities of Romanian domestic and foreign policy.

3.4.9 Conclusions

Gaining entry to the EU and establishing itself as an EU member had been immense struggles for Romania (*Phinnemore, 2006*). Successive governments generally made progress in meeting the accession criteria, although this often fell short of what was expected, particularly externally, and in many instances compared poorly with the efforts of other CEECs. Nevertheless it has been achieved.

While the role of the reform efforts of governments since the mid-1990s must be acknowledged, the Romanian experience highlights how much the accession of a state is as much determined by factors beyond the control of applicant as it is by its own internal preparations and policies. Romania's progress from the margins of the European integration process to membership owes much to the EU's preference and the dynamics of the eastern enlargement process (*ibid*).

These dynamics have been influenced by various factors, not least the adoption by the EU of enlargement as a strategic tool to promote security within the Europe beyond its borders both pre- and post-2004. (*Papadimitriou and Phinnemore, 2008*). Moreover, the process has at different times been eased along by the interests of particular groups of states and by a shared sense of the normative logic and perceived historical necessity of the process. This has been reflected in the language used by successive European Councils, the commitments issued in its names, and the activism of the EU, notably through the Commission. The process has rarely been smooth and the outcome, until the eve of accession, rarely had the same sense of inevitability about it as the accession of, for example, the Visegrád countries. Membership has nevertheless been achieved. Romania is in the EU.

How it will adapt to membership remains to be seen. It has undergone significant preparation. (*Orban, 2006*) Yet, the multi-faceted dynamics of enlargement mean that the preparations were not as thorough as they might have been, had accession been determined solely on the basis of conditionality. Added to this, domestic factors mediated the influence of the EU on reform. These become apparent when the effects of integration with the EU on Romania's post-communist transformation are considered.

IV. US-ROMANIAN STRATEGIC PARTNERSHIP

Romania was a country that bordered the old Soviet Union, which shared a Black Sea border, and as the Mid-East came more into Washington's focus, Bucharest was given more geostrategic importance. However, Washington's initial interest in Romania was limited and designed to ensure that democracy rather than communism triumphed in Bucharest.

Consequently, after the Revolution in 1989, American-Romanian relations were hampered by Romania's economy. While Romanian authorities talked of market reform, they maintained the hallmarks of a socialist economy, in contrast to her neighbours to the north who embraced capitalism and for their efforts, received support from various international financial institutions. Following the revolution, Bucharest lagged far behind her neighbours economically, principally because of the legacy of Ceausescu and the new government's reluctance to implement market reforms. *(Harrington, 2004)*

Yet, in spite of all these problems, in order to realize her foreign policy goals, which in 1989 seemed impossible to accomplish, such as restoring permanent American MFN treatment, joining Euro-Atlantic institutions, principally NATO and the EU; Bucharest had learned that American support was the key to realize these objectives.

Just eight months after the revolution in Romania, Iraq attacked Kuwait in August, 1990. This move of Iraq proved to be an important event for Romania to win the appreciation of America. Aurel Munteanu, the Romanian Ambassador to the United Nations, was the chairman of the Security Council at that time. He supported the United Nations' decision to impose an embargo on Iraq, in spite of the cost to Romania, who had long time trade relations with Iraq.

Bucharest also joined the US in August, 1991, when it condemned the attempted coup in Moscow aimed to remove Mikhail Gorbachev. Romania continued to make herself visible every possible occasion to Washington by aligning herself with Euro-Atlantic positions despite the possible economic or political costs.

In early 1993, Romania agreed to be the enforcer of United Nations' resolution 757 in her region, which called for strong economic sanctions against Belgrade. Since Bucharest shared a border with Yugoslavia, Romania was assigned the task to prevent cross-border traffic. Yugoslavia was Romania's principal Balkan trading partner, the price of participation was especially painful and amounted to about \$8 billion, a fact that Bucharest made sure was not lost on her Euro-Atlantic integration (*ibid*).

Romania's efforts to show that she was an ally of the US and constitute a stabilizing force in the Balkans produced results. In November, 1993, Congress awarded Romanian products most favored nation (MFN) treatment on an annual basis. The move from annual to permanent MFN would take three years, and again Romania would aim to capitalize on external events to win American recognition (*Abbott, 2001*).

One other success of the Romanian foreign policy was in helping to resolve the Bosnian crisis. The Dayton Accords provided a vehicle for stability in the former Yugoslavia, and Bucharest was viewed by the US as a key partner to help maintain order due to her friendly relations with Serbia.

On 11 July, 1997, on the occasion of the visit to Bucharest of the US President Bill Clinton, the "Romania-US Strategic Partnership" was launched. The *Strategic Partnership* represents an extended framework of cooperation aimed at strengthening the bilateral relations, supporting the reform process and the Euro-Atlantic integration of Romania, and promoting Romania's role as a factor of stability and security in south-eastern Europe.

Since its launch in 1997, the *Strategic Partnership* became a key landmark of the Romanian foreign policy and an effective tool to support national efforts at political, economic, military, and administrative levels.

The constant support that the US granted Romania throughout the process of accession to the EU and the consistent impulse given for the completion of internal reforms and economic

development are proof to the significant capitalization by the American authorities of the strategic partnership with Romania.⁴

Finally, in 2001, The International Criminal Court (ICC) announced that it wanted the right to try people accused of war crimes. This view had almost the unanimous support of the EU. However, Washington refused to agree, fearing that its peacekeeping forces could be accused of war crimes. The ICC regulation had a window which stated that no country would have to comply with this regulation if it violated a separate bilateral agreement with another country. Romania became the other country, and America was legally exempt from the ICC regulation.

Considerable concerns were voiced in EU circles against the position of the Romanian government in 2002 who responded positively to a US request not to handover US citizens to ICC. In August 2002, the EU warned Romania that its support for the United States' position on ICC could jeopardize its accession chances. A European Commission spokesman criticized on August 9, 2002 Romania's agreement with the US exempting American citizens from extradition for being prosecuted by the ICC. "*We regret the fact that a candidate country did not wait for the European Union to come up with a common position concerning the US proposal on the International Criminal Court*". Romanian support for the US was, however, obviously welcomed in the White House and Pentagon which had come to view Romania-given its geostrategic location and willingness to provide bases and other support-as an increasingly important ally. (Harrington, 2004).

Harrington suggests that there proved to be no event more important to the future of Romania than 9/11/2001. President Bush, prized loyalty as one of his most important qualities of friendship, and Bucharest would prove to be loyal. On September 19, 2001, the Romanian parliament agreed to act as a *de facto* ally of NATO in its war against terrorism. Bucharest agreed to respond positively to any NATO requests for access to airspace, airports and land and sea facilities. Subsequently, it would participate in a range of NATO activities. In this context, Bucharest offered the United States rights to temporarily station troops on Romanian soil on their way to Afghanistan. She also sent troops to Afghanistan.

⁴ Report on Romania's Foreign Policy, 2009, published on the internet site of the Romanian Ministry of Foreign Affairs, www.mae.ro

Washington recognized Romania's contribution, and indeed saw her as an ally. Further, President Bush has indicated his support for Romania's entry to the EU by 2007 (*ibid*).

After much sacrifice made with determination, Romania finally earned the close trust of a new, American ally. Similarly, by supporting Romania, Washington gained a friend, a country that looked to America for leadership and support, at a time when much of the world was questioning America's goals, an ally in a geostrategic ally important area, who could be of service to the United States.⁵ In the words of Harrington, Romania is for the United States, "no longer a pariah, but a partner".

America has granted Romania favourable trade advantages; US fighter jets take off from Romanian airstrips; on every possible occasion, President Bush endorsed Romanian's application for EU membership; and, Romanian troops fought side-by-side with American soldiers in Afghanistan.

4.1 US-Romanian Economic Cooperation

By July 31, 2009, the volume of trade (imports and exports) amounted to USD 652.21 million, imports from the U.S. amounted to USD 397.68 million, and exports at USD 254.53 million. Following the development of exports and imports, the trade deficit recorded the value of 143.15 million USD. On exports, machines and electrical appliances, common metals, plastics, rubber, textiles and chemical products represent the highest share. Regarding the imports, machinery and electrical equipment, plant products, chemical products, optical instruments, photo devices, and common metals prevail. (*Report on US-Romanian Economic Cooperation, 2009*)

⁵ Nestorescu, Cornel, 2001, article published in *Evenimentul Zilei* and *New York Times* and also, distributed by the Romanian Embassy; RFE, *Report on Southeastern Europe, October 19*

Romanian- American trade exchanges: -\$ millions -

	2001	2002	2003	2004	2005	2006	2007	2008	31.7.2009
Total, out of which	847,2	1133,1	1173,2	1602,37	2241,51	2070,51	1744,64	2039,82	652,21
Export	357,1	597,8	619,1	667,43	1126,75	827,49	808,34	838,47	254,53
Import	490,1	535,3	554,1	934,94	1114,77	1243,02	936,30	1201,35	397,68
Balance	-133	+62,5	+65	-267,51	+11,97	-415,53	-127,96	-362,88	-143,15

By 31 July 2009, the US investments in Romania rank 7th in the top of the investments in equivalent of foreign currency, with approximately 4 % of total FDI, targeting mainly the following sectors: communications, electronics, chemical industry, wood industry, food industry, trade, forestry and mining.

By July 31, 2009, also the number of U.S. companies registered in Romania was 5876. With regard to the number of companies, the US occupies the 7th place in the hierarchy of foreign investments, after the Netherlands, Austria, Germany, France and Italy.

4.1.1 Granting Romania Most Favored Nation (MFN) Status

A trade agreement signed in April 1975 accorded most favored nation (MFN) status to Romania under section 402 of the Trade Reform Act of 1974 (the Jackson-Vanik amendment that links MFN to a country's performance on emigration). This status was renewed yearly after congressional review of a presidential determination that Romania was making progress toward freedom of emigration.

In the mid-1980s, criticism of Romania's deteriorating human rights record, particularly regarding mistreatment of religious and ethnic minorities, spurred attempts by Congress to withdraw MFN status. In 1988, to preempt congressional action, Ceausescu renounced MFN treatment, calling Jackson-Vanik and other human rights requirements unacceptable interference in Romanian sovereignty.

After welcoming the revolution of December 1989 with a visit by Secretary of State Baker in February 1990, the U.S. Government expressed concern that opposition parties had faced discriminatory treatment in the May 1990 elections, when the National Salvation Front (NSF) won a sweeping victory. The slow progress of subsequent political and economic reform increased that concern, and relations with Romania cooled after the June 1990 intervention of the miners in University Square. Anxious to cultivate better relations with the US and disappointed at the poor results from its gradualist economic reform strategy, the Stolojan government undertook some economic reforms and conducted free and fair parliamentary and presidential elections in September 1992. Encouraged by the conduct of local elections in February 1992, Deputy Secretary of State Eagleburger paid a visit in May 1992. Congress restored MFN in November 1993 in recognition of Romania's progress in instituting political and economic reform. In August 1996, as a result of the progress in economic reform, the US Congress approved the permanent MFN clause for Romania thus creating the circumstances for development of the market economy.

4.1.2 Granting Romania Market Economy Status

On March 10, 2003, the US authorities granted Romania the status of a "market economy", which was an extremely important step in promoting the objective of increasing the Romanian-American economic relations, both in terms of trade and of American investments in Romania.⁶

Here it is important to note that in 2003 the EU Commission refused to grant Romania the designation of "functioning market economy status". Romania was granted only in October 2004, one and a half year after the U.S., the much desired market economy status from the EU. (chapter 3.2.1) It is important to mention that the EU granted Romania this status with some reluctance and included several serious caveats in its 2004 report.

4.1.3 US firms' participation in big scale infrastructure projects

In June 2004, US company Bechtel and partner Enka broke ground on the 2.2 billion USD motorway project called Brasov-Bors motorway. The Brasov-Bors motorway is the biggest infrastructure project in Europe. It is estimated to be a 415 kilometre, four-lane highway along with 300 bridges, 73 overpasses, and 19 interchanges. When completed in 2013, the

⁶ www.usaid.gov

Brasov-Bors motorway will connect Brasov in central Romania with Oradea on the country's northwestern border with Hungary, linking five major cities.⁷

Just before the contract is signed with Bechtel, the European Commission proposed a new pan-European transport corridor X that includes the route of the Brasov-Bors motorway. If approved, the European Commission officials stated that the Romanian motorway would be financed with EU funds.⁸

When it comes to choosing sides even in economic issues, between the United States and Europe, Romania appears to have decided in favor of the former even at the expense to damage her accession chances. So, the Nastase government did not pay attention to the proposal of the European Commission and awarded the project to Bechtel.

The European Union strongly criticized Romania for awarding Bechtel the said project without bidding. The 2005 annual report on Romania once again slammed the government for that serious derogation from national procurement rules. (*European Commission, 2005*)

4.2 Military and Strategic Cooperation Concerning Romania's NATO membership

The apparent enthusiasm of the Romanian governments for transatlantic relations was also evident in the way they maintained their efforts focused on gaining entry into NATO. Particular attention was paid to implementing the necessary military reforms identified under the Membership Action Plan and on ensuring the support of the US. (*Kaplan, 2002*)

As stated under the title "US-Romanian Strategic Partnership" above, the Romanian government was keen to ally Romania with the US in the wake of 11 September 2001. So, following the events of September 9/11, Romania has become fully supportive of the America's anti-terrorism efforts.

⁷ ARIS; 2008

⁸ *Nine O'Clock, 24 October 2004*

Washington recognized Romania's contribution, and indeed saw her as an ally. In this context, Romania was invited to join NATO in November 2002 and formally joined NATO on March 29, 2004 after depositing its instruments of treaty ratification in Washington.

It can be argued that NATO integration remains a more emotional issue for the Romanian public even more than the EU membership. For example, in his speech at the Ceremonial North Atlantic Council on the occasion of Romania's Accession to NATO, on 2 April 2004, Romanian Minister of Foreign Affairs Mircea Geoana stated that:

"NATO membership is a milestone of Romania's evolution, an accomplishment as decisive for our future as were our independence in 1877 and our Great Union in 1918. It is an achievement of the longstanding dream of Romanians after the Second World War: to reclaim our Western identity by rejoining the Euro-Atlantic family of democratic nations."

Also former President Ion Iliescu told *The Washington Times*⁹:

"Our population understands that NATO is the best guarantee not only for our security, but also a modernizing force for our society".

Even after the membership to the EU, the Romanian authorities as well as the Romanian public still regards NATO membership as an indispensable factor for the country's security. During the celebrations in the Parliament of the fifth years of the accession of Romania to NATO, on 1 April 2009, Prime Minister Emil Boc said that¹⁰:

"Romania's NATO membership is the most important security guarantee for our country. Romania benefits from the most important security guarantees that it has ever had, this being "a merit of the political class, of the Romanian people, an undeniable fact that must be continued"

In political terms, Romania views NATO as a forum for dialogue on strategic issues with US. For Romania, NATO membership brings the guarantee of security and external stability, which is vital for ensuring the prosperous development of the country.

⁹ Article by Nicholas Krlev, published in *Washington Times*, 30 November 2002

¹⁰ *Nine O'Clock*, 2 April 2009

Also Romania sought NATO membership as a steppingstone to the European Union just like the other East and Central European nations. (*Schaerlaeckens, 2009*) Indeed, all of the former East bloc states that have joined the EU were NATO members first. Four applicants for the EU membership- Albania, Croatia, Macedonia and Montenegro - are also either NATO members or part of NATO's Partnership for Peace Program.

On the other hand, with Romania and Bulgaria joining Turkey in NATO, the United States is not only increasing its leverage in the Black Sea and the Middle East-Caspian Basin region but is at the same time decreasing the relevance of unruly traditional NATO members like Greece (*Aligica, 2002*).

Most recently, the US administration gave a firm support for Romania's candidacy to the organization of the NATO summit in April 2008, in Bucharest. On 2-4 April 2008, NATO Summit was held in Bucharest at the Palace of the Parliament. It is regarded as the most important event ever to be organized in Romania.

4.2.1 Romania's support in US led military operations

NATO's decision to strike Serbian territory in 1999 was agreed upon by the Romanian leadership. The decision, to permit access to NATO's aircraft in Romanian air space was made not only by the governing coalition, but its parliamentary opposition as well. It was not an easy decision. In October 2001, Romania approved American aircraft to utilize its airspace for bombing Afghanistan.

Indeed these were not the only actions which Romania undertook. In 2002, Romania increased its military effort and sent troops for NATO's KFOR mission and deployed an infantry battalion in Kandahar Afghanistan, during Operation Enduring Freedom.

On February 12, 2003, Romania, through Parliamentary vote, chose to join the Coalition of the willing, and send around 800 troops to Iraq. These troops included one infantry battalion, one military police company, as well as medical, intelligence, and staff officers. It was another gesture that demonstrated that Romania was a dependable ally.

For the US, Bucharest is regarded also as being a bulwark against drug trafficking, prostitution and slavery coming from Ukraine and Moldova to Western Europe. With these views in mind, in 1995, US chose Bucharest to establish a center for combating transborder crime called as SECI. The center which has been supported with funds and expertise by the US from the outset has played a vital role in successful operations designed to crack down on narcotics smuggling, trafficking in women, and even counterfeiting and money laundering. Today, SECI Center become an operational regional organization bringing together police and customs authorities from 13 member countries in Southeast Europe.

4.2.2 US Military Bases in Romania



As a part of a shift in Pentagon's focus from large Cold War-era facilities in Western Europe towards smaller installations closer to hot spots such as the Middle East, the US and Romania have started military training exercises in Constanta to test installations in August 2006.

As a result of these exercises, the Romanian Parliament passed a legislation in September 2007 which has authorized the U.S. military to use several of its bases. By the said

legislation, the Romanian government has authorized up to 3,000 service members to be stationed in the country (*ibid*). In sum, with this legislation US Air Forces gained a larger presence in Romania.¹¹

On 23 October 2009, the US army announced that the military base just northwest of the Black Sea Port, City of Constanta will become a “permanent” base for the American military. The base was notably used in early 2003 as a stopping off point for thousands of American soldiers in route to launching the military operation in Iraq.

The base was also said to be used as a stopping off point for multiple CIA rendition flights and was rumoured to have been one of the secret “black ops” sites the CIA used for detention and interrogation of captives.

4.2.2.1 US-Romanian Military Access Agreement of 2005

The military and strategic cooperation between US and Romania was also on an ascendant trend before Romania’s EU membership. This cooperation culminated with the signing, in December 2005, of the Agreement on the activities of the US armed Forces on Romanian territory. (*The Access Agreement*).

On 6 December 2005, in a joint press briefing with President Basescu, held just after the signing ceremony of the said Agreement, Condoleezza Rice hailed Romania as one of United States' "Strongest Friends". In an answer to a question of a journalist who asked about the strongest argument that convinced the United States to sign this treaty and why US signed it with Romania but not with Bulgaria, Rice said with Romania, US has always had a particularly close relationship, a military relationship that is playing out in Afghanistan and in Iraq and she added that also geographically it makes sense for the US to sign it with Romania.

This document authorizes the presence of US armed forces in military bases on Romanian territory and entered into force in July 2006. It regulates the framework for political, military, financial-logistic and legal cooperation between the Romanian executive central and local structures and civil society and the US armed forces that will be stationed on Romanian territory and the bilateral duties of the parties.

¹¹*Cotidianul*, 8 September 2007

4.3 The Pro-American Romanians

Romania has emerged as the most pro-American of all NATO and EU applicants and its vocal support for the United States has sometimes hurt its relations with the European Union.

Ceausescu's distancing of Romania from Soviet foreign policy, her continued diplomatic relations with Israel and denunciation of the 1968 Soviet intervention in Czechoslovakia, may be the first examples from the past as Romania's deep rooted transatlanticism.

When it comes to choosing sides between the United States and Europe, Romania appears to have decided in favor of the former, although publicly it insists both are of equal significance for its foreign policy (*Harrington, 2004*).

Alex Serban, President of Casa NATO, a Bucharest based group promoting membership in the alliance, said ¹² it was "difficult to choose between two equally important allies, but it's no doubt more comfortable being between than outside."

Adrian Severin, former Foreign Minister also commented that "There is no inconsistency- rather the reverse issue is true-between our pro-EU and pro-American policies."¹³

Former President Iliescu as well cited a historical reason for Romania's pro-American sentiment when answering the criticisms in this regard, "Nowadays anti-Americanism is spreading across Western Europe. But after World War II, Western Europe was much more pro-American because it needed reconstruction at that time. The same also happened in Eastern Europe after the Cold War. So, now it's Romania's turn."¹⁴

So, in light of the declarations of the Romanian officials, it can be argued that Romania wants to keep a special relationship with the United States even after its EU membership, and its position is based not only on geo-strategic considerations but also on the overwhelming pro-

¹² A Round Table Discussion, titled "Romania and Euro-Atlantic Integration", held in Casa NATO, 23 October 2003. Bucharest

¹³Ziua, 12 June 2003, www.ziua.ro

¹⁴ Iliescu, former President of Romania, interview with the Diplomat Magazine, Vol:5 No:10 December 2006, www.thediplomat.ro

Americanism of the population. Opinion polls in Romania show approval ratings of 80 percent and more for the United States.¹⁵

Is Romania America's Trojan Horse?

It is sometimes argued whether Romania constitutes a 'Trojan Horse' for the Americans in the EU. This argument has been subjected to extensive discussion and there is yet no definite answer to this question. It may only be suggested that Romania has some reasons to keep her pro-American stance on the one hand, however her new status on the other hand may bring her politically closer to her European neighbours (*Zielonka, 2007*).

One of the reasons for keeping the pro-American position of Romania may be her quest for security. With the Soviet regime still fresh in mind, Romanians are on the look out for a real security guarantee. But even her membership to the EU does not seem to diminish totally the deep rooted security concerns of the Romanian people. The Romanian authorities as well as the Romanian public still regard NATO membership as an indispensable factor for the country's security. (*Chapter 4.3*)

On the other hand, even after EU membership, for many years to come, Romania will be economically dependent on the old members, of the EU which will probably have strong influence on her political strategies. Romania's increasing economic integration into the Union will also affect her perspective, bringing her politically closer to her European neighbours rather than her transatlantic ally. A counter-argument to the "Trojan Horse" may therefore be that the future member state Romania will become increasingly forced into the EU's foreign policy orientations.

As a conclusion, it should be recalled that, as a member on the external border of both the EU and NATO, Romania will continue to plead for a constructive, effective and close transatlantic relationship. In order to address in the most proper and effective way the challenges the international environment raises, Romania will possibly advocate close coordination and coherence between EU and US actions, as well as a stronger partnership between EU and NATO. Shortly, Romania tries to give the image that it is a European ally

¹⁵Diplomat Magazine, Vol:3 No:8 August 2006, www.thediplomat.ro

with a Euro-Atlantic vocation, a firm supporter of mutually reinforcing NATO and EU roles in Euro-Atlantic and international issues.

Romania's President Traian Basescu's statements at the close of the EU-US summit meeting in Prague on 5 April 2009, may be a good example of this assumption. In summarizing the outcome of the US-EU summit meeting, Basescu said¹⁶,

“A new era has started in the transatlantic relationship. Perhaps the greatest achievement of the summit was the confirmation that US President Obama will support the EU's objectives said Basescu. It was extremely useful because it set forth new parameters for the EU-US relationship. Romania has to observe its strategic partnership with the US and Romanians should also be very good European because Europe is their home. Romanians have managed to do both things since they became members of the European Union”

V. CONCLUSIONS

When Romania joined the EU on the pre-scheduled date of 1 January 2007, for sure substantial progress had been achieved in making the country ready for membership but some severe problems had remained unsolved. Doubts were being raised about corruption levels and the government's slow progress in implementing anti-corruption measures. Similarly, concerns about the state of judicial reform and border security were being voiced. Nevertheless, a political consensus appeared to emerge in early 2006 that enough was being done to enable accession to take place on 1 January 2007.

However, it is suggested that if the EU had applied the formal requirements of conditionality to the same degree comparable to other CEECs, accession should not have taken place in 2007 (*Papadimitriou, Phinnemore, 2008*).

First of all, negotiations on a Europe Agreement were opened well before Romania had met the criteria to a degree comparable to other CEECs. At the time, there were persistent

¹⁶ The speeches of the Romanian President Traian Basescu (www.presidency.ro)

concerns about Romania's commitment to reform and allegations of human rights abuses (*Chapter 3.3.4*).

Later, in 1999, the Helsinki European Council agreed to open accession negotiations even though the Commission's most recent Regular Report had been one of the most critical ever issued (*Chapter 3.3.5*).

Then, accession negotiations were concluded despite significant concerns about whether the country would be in a position to assume the obligations of membership by 1 January 2007. For this reason, in 2006, additional and unprecedented post-accession monitoring mechanisms (CVM) were introduced (*Chapter 3.4.5*).

As can be seen, on at least three occasions, conditionality was either overlooked or of secondary importance in the decisions of the EU (*Papadimitriou, Phinnemore, 2008*).

Actually, there is no monocausal explanation for the EU's determination to accept Romania as a full member without any delay. As Romania's progress through the hierarchy of the EU's external relations and on to membership shows, various factors played at various times defining roles. (*Chapter 3.3.1*)

However, four general arguments may be noted in Romania's case:

- First, it should be recalled that her relations with the EU since 1989 have developed within the context of the EU's relations with the CEECs generally. And it can be argued that Romania owes its current position in the enlargement process very much to the dynamics of that broader evolving CEECs enlargement.

In the nature of the eastern enlargement process, ever since its formal launch, there had been a sense of inevitability surrounding the accession of the CEECs involved. This had been reflected in the language used, '*destined to join*', the reaffirmations of the commitment to admit countries like Romania, and the sense that the accession of Bulgaria and Romania was integral to the completion of an '*historic*' enlargement process. (*Chapter 3.3.5 and Chapter 3.4.5*).

- Second, Romania's position had been influenced by external political events over which it has had no control or influence. These generally had helped ensure inclusion in, as opposed to marginalization from the European integration and EU enlargement process (*Chapter 3.3.5*).

Political developments elsewhere in Europe; namely the Kosovo War, the attempted *coup d'état* in August 1991 in the then Soviet Union, the disintegration process of Yugoslavia and the declarations of independence of Slovenia and Croatia in June 1991 all acted as a catalyst for the EU to pursue a more inclusive approach to enlargement (*Phinnemore, 2006*).

Within this context, the Commission stated in October 1999, enlargement was the 'best way' to achieve 'peace and security, democracy and the rule of law, growth and the foundations of prosperity throughout Europe' (*European Commission 1999b*).

So, wider security concerns created windows of opportunity for supporters of a more inclusive approach to eastern enlargement. And also, it was suggested that excluding the least prepared countries from the process could have undermined their domestic economic and political reform processes.

This shift was to Romania's undoubted benefit. While other 'pre-ins' were meeting the accession criteria, Romania was not. However, with enlargement increasingly regarded as the most effective means of promoting security in the EU's immediate neighbourhood, a sound rationale now existed for including Romania into the CEECs enlargement.

- Third, its position owes much to its southern neighbour – Bulgaria – and the fact that the EU has tended to treat the two as a block. Romania has arguably benefited from this fact on various occasions. (*Chapter 3.4.5*), (*Phinnemore, 2003*).

With Bulgaria completing negotiations in June 2004, the EU was eager not to delay the signing of a joint Accession Treaty and therefore either postpone Bulgaria's

accession or decouple the two candidates. This would not only create a new sense of ambiguity and open-endedness to Romania's accession efforts but there was also the risk that the country's membership bid would be relegated to the broader process of southeastern enlargement. The general consensus in the EU was that any decoupling should be avoided (*Papadimitriou, Phinnemore, 2008*)

- Fourth, among other geopolitical and strategic concerns, argued above, where conditionality was overlooked in upgrading relations with Romania, one other factor was Romania's close and special relations with her transatlantic ally, US.

Starting from her candidacy to the EU and all the way during her accession process, Romania did not refrain from aligning herself with the US on various geopolitical and strategic issues. When it comes to choosing sides between the United States and Europe, Romania appears to have decided in favor of the former even at the expense of jeopardizing her accession chances. (*Chapter 4*)

Romania's becoming the first country to sign a bilateral agreement in 2002 with Washington exempting US soldiers and officials on its territory from the jurisdiction of the ICC or offering her full support to the US and granting access to her military bases during the Iraq crises, a position that was not at all in line with the other CEECs and majority of the current members of the EU were just two solid examples of Romania's transatlanticism. (*Chapter 4*)

These moves caused discomfort and created anxiety in the EU authorities. However, in the final analysis, it can be argued that Romania's efforts to unquestionably align herself with the US helped her in a way to win EU recognition and paved the way for her early inclusion into the EU.

It may be suggested that the EU expected that Romania's integration into the European Union would temper the country's transatlanticism and increase the likelihood of Romania's achieving a greater measure of political and economic independence from the US foreign policy orientations.

Taking this assumption a stage further, it may also be argued that at that time, the general consensus in the EU might be that, exclusion of the most pro-American candidate of the CEECs from the accession process and marginalization of Romania from the EU enlargement process even for a short term, should be avoided. Political costs of such an exclusion were estimated to be too high. So, instead of a “*punitive exclusion*”, an “*inclusive accession*” was preferred. In other words, in order to “deamericanize” Romania, who is highly “Americanized”, the EU preferred complete absorption of Romania into the European Union.

Apart from geopolitical and strategic arguments mentioned above, Romania’s progress to membership may also be explained by different theoretical approaches. Within this context, it can be suggested that the approaches of the EU members can be defined as being constructed by a combination of “*kinship based duty*” and “*rhetorical entrapment*” (Chapter 2.1 and 3.4.6).

- Firstly, it can be argued that Scimmelfennig’s suggestions of “rhetorical entrapment” was valid in the case of Romania’s accession process. (Chapter 2.1 and 3.4.6). CEECs enlargement was presented as a historical reunification of Europe to overcome the divisions of the continent which had lasted for more than 40 years. Eastern enlargement was not only regarded as a simple compensation offered to the CEECs abandoned at the end of WW II at the mercy of Soviet totalitarianism but as a moral duty to reconcile Europe’s history and geography. In this context, referring to the official statements of EU officials or the Presidency Conclusions of various European Union Council Summits where it was repeatedly reiterated that “*the enlargement process is continuous, inclusive and irreversible*’ and the enlarged EU’s aim was ‘to welcome Bulgaria and Romania as members in 2007’, Romania was in a way locked into a process of enlargement that would without doubt see it join the EU in 2007.

When this was combined with the preprogramming of dates for the conclusion of negotiations and accession, the EU found itself entrapped by rhetoric and timeframes of its own making.

- Second, the theoretical argument relating kinship-based duty to enlargement (Sjursen, 2002) might also contribute to explaining why important efforts are put into helping Romania to fulfil the conditions for membership. (*Chapter 2.1*)

There was an increased acceptance of Romania as a ‘European’ country and one that had suffered miserably as a consequence of communist rule. There was also a sense that the EU could not sit back and leave this country to deal on its own with the political, economic and social uncertainties of post-communist transformation. As Sjursen suggests, for reasons reflecting a sense of ‘kinship’, Romania could not be left on its own.

Likewise, Romanians have always regarded themselves as Europeans, geographically, culturally, linguistically and spiritually. Romanians claim that they are the only Latin people in that area of the Balkans and Romania is the border between Catholic and Orthodox Christianity, as well as Christianity and Islam, on the frontier between the Slav and non-Slavic worlds. In this context, for Romania, EU membership confirms the country’s Europeaness and also symbolizes the break with its communist past. So, it can be suggested that the primary motivation for Romania’s application in 1995 to join the EU was one of a historical and emotional nature: “Return to Europe.”

This thesis finally concludes with the argument that Romania’s progress from the margins of the European integration process to membership owes a lot to the EU’s political preferences and the dynamics of the eastern enlargement process. A mixture of more immediate political commitments, preferences and interests of the EU’s member states contributed to her accession process. Under these circumstances, conditionality apparently did not constrain the EU. So, Romania may be a good example where the principal of conditionality was either overlooked or of secondary importance due to various political interests and strategic considerations of the EU.

Moreover, whereas the flexibility inherent in conditionality is generally seen to afford the EU opportunities to tighten requirements and make additional demands of would-be members – as in the cases of Turkey and the countries of the Western Balkans – other non-members, in this case Romania, can also benefit from the flexibility and the EU’s willingness either to adopt broader and looser interpretations or simply overlook shortcomings and allow relations to develop.

As a result, whatever the reasons were, Romania seized these opportunities successfully and benefited from the response of the EU to pursue an “inclusive accession process” and joined the European Union in 2007.

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