

# **EU-27 WATCH**

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# EU-27 Watch

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## On the project

Due to the new treaty provisions of the Lisbon Treaty and the economic crises the enlarged EU of 27 member states is on the search for a new modus operandi while also continuing membership talks with candidate countries. The EU-27 Watch project is mapping out discourses on these and more issues in European policies all over Europe. Research institutes from all 27 member states and the four candidate countries give overviews on the discourses in their respective countries.

The reports focus on a **reporting period from December 2009 until May 2010**. This survey was conducted on the basis of a questionnaire that has been elaborated in March and April 2010. Most of the 31 reports were delivered in May 2010. This issue and all previous issues are available on the EU-27 Watch website: [www.EU-27Watch.org](http://www.EU-27Watch.org).

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**Romania****Romania is not Greece**Mihai Sebe

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*Giving gifts to the Greeks or helping the prodigal son*

Greece's economic situation is regarded with acute seriousness by many Romanian analysts due to the close geographic proximity and the important number of Greek banks in the Romanian banking system. Many often wonder what would happen if the Romanian banks with Greek capital or the Greek banks operating directly in the Romanian market would face serious solvency problems. The main fear of the financial analysts was and still is that "the Greek banks with an important presence on the Romanian market [a 25 percent share of the Romanian banking market] could reduce the volume of credit as they will have to rely more on scarce, local resources."<sup>1</sup> However, the National Bank of Romania believes that there is no such risk; as a National Bank official clearly stated, "there is no threat for the Romanian banking system as a result of the Greek crisis."<sup>2</sup> Even if the situation of the Greek economy will not directly affect the banks, for many Romanian officials, Greece remains the perfect "scarecrow" used to justify austerity measures. In President Traian Băsescu's words, "contrary to the televised gaiety, that Romania is like Greece, I tell you that we have 2011 and 2012, if we were to continue in this rhythm, in order to reach Greek 'performances'. There, we still have time to take actions so that nothing bad happens."<sup>3</sup> Although the Greek situation is a difficult one, for many economists it is clear that Greece will not fall down, as its fall would seriously affect the Eurozone. The financial package directed toward sustaining Greece was seen with relief in Bucharest. In Lidia Moise's words, "Romania breathes more easily as the pressure over the Romanian Leu attenuates."<sup>4</sup>

*When neighbouring countries require similar solutions*

If Romania is neither Greece, nor will it reach its situation, then there will at least be a side effect of the lessons learned by the Romanian authorities. Even if the numbers differ and Greece has some structural advantages related to its economy, geographic location, etc., we still have some "bad" habits in common: "growth on debt, fiscal evasion, politicisation of the public apparatus, 'buying off' the trade unions' silence." For the economic analyst Dan Suciuc, the last trait that can set us different from Greece will be just that – that the Romanian authorities do not have to buy the trade unions' "silence" at the cost of budgetary deficits.<sup>5</sup> Aurelian Dochia, a renowned Romanian economist, also draws a series of warnings for Romania which must not be ignored by the government. Firstly, when the issue in question is money, even "the most harmonious family relations deteriorate rapidly" and, secondly, Romania will be forced to restructure its public sector or its pension system.<sup>6</sup>

*The financial Big Brother – a necessary step?*

In various financial and intellectual media there is, in a way, hope that the strong measures, which are to be taken by the European Union in order to obtain a stronger coordination of economic policies in Europe, will represent a plus for Romania, who will be, therefore, obliged to adopt stricter financial control of the national budget. This idea resides clearly from a policy memo of a Romanian think tank, the document's title being "We must not be afraid of the European Monetary Fund". The authors draw a straightforward conclusion "it will be in our best interest that the EU creates stronger mechanisms of economic supervision – we would simply put together/import fiscal responsibility, a thing that lacks us."<sup>7</sup> One of the main ideas resulting from this study is the necessity of the completion of the common currency by a method of harmonisation of economic policies. As the European economies are so interconnected, this idea seems to be the best next step in order to avoid further economic problems.

*The struggle for a better future: Europe 2020 – a dream in the making?*

The Europe 2020 Strategy enjoyed a great deal of success in public debates unlike other European issues due to the current economic and social crisis. For many, it represents the chance of a lifetime for assuring Romania's renewal on the economic and social side. For the analysts, Romania's current status is a poor one, and only a coherent European strategy could help our development. Far from helping to consolidate the European average toward the established level, Romania finds itself once

more, “among the less advanced states.”<sup>8</sup> Aware of this *état d’arriération* in development, the Department for European Affairs initiated on 3 March 2010 a public consultation regarding the Europe 2020 Strategy addressed to all the actors of society, a process meant to build consensus over the decisions and actions to be followed.<sup>9</sup> The main result of this consultation process will be the adoption of a “Memorandum regarding the Approval of Romania’s preliminary position with regard to the Europe 2010 Strategy”.<sup>10</sup> It sets the main objectives that Romania wants to achieve as well as a set of preliminary measures designed to help achieve those objectives. One such measure was the constitution of a high level work group designed to elaborate, until May 2010, a proposal for the Romanian government in order to achieve its national objectives as well as a timetable at the national level.<sup>11</sup>

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<sup>1</sup> Vasile POP-COMAN: Băncile grecești din România: “drobul de sare” sau „călcâiul lui Ahile”?, Săptămâna Financiară, 22 February 2010, available at: [http://www.sfin.ro/articol\\_19073/bancile\\_grecesti\\_din\\_romania\\_%E2%80%9Edrobul\\_de\\_sare%E2%80%9C\\_sau\\_%E2%80%9Ecalcaiul\\_lui\\_ahile%E2%80%9C.html](http://www.sfin.ro/articol_19073/bancile_grecesti_din_romania_%E2%80%9Edrobul_de_sare%E2%80%9C_sau_%E2%80%9Ecalcaiul_lui_ahile%E2%80%9C.html) (last access: 18 May 2010).

<sup>2</sup> Ibid.

<sup>3</sup> President Traian Băsescu press conference, 13 May 2010, available at: [http://www.presidency.ro/?\\_RID=det&tb=date&id=12098&PRID=ag](http://www.presidency.ro/?_RID=det&tb=date&id=12098&PRID=ag) (last access: 18 May 2010).

<sup>4</sup> Lidia MOISE: “Bani la Atena, efect calmant la București”, Revista 22, 13 April 2010, available at: <http://www.revista22.ro/bani-la-aten-a-efect-calmant-la-bucure351ti-7976.html> (last access: 18 May 2010).

<sup>5</sup> Dan SUCIU: Grecizarea României, Revista 22, 16 March 2010, available at: <http://www.revista22.ro/articol-7816.html> (last access: 18 May 2010).

<sup>6</sup> Aurelian DOCHIA: Poveste de familie, România Liberă, 8 February 2010, available at: <http://www.romanalibera.ro/opinii/comentarii/poveste-de-familie-176821.html> (last access: 18 May 2010).

<sup>7</sup> Cristian GHINEA/Mihai PANAITE/Paul IVAN: Să nu ne fie frică de Fondul Monetar European - comentarii pe marginea Consiliului European, CRPE Policy Memo no. 9, March 2010, available at: [http://www.crpe.ro/library/files/crpe\\_policy\\_memo\\_9\\_ro.pdf](http://www.crpe.ro/library/files/crpe_policy_memo_9_ro.pdf) (last access: 18 May 2010).

<sup>8</sup> Alina GIRBEA: Noi în anul 2020 sau întoarcerea la plan, Europuls, 17 March 2010, available at: [http://europuls.ro/index.php?option=com\\_content&view=article&id=423:noi-in-anul-2020&catid=103:pol-soc&Itemid=1234](http://europuls.ro/index.php?option=com_content&view=article&id=423:noi-in-anul-2020&catid=103:pol-soc&Itemid=1234) (last access: 18 May 2010).

<sup>9</sup> Department for European Affairs, Departamentul pentru Afaceri Europene lansează o consultare publică pe tema proiectului de strategie “Europa 2020” al Comisiei Europene, 3 March 2010, available at: <http://www.dae.gov.ro/articol/833/departamentul-pentru-afaceri-europene-lanseaz-o-consultare-public-pe-tema-proiectului-de-strategie-bdquo-europa-2020-rdquo-al-comisiei-europene> (last access: 18 May 2010).

<sup>10</sup> Department for European Affairs, Memorandumul privind Aprobarea poziției preliminare a României cu privire la Strategia EUROPA 2020, 12 May 2010, available at: <http://www.dae.gov.ro/admin/files/Memorandumul%20privind%20Aprobarea%20poziției%20preliminare%20a%20României%20cu%20> (last access: 18 May 2010).

<sup>11</sup> Department for European Affairs: Strategia EUROPA 2020 la nivel național, 12 May 2010, available at: <http://www.dae.gov.ro/articol/961/strategia-europa-2020-la-nivel-na-ional> (last access: 18 May 2010).

## Questionnaire for EU-27 Watch, No. 9

Reporting period December 2009 until May 2010 – Deadline for country reports 21 May

**All questions refer to the position/assessment of your country's government, opposition, political parties, civil society organisations, pressure groups, press/media, and public opinion. Please name sources wherever possible!**

### 1. Implementation of the Lisbon Treaty

On the 1 December 2009 the EU-reform ended with the entering into force of the Lisbon Treaty. However, the new treaty provisions still have to be implemented. Some procedures and conditions have to be determined. In other cases, procedures, power relations, and decision-making mechanisms will change due to the new provisions.

- How is the work of the new President of the European Council, Herman Van Rompuy, assessed in your country? Which changes to the role of the rotating council presidency are expected?
- How is the work of the new High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton, assessed in your country? Please take into particular consideration both her role within the European Commission and her relationship to the Council of the European Union.
- On 25 March 2010 a "Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service" was presented. How is this concept perceived in your country? Which alternatives are discussed?
- On 31 March 2010 the European Commission presented a proposal defining the rules and procedures for the European Citizens' Initiative (ECI). What are the expectations for the ECI in your country? What are the various positions concerning the rules and procedures?

### 2. Enlargement and European Neighbourhood Policy

The European Commission has given its opinion on Iceland's application for EU-membership and a decision from the Council is expected before the end of June. Croatia seems to have settled its border dispute with Slovenia. Against this background:

- Which countries does your country expect to become members of the European Union in the next enlargement round? What are the opinions in your country on the membership of these countries?
- How are the membership perspectives of those countries discussed, which are not expected to become a member in the next enlargement round?

The Eastern Partnership and the Union for the Mediterranean were the last major projects dealing with the European neighbourhood:

- How are these projects assessed in your country?

### 3. European economic policy and the financial and economic crisis

The European Council agreed on 25/26 March on the key elements of the Europe 2020 strategy, the successor of the Lisbon strategy. While not being on the formal agenda the economic and financial situation in Greece was discussed. The European Council agreed on a finance package combining bilateral loans from the eurozone and financing through the International Monetary Fund.

- How is the finance package for Greece assessed in your country? Are there any opinions on the process, how the agreement on the package was reached?
- Which lessons should be drawn from the Greek case for a reform of the Stability and Growth Pact?
- How is the idea of "a strong coordination of economic policies in Europe" perceived in your country? What concepts of an European economic governance are discussed in your country and which role do they assign to the Euro group?
- How is the Europe 2020 strategy discussed in your country? What are the priorities for the Europe 2020 strategy from your country's perspective?

### 4. Climate and energy policy

The climate conference in Copenhagen took note of the Copenhagen Accord but did not reach a binding agreement. The next conference of the parties (COP 16 & CMP 6) will take place at the end of November 2010.

- How is the Copenhagen conference assessed in your country? Please take into consideration the negotiation strategy of European Union and the results of the conference.
- Does the European Union need to change its own energy and climate policy in order to give a new impulse to the international negotiations?
- Is a global agreement within the UNFCCC the best strategy to fight climate change? If not, which alternative strategy should the European Union follow?
- What is your country's position on financing mitigation and adaptation efforts in developing countries?

### 5. Current issues and discourses in your country

Which other topics and discourses are highly salient in your country but not covered by this questionnaire?