

Seminar on Democratic Transition and Consolidation
2001 - 2002

Democratic transition in Romania

April 9th, 2002

FRIDE

Madrid, 2002

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Round Table

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Romania: an excessively long transition

Ludolfo Paramio

The transition to democracy in Romania began with the toppling of the former regime and the death of the man who had been the country's maximum leader for 24 years, Nicolae Ceaucescu, after what can only be described as a farcical trial conducted by an "improvised" court of justice. Such a revolutionary beginning was in stark contrast to the process of negotiation between government and opposition that has been the general feature of transitions to democracy in Central and Eastern Europe. It underlined the originality and singularity of the process towards democratisation in Romania. But there was soon to be a second and even more striking feature of the Romanian process: the extraordinarily slow pace at which economic reforms took place, much to the exasperation of Western observers. The same can be said of the equally slow evolution in the political arena.

The revolution took place during the days leading up to the Christmas of 1989. Between 1990 and 1996, and again since the 2000 elections, the Presidency has fallen into the hands of Ion Iliescu, one of the leading figures of the Front for National Salvation, which was hastily put together at the Communist Party Central Committee building after a completely nonplussed Ceausescu was forced to flee by helicopter. For many observers this Front is perceived - with some justification - as being more inclined towards *continuism* than a radical break with the communist past. This notion would be in line with the, in many ways, rather surprising notion that what took place was not really a revolution, but a palace coup aimed at saving the regime by putting an end to the blind obstinacy of a dictator incapable of understanding the changes that were taking place in the region, and therefore unable to adapt to them.

This vision of the fall of Ceausecu as a result of a conspiracy does not stand up to any detailed examination of hard fact (Veiga, 2002). On the contrary, the enormous confusion

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that surrounds the entire process seems to indicate that what happened took all those involved by surprise and that, while, in the Central Committee building, a nucleus of revolutionary leaders were trying to come together, the army and a substantial part of the political elite only further added to the confusion by attempting to show their support for a democracy they had not originally vouched for, but by which they were suddenly being driven along, as a result of a series of unforeseen and quite unexpected circumstances. This desire to align themselves with the new regime was, undoubtedly, the cause of armed conflict and confrontation which cannot be otherwise explained.

There can be little doubt, as Veiga maintains, that the fall of the regime was precipitated by Ceaucescu himself and his complete loss of track with reality. A labour protest in the city of Timisoara was so harshly put down that anyone would have thought that the authorities were dealing with a force of foreign aggression. The blood that was shed as a result sparked off a general strike. The decision to respond to the strike by calling a pro-Ceaucescu demonstration in Bucharest, on December 21, only spiralled further confusion, leading to an intervention of quite disproportionate and uncalled for brutality. The same army eventually decided to change sides, though a sector of it offered the dictator the possibility of getting away. An offer which, as it turned out, proved to be a mortal ambush.

Let us, for an instant though, entertain the notion that the National Front for Salvation was not the fruit of a carefully planned coup, but just a group born out of the power vacuum and massive mobilisation during those days, when not everyone knew what they wanted, though it was clear that an opportunity for change had definitely presented itself. If that were really the case, Iliescu would hardly have been the man chosen by the elite of the regime to prolong the life of that regime under a different guise. Neither would it explain the snail's pace at which economic reform was later carried out, let alone Iliescu's ability to maintain sufficient support among the electorate to win back the presidency in the 2000 elections.

Part of the enigma is easy to resolve, if we examine reforms in Russia. In spite of the initial slowness of reform, and although strong economic power groups led by members of the political elite were formed, the links between this new economic class and political leaders would come to constitute a strong obstacle to full reform (Hellman, 1998). The reason is simple: with no visible end to the earning process of the big groups, such earnings were always going to be vastly superior given monopoly revenues and preferential access to credit. Such a situation was always likely to provide the new business class with all the advantages of private property and none of the restrictions imposed by the real and efficient functioning of the markets; and such classes would, logically, always use their political clout to avoid certain reforms that, necessary as they might have been for the proper functioning of the national economy, would only have led to a fall in what they stood to earn. A lateral consequence, which has had lasting and demoralising effects, has been the corruption of the new political class.

Why were reforms not quickly and irreversibly launched in Romania? At least two factors

account for this. The first is universally accepted: in the group of new FNS leaders there was no real deep conviction either about the need for such a Front or the desirability of it. Therein lies a fundamental difference with the countries in which the very same regime had previously promoted economic reforms favourable to the market (as was the case of Hungary) or in which a relatively consolidated opposition (in spite of the marginality to which they were confined by the regime) had developed its own ideas about the shift to a market economy. None of that existed in Romania.

The Ceaucescu regime had succeeded in imposing a strongly dissuasive image of any possible opposition activity, and had, as well, had previous experience of economic opening which, at the time, had succeeded in securing a certain level of social consensus. The first factor had impeded any debate on ideas about the future of Romania, in the same way that it had not allowed for the emergence of opposition leaders for public scrutiny and appraisal, capable of holding the political reigns in a new democratic era. The FNS leaders were an improvised bunch, given the absence of any tradition of organised groups, with a sufficient level of credibility to aspire to real political leadership in this new phase of the country.

The second factor was probably more important. In the first phase of his regime Ceaucescu appeared, on the one hand, as a nationalist leader, in the mould of his predecessor, Gheorghiu-Dej, who had confronted the Soviets over the economic model they wanted to impose in Romania, which was in keeping with the idea of the division of labour within the countries in the area, and which meant the country abandoning any notion of developing heavy industry. After becoming General Secretary of the party in 1965, Ceaucescu maintained the idea of a Romanian model of socialism, which did not close the door to credit from the West, or to commercial opening, along the lines of what Tito was doing in Yugoslavia (Veiga, 2002).

Ceaucescu gradually distanced himself from the Soviets, as was so patently manifested in his support for the so-called Spring of Prague, in 1968, within a climate of political opening, only to be dramatically turned round in the first half of the seventies. But up to that point, the economic climate during the Ceaucescu regime had been quite healthy, soaring to such positive heights that new urban middle classes linked to the industrialisation and modernisation of the economy did not fail to emerge. The second part of the seventies became, for those classes, somewhat idealised, so much so that everything that came afterwards could only be perceived as a nightmare: Ceaucescu's fear of a Soviet intervention degenerated into repressive paranoia, and a visit to North Korea precipitated his descent into megalomania, while the oil problems of the early 70s and a severe debt crisis plunged the Romanian economy (as it did to the economies of the other Eastern countries that had vouched for opening to the West) into a very deep crisis. In the years leading up to 1989, Romania was a Police state steeped in a moral crisis, a country that had reached a point of economic stagnation.

The idealised sixties and the absence of an organised opposition led to even greater inertia among the ranks of the improvised leadership of the FNS. It was only normal that the new

leaders should be marked by a social vision which sustained that the Romanian model could continue to function without having to dismantle the public sector and introduce pro-market reforms. One only had to get rid of the repressive elements and the worst aspects of the dictatorship for the economy to continue to function within a new context of democracy. This tendency towards *continuism* led to pressures from international bodies being generally ignored, save by certain sectors of the new group of leaders. Those differences were to eventually lead to the break-up of the FNS, whose majority group, led by president Ion Iliescu, and which was *pro-continuist* in outlook (i.e., post-communist, with its criticism of the western media) was to later adopt the name of The Democratic Front for National Salvation (DFNS).

Petre Roman, who had been Prime Minister between 1989-91, became leader of the NFS after the split with Iliescu. The NFS later became, in 1993, the Democratic Party (DP), espousing a liberal programme. In 1992, the DFNS won the parliamentary elections and Iliescu was re-elected president. The Prime Minister, Nicolae Vacaroiu, continued to apply the programme of pro-market reform that had been recommended by the World Bank and the International Monetary Fund, though both bodies showed their displeasure at the slowness with which measures were being implemented. To understand that slowness we must, first of all, consider the social costs of reform: the closure and privatisation of public enterprises meant the loss of jobs, while price liberalisation led, initially, to a general rise in the cost of living. Add, as well, the lack of enthusiasm of those who were running the country to the predictable hostility of citizens.

As we mentioned earlier, another factor has to be taken into account: with the progressive transformation of the state economy into a market economy, very strong personal interests, (deeply rooted in the former state enterprises, which were hugely profitable given that privatisation and market rules never quite extended into the general context of things) were forged. Since those interests were linked, at the very origin, to the government and its social connections, what, in principle, might be ideological reluctance to do away with the presence of the state in the economy, could easily give rise to leaders in government and semi-private entrepreneurs acting in collusion with each other, thereby creating a very high risk of corruption not only among political leaders in power but also in the very institutions themselves.

Credits from the West were used to maintain big state enterprises that were hardly, if at all, viable, with no attempt being made at restructuring, while small and medium enterprises faced growing difficulties. In 1993, unemployment stood at 9.3%, and the economy fell 22% with regard to the previous year. The elimination of retail price limits on the very day VAT was introduced on food products, along with the withdrawal of unemployment benefits, led to 300% inflation by the end of that year. Such a situation led to social unrest which, in turn, led to even greater inertia on the part of those in power in so far as the adoption of new reforms was concerned.

The fourth element that served to further slow down the modernisation of the economy

was the weight of Nationalist parties. The Vacaroiu government depended, for a parliamentary majority, on The Romanian Party of National Unity (RPNU) as well as on The Party For A Great Romania (PGR). Both parties opposed the notion of enterprises and land becoming the property of foreign investors. This constituted a serious obstacle to privatisation. In such circumstances, the DFNS, which became The Democratic Social Party, (DSP) in 1993, failed to do anything significant at the polls in spite of its announcement, in July of 1994, of a plan for the massive privatisation of over 3,000 enterprises, many of which were already financially viable.

There are many national minorities in Romania, among them the population of Hungarian origin in Transylvania. The Hungarians of Romania have their own party, The Democratic Hungarian Union of Romania, (DHUR), and have made several conflictive demands, (the call for university courses to be imparted in Hungarian, for instance), which have been resolved through compromise and under the watchful eye of the EU, which has demanded of Hungary and Romania alike that they seek formulae that allow national minorities to maintain their rights without making either country ungovernable. But the proliferation of minority parties raises inevitable questions about the effective and meaningful functioning of the party system, though this doesn't quite explain the sharp rise of Romanian nationalist parties, a phenomenon which had already begun during the time of the elaboration of the new constitution, in 1991.

These parties no doubt took it upon themselves to take up the cause of the social sectors that felt undermined and discriminated against and who viewed with uncertainty the change in the economic model that came as a result of the political transformations produced after the fall of Ceaucescu. They sought, logically, to offer some degree of reassurance to their followers by reinforcing their sense of identity with regard to others, whether those 'others' were minority groups or the neighbouring countries from which such minorities might have come: in order to reaffirm an *Us*, an *Others* has to be defined, and differences have to be established with them. But this type of discourse, as has been seen in other former communist countries, leads not only to an increase in internal conflicts, but also to the rejection of foreign investment, which is perceived as the selling out of the national heritage.

The behaviour of the Nationalist parties not only undermined the efforts undertaken by the Romanian government in its endeavour to advance towards meeting the conditions laid down for integration in NATO and the European Union. The populist attempts by Gheorghe Funar, leader of the RPNU, to mobilise anti-Hungarian sentiment in the Transylvanian capital of Cluj, led to split after split within the coalition government, provoking a crisis that forced the DSP to remain alone, in minority, for several months before the 1996 elections. So one can easily see why, the economic factors notwithstanding, the electorate sought an alternative and handed victory – with 30% of the vote – to The Romanian Democratic Convention (RDC), a broad coalition that had already triumphed in the main towns and cities, including the capital

of Bucharest, in the June local elections.

In spite of his good results in the first round, Ion Iliescu lost the second round of the presidential elections to the RDC candidate, Emil Constantinescu. Petre Roman's Democratic Party contested the elections in coalition with Romania's historic Social-Democrats. The name given to the coalition was The Union of Social Democrats (USD). Roman got 22% of the vote in the first round of the Presidential elections and called upon the electorate to vote Constantinescu in the second round. This was, no doubt, a decisive factor in the eventual triumph of the latter. Having won the legislative and presidential elections, the RDC was in a very strong position to give a meaningful thrust to reforms and become the leading figure in first government without any clear links to a communist past. Victor Ciorbea, who had, until then, been Mayor of Bucharest, became the first Prime Minister of a government formed by the RDC, the USD and the party of the Hungarian minority, the DHUR.

Paradoxically enough, the fate of that government obeyed the pattern witnessed in other countries where the process of political transition had begun with power rotation, and where the formation of a centre-right government had been the option to have emerged from the first elections. What might have been expected to happen in 1990 or 1992, did not happen in Romania until 1996, for the same reasons that we have cited to explain the snail's pace at which economic reforms were effected: the absence of a clear, credible and competent opposition during the final years of the Ceausescu regime, and the general feeling that the economy could continue to function without any drastic changes, by simply eliminating the abuses and madness of the dictator. So, the first change came in 1996, and the government that came to power was the first to suffer the consequences of the seemingly unwritten law of political transition in the Eastern countries: it lost the following elections, having been saddled with the burden of assuming the cost of economic reforms.

Another factor might also explain the defeat of the RDC in the 2000 elections; a factor that was probably neither uncommon nor unusual within the context of all the transitions that have taken place in central and eastern Europe. Throughout its entire existence, the governmental coalition headed by the RDC was forced to grapple with a series of confrontations, partly derived from its own make-up, which was anything but homogeneous. They were confrontations that also reflected the level of ultra-personalisation that pervaded virtually all the political forces in Romania. (In the opposition, Iliescu's UDSR* also suffered a split in 1997). The snail's pace of economic reform of the previous era, due in no small measure to the Nationalist parties' resistance to such reform, now translated into a general slowness in the legislative process as a consequence of personal divisions and confrontations within the governmental coalition. The result of all that was that the image the coalition presented to the electorate was hardly encouraging to a country that was already facing quite a difficult economic situation.

The spectacle of a government in perpetual crisis might well have been one of the factors responsible for the defeat of the RDC in the 2000 elections, which led to Ion Iliescu and the

PDSR* returning to the presidency and the government. But the strong rise of nationalism, as could be gleaned from the 28% of the vote secured by the candidate of The Party For a Great Romania (PGR), Vadim Tudor, in the first round (he had won a mere 4% in 1996) reveals the more familiar pattern of the frustration of the electorate in the face of such economic and social uncertainty after a long period of a reform whose fruits never seem to come their way. The protests of the miners in January of 1999 – before the announced end to mining exploitation – which the government only succeeded in controlling after the arrest in February of the mining leader, Miron Cozma, would come to exemplify the inevitable social resistance to economic restructuring, the politically motivated mobilisation of the mining sector notwithstanding.

It would seem logical to attribute the rise of ultra-nationalism to the economic stagnation of a decade and the threat of loss of employment faced by many workers within the state sector, which was itself a consequence of the restructuring of the economy. According to World Bank figures, GDP per capita grew by a mere .07% in the nineties, while poverty rose to 30%, and the average salary in urban areas was 150 dollars. It is also estimated that the economy represented no more than 75% of its 1989 volume. Extremely discouraging figures indeed. Add to all of that the failure of successive FDSN*-PDSR* and RDC governments to deliver economic results and it is not difficult to understand the feeling of social frustration that paved the way for a candidate such as Vadim Tudor to secure a certain level of support among the electorate.

It must be pointed out however that in spite of the strong social resistance with which the attempts by the RDC government to restructure the economy in order to meet the criteria necessary for entering the EU were met, there was more will than meaningful results in the endeavours of those RDC governments. In this sense, the RDC defeat in 2000 is a consequence of it having assumed the costs of reforms without making any real progress towards carrying out such reforms. Strangely enough, it would appear that it is the new PDSR* government, under the presidency of Iliescu, that is making significant progress in this regard; it has, at least, succeeded in creating a climate that is conducive to a more positive outlook in so far as the growth of the private economy in Romania is concerned.

The initial uncertainty and confusion of Western observers at Iliescu's triumph in the presidential elections might have been offset by Tudor's subsequent defeat, so that they can now look forward, with a certain amount of caution, to what the new government proposes to do. And the new Prime Minister, Adrian Nastase, has been showing the necessary zeal and vigour in his promotion of reform, and has, initially, succeeded in achieving some positive results: 5.3% growth in 2001 (according to the World Bank), with good perspectives for the coming years. Furthermore, the governmental coalition can look forward to a certain level of stability if they are joined in parliament by other groups with a similar project, if common objectives manage to outweigh the ultra-personalisation so prevalent in Romanian politics, and, most of all, if the level of mistrust engendered by Iliescu and the FDSN* between 1991

and 1996 as a result of their economic and political *continuism*, is overcome.

The big question now is whether the desire to advance and progress can outweigh the inertia that has set in during these years of a transition that has proven to be excessively long. There is reason to believe that the direction taken by Iliescu and Nastase is indicative of the recognition of a willingness to view this as a period of apprenticeship during which they would, hopefully, have learnt from the errors of the past. Already, symbolic value can even be given to the change in the denomination, from PDSR* to Social Democrats, after its merger with the historical PSDR*. At face value it is no more than a change of letters, but one that is no doubt indicative of a desire for assimilation to Western democracy, however strong the continued temptation (a phenomenon, it must be pointed out, which is not exclusive to Romania) to establish certain clear differences with Western democracy might be. But the widespread accusations of corruption which have plagued virtually every process of privatisation, casting serious doubts and suspicions over them, still hang in the air and severely undermine the credibility of the new government.

Of equal symbolical significance was the invitation issued to Romania at the Prague NATO summit last November to enter that organisation in 2004. It is, no doubt, a positive sign with regard to its future entry of the EU, though that might still have to be postponed for a while yet. The question is whether, outside of these symbolic incentives, Romanians can rely on the material incentives derived from growth and investment in order to give legitimacy to the new economic model and reduce the level of social discontent which has led to the nationalist populism of the PGR. For that, Nastase's government would have to be capable of developing a sufficiently compensatory social policy without yielding to clique pressures and temptations and without endangering the balance of the economy and its possibilities of growth. The experience of other countries would seem to suggest that it is a path which, no matter how narrow and difficult, simply must be undertaken.

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Peculiarities of the transition in Romania

Petre Roman

1. Ceausescu's Stalinist dictatorship

Up until the beginning of the 90s, when Central and Eastern Europe entered an era of change, Romania was noted for having one of the most controlled and centralised economies in the area. The Stalinist model of directed planning, that had been abandoned or at least relegated to a secondary position by Hungary, Poland and later the ex - Czechoslovakia, had been adopted by the entire Bucharest administration.

Ceausescu rejected all reforms aimed at increasing productivity and economic results. Although his main objective had become the paying off of the foreign debt, the dictator nevertheless turned a blind eye to the economic situation in Romania.

Having launched enthusiastically into a number of large-scale projects, such as the Danube Canal, the Black Sea, the People's Palace, the Calarasi iron and steel venture and the eradication of various rural zones, etc., Ceausescu could find no other way of achieving his goal of paying off his country's foreign debt than by recourse to Stalin-style 'shock therapy'. This technique was applied by means of a massive reduction in general consumption and investments, combined with intensified political repression and more strident isolationist policies.

Poverty spread slowly and pervasively. The state of the nation worsened, thereby laying the groundwork for the internal explosion that was to come. There was no market economy, no legislative or institutional infrastructures and none of the data, instruments or prices required for economic assessment. All socio-economic debate was stifled as a result of repressive party measures. For example, Ceausescu had the Rumanian Academy's scientific journal 'The Economic Life' dismantled after it dared debate the virtues of different market economy models. Later on, the party leaders and government were on the verge of ordering the closure of the Psychology and Sociology Faculties, since they offered their students the possibility of analysing and comparing political systems, mass reactions and totalitarian mechanisms.

Petre Roman was Prime Minister of Romania (1989-1991). At present, Petre Roman is Senator of the Romanian Parliament and Chairman of the Romanian Institute for Democratic Studies.

During the 80s the atmosphere of fear and repression grew steadily worse in Romania. We must remember of course, that at the time, following the fall of communism the general public had no practical experience of what it was like to live under a modern capitalist system. This lack of understanding of the fundamental mechanisms and institutions of a market economy became immediately evident following the revolution of 1989, when the absence of liberal thought paved the way for a group of recycled politicians to regain control of the country and become the nation's leading opinion-makers. Almost overnight, ex – activists became members of Parliament, civic organisation or party leaders, owners of newspapers or experts in the new public institutions. Their mentality, complexes, alliances and hidden interests resulted in a string of political coups, miners attacks, repeated media scandals and in short, the entire chain of internal events that have sullied the image of Romania over the last 12 years and interrupted its natural progression towards integration with the European-Atlantic community.

2. The beginning of Reform

When the so-called 'revolution of transformations' began in Central and Eastern Europe, Romania was not yet ready for an authentic shock therapy, especially after the highly questionable technique implemented by the dictatorial regime during the final years of its existence.

Heading the political agenda of the first group to come to power after the collapse of the communist regime, the National Salvation Front, was the establishment of democracy, the guaranteeing of political freedom and the protection of civil rights. All this was to be reiterated obsessively in the agendas of subsequent governments.

The decision to introduce drastic and rigorously-implemented economic reforms during the 1990-1991 period, now seems to me to be entirely justifiable.

The success of economic reform is an absolute condition, not only because it guarantees well-being but also because its absence undermines the very structure of our national security.

I was involved in the democratisation process of the national institutions right from the very start and participated in an ongoing, and often unequal battle between devotees of Western political-economic ideals and the defenders of an administration riddled with corruption, lack of transparency and duplicity in its relations with members.

We progressed without hesitation to the implementation of a programme of liberalisation, stabilisation and restructuring.

I am now convinced that this economic programme can be achieved if the government responsible for implementing it follows a series of simple criteria: faith in its strategy; political cohesion in the face of pressure from anti-reformist groups; communication with members and the social groups responsible for covering the costs of the reform; decentralisation hand in hand with the consolidation of democracy; and finally, the improvement of the legal system in

general and of contractual laws in particular.

I promoted and directed the first programme of reform with sincere conviction, although I have paid the price for lack of cohesion and communication in the context of a legislative vacuum and the threat of social chaos.

Among the many structural changes made, the first and most important was the transformation of state companies into commercial organisations as the result of the privatisation initiative which was adopted as law during the first month of the legitimate administration of which I was prime minister, following the free elections held in May 1990.

One year later, my government managed to convince Parliament to approve the effective law of privatisation of ex - communist countries.

The miners' attack on the government in September 1991 occurred only three days before my administration had planned to adopt a series of laws aimed at enabling the internal convertibility of the national currency.

It was at that point of the Romanian transition that power began to accumulate in the networks and groups whose interests were linked fundamentally to the old regime.

Market economy and democracy were the cloak behind which the country's economic losses were intensified and turned into enormous private fortunes, gained as the result of the 'special understanding' that existed between the political structures and the economic networks.

Both of these groups found themselves on the same side, i.e. outside market law and totally mindless of their responsibility regarding public money.

In addition to the massive reduction in budgetary subsidies, the privatisation of the leading industrial giants, the breaking up of monopolies and the measures designed to stimulate competition on the domestic market, in 1997 alone, around 100 laws aimed at economic liberalisation were either enacted or revised.

The revolution of 1989 began with the negation of Ceausescu. Ceausescu's spirit was perpetuated, however, by the presence and public actions of two opposing groups that tainted the beginning of the democratisation process with their Manichaeian aggressiveness: the improvised leaders of the civil society proclaimed themselves democrats during anti-government demonstrations and called for anarchy; while the representatives of the former totalitarian structure who had insinuated themselves into key government positions, proclaimed themselves reformists and blocked every initiative proposed by the new administration.

It is hardly surprising that these two groups eventually united, despite wildly different ideological beliefs, in order to bring down the first truly reformist government, who had come into power as a result of the free elections held in May 1990. I led this government, which was made up of young people, respected professionals and prestigious figures from a number of different fields with deeply-held pro-western convictions and ideals.

In addition to bringing down the reformist government, these events also created a precedent for abandoning subsequent reform initiatives.

3. Obstacles on the road to reform

Given that the backward economy, lack of openness, isolation and moral crisis were all, in fact, different aspects of a single problem, it was believed that the country could be returned to normality simply by eliminating a few irrational mechanisms.

Three things soon became evident, however: firstly that there was an entire social class that, having benefited from communism as the result of privileges granted (either material or psychological), was not prepared to give up the place it had occupied in society without a fight (albeit an underground one). This resistance proved even more assiduous and ubiquitous than expected.

Secondly, another and even more serious obstacle was the realisation that the communist regime had driven its bitterest enemies to promote an extreme approach to the fight, expressed in an unequivocal determination to replace communist totalitarianism with a system embodying its exact opposite and characterised by discipline.

Thirdly, after the initial wave of enthusiasm that clamoured for the need for reforms and changes, it was noted that from an individual point of view, such changes often ran the risk of being interpreted as a form of aggression, and reform (an inevitably gradual process, characterised by errors and recapitulations, with results barely visible in the medium term), which was declared and sustained in general terms by means of public discourse, was suddenly faced with an opposition in which a deep-seated desire to disrupt went hand in hand with inertia.

The principal obstacle on the road to reform is the reaction of old-style mentalities, still present not only at the decision-making level, but also amongst the general population.

What does this consist of?

Fear: present in two tenses – fear of the past and fear of the future. Although highly unlikely, the return of a communist dictatorship is still perceived as an imminent danger, causing some political forces to call for more radical measures (measures that ironically enough are often frighteningly similar to communist ideology), whose adoption may endanger the normal functioning of society.

The gregarious and corollary spirit, egalitarianism: the well-learned harsh lesson of survival under conditions that repressed any true expression of individual personality led to a tendency to reject diversity as a negative phenomenon, indicative of instability.

Suspicion: although in principle individuals feel safe only in the midst of a multitude, their inner awareness clings to the idea that ‘other people’ are those who have hurt them in the past, are hurting them in the present and will continue to hurt them in the future.

Corruption: far from being a consequence of reform (as suggested by some of the most astute enemies of change), under close examination, corruption shows clear marks of

underground communism. The existence of parallel distribution networks and the confusion of rights with privileges resulting from arbitrary bureaucracy, all stem from the communist era. The new, more permissive laws have served only to increase this embedded corruption, rather than reduce it, because bureaucrats at all levels continue to consider themselves above the law rather than servants to it.

Perhaps the most dangerous effect of this collective inertia of mentality lies in the promotion of an ancient model of nationalism, which is venerated rather than used as an instrument for encouraging constructive action. Fear, suspicion and gregarious instincts led to a search for compensation beyond that of daily life. This was found in a model of nationalism entrenched in the past, used chillingly and destructively by those who worshipped ancestral heroes with the sole purpose of convincing the population to accept Communist dictators. Stalin was compared with Peter the Great and Ceausescu with Vlad the Impaler, etc. This is nothing more than an insidious way of suggesting that renovation requires victims, that you can't make an omelette without breaking eggs and that national glory depends upon absolute power being wielded by a tyrant (albeit an evil one).

4. The road to democracy

Despite the many difficulties and obstacles met along the way, thanks to our decision to proceed with the democratisation process and the construction of a market economy, we have, from the very beginning, chosen the correct path. Following a referendum in 1991, Romania adopted a new constitution.

Similarly, Romania has given careful consideration to both its domestic problems and its historical conflict with its neighbours. The relations between the majority of Romanian citizens and the ethnic minorities present in the country are recognised as exemplary by a number of international organisations.

The signing of bilateral treaties with Hungary and the Ukraine have contributed to the consolidation of regional stability.

Unfortunately, the 1996-2000 government was less well-prepared, both as regards the priorities of reform and the human resources necessary for implementing the changes required. The widespread growth of poverty, due mainly to delays in economic reform, caused in particular by the continuing presence of 'black holes' in the national economy, quickly put paid to the possibility of maintaining the general social cohesion that was so palpable during the elections held in October 1996.

The problem of initial capital has further complicated matters, especially in light of the fact that in countries in transition, the proprietors of this initial capital mainly belong to the communist regime. In Romania, as in Poland, the Ukraine and Russia, the following question was asked: is it fair that those who benefited from the old communist regime should now

become successful entrepreneurs? There is no way out of the vicious circle of poverty, which wastes our energies on interminable battles with ghosts from our past; but if we do not face and resolve this past, the ghosts will continue to haunt us in the present, placing new obstacles in the way of all reform.

The impunity which both corruption and nationalist incitement has enjoyed for so many years has destroyed most Romanians' confidence in the country's power structures.

Reconciliation with the past through access to old files from the 'securitate' was enabled just after the 1996-2000 term of office. The content of the new law has upset many people in all fields and the current government has promised to restrict the activities of the institution responsible for its application (The National Council for the Study of the ex – Securitate Files), in order to protect old informers.

The declassification of the files was a source of special upset to those who had used them for purposes of political-electoral blackmail, tax evasion and fraud in the process of privatisation.

The 1996-2000 term of office contained several decisive moments for the democratic and reformist movement. In 1997 we narrowly managed to avoid the threat of being unable to pay Romania's foreign debt.

Secondly, Romania offered unstinting support to the NATO Alliance during its intervention in Yugoslavia.

And thirdly, the country has offered constant aid in favour of the democratic movement in Serbia.

5. Form without content

At the end of the 19th century, a Romanian intellectual called Titu Maiorescu developed the theory of 'form without content', which was based on the premise (applicable to his contemporary situation) that the uncritical transplant of western institutions without adaptation to the specific 'Grund' would not solve the problem of synchronisation with the developed world, but would instead simply generate a new focus of frustration; the feeling of being on the sidelines, in the 'shadow of the empire'. Forms without content work in a vacuum, generating images which have no relation to current reality. The author described the contemporary situation of Romania, a situation similar in many respects to that of the 'third world', in the following way: 'if there has ever been a country which deserves to take the conclusions drawn from statistics ad absurdum, then that country is ours. Almost all the figures presented are only interesting in light of the courage required to have displayed them under their given titles, and nine tenths of our 'progress' is based on the crime stipulated in article 208 of the Penal Code, which promises to punish usurpers of titles. The only reality in all this is contained in tables with exaggerated entries, which the public is sometimes naive enough to take seriously'.

Conserving the culture accumulated in the past becomes more an obligation than a pleasure with every passing day.

Romania experienced an abrupt fall backed by no viable alternative projects. In December 1989, the dictatorship was eliminated and the institutions that supported it (which were also the only thing that guaranteed order in the country) lost all authority. The economic, political and social reforms were initiated under the shadow of an aberrant economic mechanism and a society riddled with discontentment, and were faced with the task of enacting laws that would permit the various democratic institutions to function and the structural reconstruction process to take place.

The well-known Romanian-born North American economist, Nicolás Georgescu-Roegen, once said that ‘the problem we face (in Romania) can be compared with what we have to do, i.e. succour and aid from the beginning to the end, with all that remains after the Tornado has passed. Such destruction needs no theories, but rather common sense. In other words, good administration at a national level, along with political leadership worthy of public trust’.

These new-born democracies need to find a solution to the crisis that resulted in the elimination of the former non-democratic, totalitarian regimes.

Reform never belongs to the past, to clearly defined events, to issues fully resolved. It belongs rather to the uncertainty and the conflict of the present.

6. Rome and Byzantium

At the same time, however, the criterion of religious influence has also been discussed. According to this criterion, the most advanced countries would be those belonging to the protestant or catholic religion, while the most backward nations would be those professing to the orthodox and/or Islamic faith. In short, the difference between Rome and Byzantium. This categorisation, overly simplistic to our eyes, may in fact be aimed at establishing a perpetual separation based on who knows what political treaties that exclude serious discussion and considered arguments.

If we were to make distinctions based on past roots and regimes, we could adopt two criteria: firstly that of democracy and political pluralism, as developed in the context of a specific country; and secondly (and no less importantly) that of the extent to which these countries developed both a culture of freedom and a culture of resistance to the lack of freedom.

Similarly to what happened in Romania, immediately following the French Revolution liberation from tyranny brought freedom only for a small group of people, while many others continued to be beset by poverty - a situation which led to bloody conflict.

Democracy constitutes a government on the basis of discussion, but in my opinion, democracy does not mean simply being right, but rather making people understand that you are right.

The opinion that 'if politics do not help those who work, then that is not democracy', expressed not long ago by a leading American newspaper (William Greider in The New York Times, 1992) is clearly true.

If the income collected by a specific economic system is channelled into the hands of a very few, while registered losses affect a great many, then this system is not based on the ethical principles that should form the basis of any democratic institution.

7. Conclusions

My proposal:

- Common consent regarding the national interests that form part of the programmes and objectives of all parties and which represent the basis of coexistence and mutual recognition as legitimate adversaries or competitors.
- Limits on opposition between parties, the establishment of the rules of political competition, in reasonable terms that enable an efficient assessment of adversaries, etc., and limits on the damage an electoral 'disaster' may have on the future of a political party.
- The establishment of legitimate methods of political manoeuvring and the specification of those techniques that may not be used by any member (e.g. the sabotaging of the national economy in order to prove that your opponent is not capable of resolving economic problems, the provocation of ethnic or religious conflicts or the use of paramilitary groups and criminal organisations, etc.).
- Negotiation and agreement regarding a series of laws regulating political parties, electoral campaigns and political manoeuvring.

I have tried to give a brief outline here of the different factors and requirements of the Romanian transition, in light of both our own political past and experiences shared with other countries in Central and Eastern Europe.

Over recent years, Romanian society has suffered much disillusionment and a large amount of unrest and dissatisfaction. It is for this reason that the country now requires an injection of political energy and politicians capable not only of making promises, but also of delivering specific, positive results for the majority of the population. It is our duty to show our fellow citizens that their problems can be resolved.

We are fighting a battle for the modernisation of our country - for peace and prosperity. We haven't won yet. Many Romanian citizens hold this against us and this is entirely understandable. What we must do now is to continue our ongoing struggle for Romania.

Romanian transition in perspective

Sonia Alonso

My lecture will deal with the subject of economic crisis and the opposition to the reforms. This discourse doesn't intend to explain the entire process of the Rumanian change, and even less to those who have played a leading role in it. It is, rather, a reflection on the questions that such process of change raises from a compared perspective and perhaps, starting from there, to set a debate.

In the first place, I will place Rumania briefly within the political and economic landscape of East Europe. Next I will outline five thesis defended by the most recent analyses over economic reforms in new democracies followed by some references to Rumania and questions for the debate.

According to the scales of democratization elaborated by Freedom House, Rumania is classified as a liberal democracy, just as Bulgaria, better than other countries like Ukraine, Macedonia, Albania and of course Byelorussia, that is not even a democracy, but worse than the Czech Republic, Poland, Hungary, Slovakia or the Baltic Republics.

Concerning the progression of the economic reforms, Rumania has experienced numerous problems in order to put in practice radical reforms since Petre Roman's first government. In the comparative data available up to 1994, the advance of the economic reforms in Rumania was only better than countries like Albania, Moldavia or Russia. This means that it was among the East European countries that were lagging behind. It is true that Rumania initially was in worse conditions than the rest, regarding serious macroeconomic and structural distortions. Moreover, during the five years previous to the change of 1989, Rumania had the worse average growth in the region and its level of economic development in 1989, in rent terms per capita, was only above Macedonia and Albania.

Next I will speak about the first of the five theses that I wish to discuss. The first of these theses states that early and radical economic reforms produce better macroeconomic results

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in subsequent years. In this way, the analyses prove constantly that those countries that lag behind in the process of economic reforms show higher rates of inflation afterwards and for a longer period. Thus, the analyses reveal that in most cases the economic recovery has depended on maintaining a strict control on inflation, something that countries with earlier and more radical reforms have done much better.

If we take Rumania's case, its macroeconomic results during the decade from 1990 to 2000 seem to confirm this thesis. While Rumania is a late reformist, it will be long until it sees the benefits of reforms that have proceeded slowly. Its average growth in this decade has been -1,64%, worse than most of those countries that advanced quicker in their reforms, and the inflation has been of 105,2%, also in this case higher than the most advanced countries. On the other hand, although most of the countries of the region are more unequal now as a consequence of the application of these radical reforms, inequality in Rumania is greater than other countries that have advanced faster with their reforms, such as Slovenia for example, Hungary, the Czech Republic, Slovakia or Latvia.

A statement made by Prime Minister Vasile in 1998 indicates that part of the Rumanian political class was aware of the connection between early radical reforms and better macroeconomic results. Thus, Vasile stated that those former-communist countries that initiated reforms earlier, were going better than Rumania and he criticizes Iliescu and his colleagues for this (first the NSF and later the DNSF) and for delaying the privatization process from 1992 to 1996. In this respect it is interesting to note the contrast with the Polish case. Both Poland and Rumania started in very bad conditions, among the worst in the region. However, in Poland the depth of the crisis and the urgency of the situation propitiated an immediate radical reform besides favoring the consensus of the entire political class on the necessity of these reforms. In Rumania it was rather the contrary. The strong economic crisis retarded an immediate radical reform and it did not help to create a consensus among the political class. The question that arises here is why did Rumanian politicians have a different view within this point when there was an attempt to amend the initial conditions that in both cases were worst than in most of the countries of East Europe.

The second thesis affirms that there is a strong and positive relationship between political liberalization and liberal economic reforms or market reforms. In this respect we should wonder about the double causality that is implicit in this statement: in the first place, why do political rights not only do not impede nor obstruct the outset of economic reforms, like it has been held in the past, but in fact they make it easier; and, in the second place, why economic reforms that initially had high social costs, in turn make political democratization easier.

As for the first question about why political rights favor economic reforms, we could consider some possible answers. For example, because only governments count on full legitimacy provided by the urns are able to set forth and maintain economic policies with high social costs on short term. The problem is that democracy doesn't always guarantee

extensive mandates, even though the rulers are chosen lawfully. The urns can give rise to reduced mandates or fragmented party systems, or both things at the same time. When this happens those governments have smaller parliamentary support, which could be translated in greater difficulties when putting into practice not only economic policies but also policies of any other type. In Rumania between 1990 and 2000 there were a total of seven governments, many of them of coalition or minority that had serious problems to commence solid economic reforms. With the exception of the period between 92 and 96 during Vacaroiu's government, in Rumania there has been virtually one government per year, with a different Prime Minister each time.

However, the reason for not undertaking radical reforms does not lie there only. The fact that there are reduced mandates or systems of fragmented parties or much government instability doesn't necessarily imply less political capacity of the governments. In fact we have minority governments with more unstable coalitions than Rumania, where early radical reforms have taken place, for example, the cases of Poland and Estonia. We also have opposite examples of majority governments or with extensive victories in the urns that have not been able to carry out early radical reforms. In this respect we have the examples of Albania, Bulgaria, Ukraine or Rumania itself in the wide mandate after the elections of 1990. So the question would be why government instability incapacitates some governments but seem to not do so in others.

A possible answer that occurs to me is that regarding certain problems such as reduced mandates, consensus and negotiation become essential. It is clear in cases like the Polish or Estonian in which there was a great consensus on reforms that favored their success from the beginning. Government after government of whatever party, reforms, or the direction that reforms had taken, they didn't change substantially. In Rumania, on the contrary, an important part of the disagreements within those governments, and of these with the opposition has focused on economic reforms. The first governments of the National Salvation Front were divided regarding this matter and moreover those of the coalition of the Democratic Convention. The consequence of this terrible lack of consensus was a weak political capacity because of internal disagreements, partisan struggles, and power within coalitions. Cases that showed a weak parliamentary support resulted in a slow pace to approve decisions, a decree option, and the retrenchment of those that were opposed to reform and finally a boycott practice.

Another possible answer to why political rights favor economic reform is because the democracy penalizes politicians that only pursue personal and immediate interest throughout elections. In this way, we could think that through the electoral mechanism politicians are prevented from settling themselves forever in partial reforms that clearly worsen the situation although they benefit a few people.

On the other hand, if we take notice of Rumania, it is not clear that electoral punishment gave them incentives to undertake a significant economic reform. It took Rumania longer

than any other country of the region to reshuffle. The National Salvation Front, under the leadership of Iliescu, won the first two elections, first as such Front (1990) and then as the Democratic Front of National Salvation (1992). Eventually, it indeed was penalized for their poor economic results and it lost before the center-right wing of the Democratic Convention of Rumania in 1996. But afterwards, they were also strongly punished by the urns in 2000, when the PSDR, Iliescu's left, returned to power at the same time that the CDR disappeared of the political map. Therefore, in Rumania succession in power took place without problems. There was electoral punishment, but it did not help to create a consensus among the political class and therefore advance in these necessary reforms. Why? Why didn't the politicians seem to fear the next electoral appointment?

The next question, mostly developed above, was why the economic reforms, in spite of their social costs, also help democratization. This may occur because economic liberalization helps to break interests created around communist oligarchies. Belated economic liberalization results in a stronger entrenchment of interests and it becomes more difficult to fight them, what could have been the case of Rumania. Another reason could be that the sooner the benefits of the economic reform become visible, the better it is for the legitimacy not only of governments but also for democracy itself. Hence, in Rumania the benefits of the partial economic reforms have not been appraised in one whole decade and the governments have not only been punished in the urns but they have also lost their legitimacy.

The third thesis that I want to discuss is one that asserts that a greater level of democracy in the beginning makes it more possible to opt for an early radical economic reform. When the analyses allude to a greater democracy level, they mainly mean that the break with the past must be radical. Why could this favor early radical economic reforms? Well, the mechanism would work in the following way: provided that the break with the past is radical and the heirs of the communist régime still have not had time to reorganize and become strong, an extraordinary opportunity opens up for the politicians to move forward with radical reforms. First, because they have a greater democratic credibility and, in second place, because this democratic credibility leads them to a higher credibility of their proposals. All this makes it easier to convince the societies that sacrifices for today represent benefits for tomorrow.

A glance to the cases in East Europe seems to confirm this thesis. Those that have been behind in their economic reforms coincide with victories of the inherited political forces of the communist régime in the first elections, such as the cases of Bulgaria, Albania, Ukraine and even Rumania. In this last country, National Salvation Front won the first free elections, a political power linked to the previous régime, although it was a heterogeneous group of communist former-leaders, officers of the army related to the régime and dissidents. The Prime Minister, Petre Roman, wanted to avoid any suspicion of continuity and in 1990, in the official presentation before the country, he assured that his government was not formed by members of the high hierarchy of the Party and of the State of the previous régime, in an attempt to

dissociate himself from the marks of what was a communist inheritance. The promises of the National Salvation Front, both in the electoral campaign and when coming to power, were that the transition to the market economy would carry minimum costs. This created too much positive social expectations for what was coming.

In clear contrast, in the first elections of those countries with advanced economic reforms, such as the Czech republic, Poland, Slovakia and Estonia, the opposition defeated the communist régime.

However, this does not mean at all that whenever the left wins there will be an overturn in the reform process. We already have several examples of the contrary: victories of the left in places where the right had won first, like in Hungary, in Poland, in Slovakia or in Estonia, and where the reforms have been continued. That is to say, in these cases of victories of former communists no radical change or a withdrawal has taken place. However, when this has happened, it had always taken place with second elections, when the reforms already had been running for some time.

Finally, it is necessary to question if the most democratic leaders during the beginnings of the change feel more capable of confronting the social reaction to the costs of the reform than those that come from the previous régime or have more bonds with the previous régime. When observing these cases it seems that's the way it is: I wonder for what other reason if not did the National Salvation Front promise, when coming to power, minimum costs of the reforms when only some months later the Prime Minister Roman recognized that this was not possible. His attempts to radicalize the process of economic reforms failed because of entrenched conservative interests as well as for the important social protests that took place and forced him to resign.

The following thesis, which upholds the analyses that I will discuss here, is that social mobilizations do not necessarily entail a threat for the success of the transition nor a guarantee. It all depends on the dynamics originated by society mobilizations and the response of the political elite class. In this respect, the contrast between the mining protests in Rumania and the USSR during the most fragile years of their respective transitions seem relevant to me, that is, in the Rumanian case in the year 1990 and in case of USSR, from year 1989 to 1991. The mining mobilizations in the USSR had negative consequences for the communist régime but not for the emergent democratic régime.

The mining leaders supported the reformist leaders of the opposition, played a crucial role in the arrival of Yeltsin to power, and in general, were in favor of the economic reforms and of a deep analysis of them, and never used the violence in their vindication. The Rumanian case is rather the opposite. Their mining mobilizations had destabilizing consequences for the emergent democracy. In the first place, because they became allies with the former-communists that formed part of the heterogeneous group of the National Salvation Front. On the other hand, they were against market reforms, they expressed much violence in their mobilizations

and when Iliescu requested miners in 1990 to control the opponents that protested in the street, the violent intervention of the miners destabilized the democratization process deeply. This situation caused many to be skeptic about the reformist and democratic commitment of Iliescu, who did not hesitate in risking the whole transformation process in order to assure his place in power. In the same way, the performance of those miners in 1991, this time against Petre Roman's government and their attempt to radicalize the reforms destabilized it seriously, to the point of driving the Minister to present his resignation. What was the reason for these differences? I propose this question to be debated because, really, I don't know the answer. It is clear that both of them were important social mobilizations, but their destabilizing effect was certainly different.

In the years subsequent to 1990, Rumania has seen much social protest in the streets. The miners have protested mostly in 90, 91, 93, 94, 97 and 99, but they were not the only ones, and neither all the protests have been against the economic reform. In this way for example, in November 1993 there were union mobilizations that requested the government a privatization on large scale as a way to fight against corruption.

The last thesis that I want to discuss is one that affirms that external influence has acted as a powerful incentive for these political and economic transformations. Influence exists when the rewards and sanctions in the international field are linked to internal political and economic evolution. In this respect, two priorities of foreign policy of a great number of East European countries, including Rumania, have been the incorporation to the UE and the NATO. In the Rumanian case, it seems that incentives have worked better with the democratization, where the convergence with other countries is greater than with economic reforms. In this respect, it is significant that already in 1991 the Prime Minister Roman admitted that if they continued without undertaking great reforms they wouldn't get aid from the West. Another question for the debate would be how the rejection to enter in the first incorporation wave has affected Rumanian political class. Has it been an incentive to accelerate reforms or has it discouraged the political class and the society?

In conclusion, I would like to state that it has been difficult, but not impossible, to carry out simultaneously the processes of democratization and transition to the market economy in the countries of East Europe, in spite of the pessimistic predictions of many in 1990. Today we are witnesses of a convergence process in the economic politics of liberalization in most of the countries of the region. Of course there have been advanced countries and stragglers in this process and they still exist, some due to serious internal conflicts, such as Croatia, Macedonia, Yugoslavia... But little by little, almost all are finally culminating in the establishment of market economies and democratic regimens. Also Rumania, that has been far behind in economic liberalization, today is a liberal democracy that will probably enter in the UE during a second intake of incorporation. Therefore, and if we pay attention to the trajectories, I don't see determinant reasons for pessimism.

Governance and nationalist parties in Romania

Francisco Veiga

My presentation will deal with the question of governability in Rumania and the role played in the past, present and future by the country's nationalist parties with a destabilizing influence; the ones we would call extremist parties over here. The focus chosen suits me down to the ground because, as I am sure you already know, in the elections held in 2000, the Greater Rumania Party turned into the main opposition force. That was quite an unpleasant surprise and the leader of that party, Corneliu Vadim Tudor, has put the current President, Ion Iliescu, into quite a tricky electoral position. Consequently, I think the subject would be an interesting one to talk about because you won't find any column space devoted to it at all in the press at the moment for news marketing reasons more than anything else, even though the disproportionate growth of the Greater Rumania Party really is a risk for Rumania and its future evolution.

If we just focus on the extremist parties in Rumania, then, three political groups can essentially be identified since the early 90s although one of them is now no longer operative. Firstly, there is the Socialist Labour Party (Partidul Socialist al Muncii or PSM), which originated as an attempt to prolong the life of the Rumanian Communist Party which had been abolished after the Revolution. It did not include any references to the old Communist Party acronym, however, and definitely none at all to the toppled Ceaucescu. Secondly, there is the National Salvation Front (FSN), which many western newspapers defined as a continuation of the Communist Party under another name although that was not actually true. The FSN was definitely not a continuation of the Communist Party although it did obviously include some of its former top officials.

The Socialist Labour Party (PSM), which was officially set up on January 23rd 1992 and

headed by Ilie Verdet, one of Ceaucescu's lieutenants, was an attempt to reactivate Rumanian communism that eventually failed. The most glorious moment in the history of that party was the local election held in 1996 when it obtained a "brilliant" 4.66% of the votes although it did not go much further than that. In the 2000 elections, the PSM obtained only gained 0.84% of the votes for the Chamber of Deputies and 0.89% for the Senate. The PSM did actually have another equally questionable moment of glory I will mention later but that one had nothing at all to do with election results.

The second party in this group is the Rumanian National Unity Party or PUNR (Partidul Unitatii Nationale Române). The PUNR was basically a Transylvanian party that first appeared in that region in March 1990. It was founded in the city of Brasov and its precursor was the Uniunii Culturale Vatra Româneasca, a fairly hard-line, Rumanian nationalist grouping that was involved in the Tîrgu Mures riots in March 1990. Although those events were soon forgotten they did, however, constitute a precedent for the inter-ethnic confrontations that were to take place in the Balkans later. Vatra Româneasca was undoubtedly involved in those events and he subsequently became the core around which the PUNR grew up. Basically, it was a regional, nationalist and decidedly belligerent party that opposed the nationalism of the Hungarians, the Magyars living in Transylvania.

In fact, as has been explained many times before, the PUNR really emerged in response to the Hungarian Democratic Union of Rumania, the UDMR, which was the quintessential party of the Hungarian minority in Transylvania. The PUNR's history has been full of peaks and troughs but it has had one outstanding moment when it moved centre stage in Rumanian politics. That was sometime around 1995 and 1996 when the PUNR formed a coalition with other similar parties to support a socialist government. But subsequently, in the wake of the breakdown of that negotiation process (a subject I would like to return to a little later) it went into total decline despite the attempts made to absorb other hard-line nationalist groupings like the extremely unusual PRODL, which stands for Partidului Reîntregirii Optiunea Daco-Latina, or the Party of Reunification-Dacian-Roman Option, and other similar experiments that did not work out. The PUNR did not reap any benefits in the elections in 2000 either from joining forces with other parties like the Rumanian National Party or the National Alliance. As a result, the PUNR has all but disappeared from the political scene in Rumania although Gfeorge Funar, the mayor of Cluj, the most important city in Transylvania, still flies the flag of what could be defined as anti-Hungarian, highly demagogic and aggressive "confrontational nationalism", in opposition to the Hungarian minority in Transylvania.

The third party, the PRM (Partidul România Mare) or Greater Rumania Party, is really the focus of this short presentation. Oddly enough, the Greater Rumania Party originated in a magazine of the same name involving key charismatic personalities of the România Mare Ceaucescu regime: the poet Corneliu Vadim Tudor, the writer Eugen Babu, and a couple of historians like Mircea Musat.

The România Mare magazine met with suspicious initial success and at one point even became the top-selling publication in Rumania. Its popularity was doubly striking because the magazine tended to publish extremely lengthy articles. I was actually a subscriber to the magazine myself (as well as a number of other publications) for a couple of years so I am very familiar with it. I have to confess that the articles were impossible to digest as they would stretch over three or four columns, run to one or two pages in length and usually boil down to an attack on the magazine's political enemies. The articles tended to be a blend of rumours and straightforward slander, spiced up occasionally with a touch of humour that can be described at best as foul and coarse. Some of the "denunciations" printed were based on incredible assertions and the caricatures and jokes were totally crude.

Nevertheless, the huge success of România Mare and the scandals it prompted were proof enough that there was a ready public for the magazine, which in turn cried out for a party to be set up. It was in the end, on the initiative of the magazine editors and its director, Corneliu Vadim Tudor. Initially, the party did not meet with the success it expected. In February 1992, for instance, it was just thirteenth in the municipal elections and in September of that same year it obtained just 3.9% of the votes for the Chamber of Deputies, i.e. 16 seats. At the outset, it was not a party with much of an election "hook" but it did assert itself as a hard-line nationalist party and in the most recent presidential and parliamentary elections held in 2000, the Greater Rumania Party notched up its greatest success when it won 19.48% of the votes for the Chamber of Deputies, i.e. 84 seats. In the election for seats in the Senate, it obtained 21% of the votes, staying in second place with 37. Moreover, as I said earlier, Corneliu Vadim Tudor actually put the winning candidate Ion Iliescu into a real predicament and that was no small feat because the Greater Rumania Party employs nationalist rhetoric sprinkled with calls for some kind of nostalgic left. On top of that, the person behind it all, Vadim Tudor, with his gold wristwatches and Mercedes-Benz, is light years away from the traditional image of the austere left-wing activist.

How did the Greater Rumania Party manage to get this surprising result? In my opinion, the explanation can be found on two levels: one based on Rumanian politics and the internal dynamics of the party and the other one slotting into the context of the transition in the Balkans and south-east Europe. On a domestic level, the party clearly uses a kind of rhetoric that strikes a chord with a particular sector in Rumania with a component of soft left-wing nostalgia. They never say that Ceaucescu was a great leader but it is clear that the Ceaucescu years were not such a bad time for them either. Furthermore, the political rhetoric of the Greater Rumania Party – as its very name indicates – adds together purifying nationalism and a big dose of crafty condemnation. It is a party – if I can use a term that means something in a Spanish context – that resembles a little the Jesús Gil y Gil & Co.¹ style, or to use the terminology preferred by historians or serious political scientists, it is a Poujadiste type of party, in reference to the Poujade phenomenon in France in the 1950s. Moreover, it is a party that revolves around a

highly provocative leader but that has a major shortcoming: it is not a well-structured party on a regional level and it lacks clear, well-established ideas.

However, the rise of the Greater Rumania Party cannot be explained solely through an analysis of the personalities behind it, which is a technique that has been overused (Yeltsin, Milosevic, Tudjman). Vadim Tudor is certainly very demagogic but there are three million or more Rumanians who voted for his party. That indicates that there is a sociological background to the phenomenon, an undercurrent of favorable sentiments and a social symptomatology that must be taken into account in order to understand why people voted en masse for this peculiar type of political message.

Comments made by Mr. Petre Roman

—What was the message during the election campaign? It was a very simple one: “Down with the Mafia, long live the homeland!”

Yes, but at the end of the day, that is the message behind ethnic cleansing or purification policies. It's the surgeon's message, or the message of the iron broom; in other words, the sort of parties that already existed in the 1920s and even earlier. It reminds me of Primo de Rivera or the Polish autocrat Josef Piłsudski. It is the kind of rhetoric that can be dangerous as was seen during the 1920s and 30s when similar demagogic characters actually ended up holding power in some countries.

I would like to raise a number of issues now. It is very interesting to see just what lay behind the center-right government's failure in 1999 because in that election setback there were fratricidal confrontations between the center-right parties, internal ruptures and a certain amount of back-stabbing that disappointed Rumanian society. At the time of the elections, a lot of Rumanians wondered: “Well, now we are going to vote for something bad but at least it is something we know and that is Iliescu, although, voting for what we have already had may not be worthwhile anymore and voting for something new just might be”. People were getting tired of what they were already familiar with and were keen to seek something new but there was not much to choose from. This is not a particularly Rumanian phenomenon either because the same thing happened in Bulgaria with King Simeon in summer 2001. Bulgarians thought about voting for a new political alternative that was perhaps not very structured because it was really just a man heading the so-called Simeon movement but at least it was something new and it did not mean going back to what they had already had. Furthermore, there is also a complex felt in Rumania about the matter of membership of the European Union and NATO. People are obsessed about the fact that they see a great deal of concessions being made to Brussels and very little received in exchange. The agreement with Hungary was seen as a real sacrifice in many respects. Most of all, because of the Transylvania issue, Rumanians tend to feel that they have been made to toe the line and they can't quite understand what they have been given in

return. The integration processes for Rumania to join NATO or the European Union are not moving at a faster pace as a result. The way people see things in Rumania – wrongly, in my view, – is that the mechanism works like this: we give in on certain points and in return they help us. The notion that the EU is some sort of charity is a highly questionable one. It would be more logical to look at it like the parable of the son who initially receives aid but then takes money home and does his little bit for the common good instead of just living off his family without making any contribution. I get the feeling that Rumanians don't quite see it like that and, consequently, they have developed quite a taste for the type of extreme nationalist demagogic rhetoric advocated by Vadim Tudor. Moreover, there is a grander restructuring idea or overall design that comes into play here covering the four major moments of the transition in the southeastern European countries as a whole.

Firstly, there was a clearly identified period when a certain amount of “continuism” prevailed in all the Balkan States between 1989 and 1991 and the predominant intention was to continue with what there was before. Obviously, that did not mean continue with the communist parties and regimes that existed previously but it did mean continue with the “patched up” socialist parties in the driving seat of power and with many of the same socio-political structures as before, with a series of freedoms but still preserving the welfare state system too and the social privileges inherited from the communist period (an undeniable achievement in some of the south-eastern European countries). There were two exceptions to this “continuism”: Bosnia-Herzegovina in 1990 and Albania in the 1992 elections which took right-wing nationalist governments to power. Funnily enough, the two exceptions came up in countries that were to be hit by war or a profound social crisis later on.

After that, came a second period which ran from 1993 to 1995, when there were major doubts. For instance, there were doubts about whether the transition to neoliberal center-right governments was actually going to go ahead. It was not very clear what would happen in Russia, if the West would actually impose its will on the area. All of this, in turn, hinged on the ever-deferred western intervention in the Bosnian war and the situation in Russia, if Yeltsin was going to fall from power or not, if there was going to be an involution, particularly around the dramatic month of October 1993. There was a certain time when it was not at all clear which way things would turn and that was when socialist-national governments, groupings and parties started to spring up in different Eastern European countries with pacts forged between parties with a hard-line communist or socialist heritage and nationalist parties.

In Russia, it was the golden age of the National Republican Party, Russian National Unity, the Liberal Democratic Party or the Russian neo-nazis. It was the time when the socialist Milosevic used the chetniks, or Arkan (Zeljko Raznatovic) as he was known, in Serbia. It was the time of what was called the “Red Quadrilateral” in Rumania. That was a government pact formed to sustain Vacaroiu's government in which the Democratic National Salvation Front entered into an alliance with the Greater Rumania Party, the Socialist Labor Party and the

Rumanian National Unity Party, forming a government coalition in 1995 that broke up in 1996 when Vacaroiu's government signed the agreement with Hungary. Parties like the PUNR decided that they could not carry on in a government after it had signed an agreement with the hated Hungarians. That period came to an end with the Dayton Accords which rubber-stamped the West's intervention in Bosnia and demonstrated that westerners could be resolute about intervening in the area.

That takes us to the period from 1996-2000, which I would define as the drastic changeover to neoliberalism although there were a few slip-ups on the way because in 1997 the Albanian regime collapsed and the socialists returned to power; Milosevic resisted until 2000; and the socialists came back in Croatia too. But broadly speaking, those were the years of the center-right coalition in Rumania and it was also the period of the center-right in Bulgaria. It seemed that the last vestiges of the post-communist transitions were disappearing. In the Balkans, it seemed fairly clear that except for a few blunders made during the process, the spirit of the transition had finally won through, the idea of privatization had taken firm hold and the neoliberal option had been chosen as the way forward

I think that the current period 2001-2002 can be defined as an interval of experiments and disappointments, of diverse expectations and a fairly unsettled environment. That can be seen, for instance, in what happened with Simeon of Bulgaria who, by the way, does not look like lasting too long in government. But there is also the case of the return of Iliescu and the rise of România Mare in Rumania or the question mark hanging over Yugoslavia where we still do not know exactly what is going to happen with the problem of Serbia-Montenegro, despite the March 14th agreements (that is the reason why Yugoslavia is jokingly known as "Solania"). The precarious situation in Macedonia also needs to be taken into account as does the crisis affecting the socialists in Albania who are at loggerheads. The political regime in Albania is coming apart at the seams and there is no right-wing party at the moment ready to step in and take over from the socialists. In addition, there are a number of protectorates like Bosnia and Kosovo that have no clear political future.

All in all, this is a pretty delicate moment in time when it seems that things are calming down in the Balkans but, in actual fact, a lot is happening under the surface without apparent outward signs and we don't know what might happen in a few months time. What happened in Rumania with the nationalist parties would fit in here. They had their heyday between 1993 and 1995 during the "Red Quadrilateral" mentioned earlier, when socialists and former communists joined up with hard-line nationalists. That period came to an end but the Greater Rumania Party has cleverly taken advantage of the uncertainty we have talked about to improve its position in the Parliament and the Senate.

Is this a worrying phenomenon or not? After twelve years running around the Balkans when I have had to resort to the Balkanologist's nose or the instinct of the Balkanist traveller if I can use such a non-academic term, I don't get the feeling that the Vadim Tudor phenomenon

and the Greater Rumania Party are really dangerous right now. I think it has been more of a tantrum thrown by a sector of Rumanian voters and the Party has been used by them to cast a punishment vote. However, if the Greater Rumania Party is here to stay and if it gets itself structured and works its way permanently into Rumanian political life and lasts out a few years, there could be a fair risk that in the future we will have a Rumania integrated into the European Union but that might end up forming part of a hard-line right-wing International. In fact, work is actually being done in this direction (Le Pen is a friend of Vadim Tudor and was in Rumania; Haider too). There is a plan to create a hard core of nationalism in the European Parliament to offset the other center-right and socialist cores. In this respect, the Vadim Tudor phenomenon could be dangerous in a few years time. Right now, however, it is not, although it is obvious that Tudor is constantly posing problems and thwarting the current government as it tries to take Rumania down the road towards integration into the EU and NATO. Nevertheless, I would still take an optimistic view and bet on the stability of Rumanian politics for forthcoming years.

¹ Reference to the former populist mayor of Marbella, Jesús Gil y Gil.