

projects \_\_\_\_\_

## Six Months of Europe Direct at EIR



Once launched on March 8, the Europe Direct Information Centre (EDIC) Bucharest started off a series of specific activities carried out in April and May.

Thus, the *European Year of Citizens* appointed by the European Commission and the *Know more, be better!* programme, initiated by the Ministry of National Education represented a good opportunity to organize a set of 8 *European information courses on the topic of European citizenship*, for high-school and college students in the Bucharest-Ilfov region. The seminars, held on 1-5 April, at the headquarters of the Centre and at the high-schools included in the program, were designed to inform the approximately 200 participants (students of 9th - 12th grades, college students and teachers) about the European citizens' rights. At the same time, in an interactive environment, the youngsters verified their knowledge about... **p.2**

event \_\_\_\_\_

## Taxation of Financial Transactions

The European Institute of Romania, in collaboration with the National Bank of Romania, organized the conference entitled *Taxation of financial transactions and its impact on economic growth, financial stability and public finances*, on June 11, 2013. Part of the series of debates "Romanian Policies", the event was attended by Mr. Valentin Lazea, Chief Economist, National Bank of Romania, Mr. Lucian Liviu Albu, Director, Institute for Economic Forecasting, Romanian Academy, member of the Fiscal Council, Mr. Moisă Altăr, PhD Professor, Academy of Economic Studies as well as by Mr. Bogdan Moinescu, Associate Professor ... **p.3**



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... the European Union and asked questions about how it works. Along with the Europe Direct Bucharest team, the information courses were held by trainers such as Ms. Maria-Denise Theodoru, journalist, international relations analyst, senior editor at Radio România Actualități, Ms. Marcela Iacob, senior expert at the Information Centre for Structural Instruments, the Ministry of European Funds and Ms. Florina Stoica, Faculty of Law and Administration, “Dimitrie Cantemir” Christian University.

In May, the European information courses were followed by a series of 8 workshops focused on the ways of promoting the European citizenship among young people. During these events, the participants had the opportunity to present various works and concepts, expressing their own ideas concerning the ways of promoting the European citizenship in our society, such as: websites, essays and presentations, interviews and small street information campaigns along with photos, drawings, paintings, collages, flyers, crossword puzzles, poems, plays, surveys, origami, Eco design clothing items, as well as other projects. At the end of all presentations, the authors of the most original and representative works will receive an award at a ceremony.



Students from “Iulia Hașdeu” National College, “C. A. Rosetti” High-school, “Nichita Stănescu” High-school, “Viilor” Economic College in Bucharest took part in these activities, along with members of the Diplomatic Students Club (DSC), a project of Economy Students of Romania Association (ESRA). The students of “Horia Hulubei” High-school in Măgurele, “Traian Lălescu” High-school in Brănești and “Barbu Știrbey” Economic, Administrative and Services School Group in Buftea were the participants of Ilfov County.

Besides the information courses and workshops, EDIC Bucharest was present together with the InfoEuropa Centre of the Ministry of Foreign Affairs and the Bucharest-Ilfov Agency for Regional Development (BIARD) at the event of celebrating May 9, Europe’s Day. CIED Bucharest representatives were also invited to participate in events outside the activities agenda for 2013: study and documentation visit in Bucharest, organized by Mr. Dan-Alexandru Popescu, PhD, “Lucian Blaga” University of Sibiu and the celebration of the anniversary of “Media” Technical School, Bucharest, at the invitation of teacher Mihaela Vâjâitu. At the same time, participating at the presentations of the Europe of Amphitheatre Journalists (*Europa Jurnaliștilor din Amfiteatre*) and Europe, our home (*Europa, casa noastră*) organized by the European Commission Representation in Romania was a good opportunity to promote the Centre.

On May 30, EDIC Bucharest organized the debate entitled *Young people and mobility in the European Union area - how do we manage this process?* in the framework of *Erasmus - Open Doors Day*, event initiated by the National Agency for Community Programmes in the Field of Education and Professional Training (NACPFPEPT), in collaboration with Romanian-American University (RAU) and Erasmus Student Network Romania (ESN).

Through all these events, Europe Direct Bucharest representatives made known the general activity of the Centre and offered informative materials to participants.

For more information about all the activities, you are invited to visit the section dedicated to EDIC Bucharest on the [www.ier.ro](http://www.ier.ro) website - <http://europedirectbucuresti.ier.ro>, and also the Facebook account - <https://www.facebook.com/EuropeDirectBucuresti>.

Diana Filip, Laurenția-Mariana Mereuță



## Taxation of Financial Transactions

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The study coordinated by Mr. **Bogdan Moinescu** is in fact an economic analysis of the quantitative impact of EU’s intention to introduce a tax on financial transactions and the laborious and well-structured presentation given by Mr. Moinescu provided an overview of both the research strengths and the limitations of the existing literature or alternative solutions offered by other studies on this topic. Further on during the presentation of the paper, Mr. Moinescu highlighted in a balanced and positive manner, Romania’s prospects in relation to the objectives of the European financial transactions tax and Mr. Bogdan Dumitrescu (co-author) has reviewed the pros and cons of the taxation of financial transactions. The present study provides a framework for analyzing the effects of the tax on the state of public finances, the stability of financial markets, financial intermediation costs and the possibilities to prevent future crises as well as the technical feasibility of given solutions.

Following the authors’ presentation of the EIR study, Mr. **Valentin Lazea**, chief economist, National Bank of Romania, began his address with a critical presentation, from a European perspective, of the Financial Transaction Tax (FTT). He mentioned the fact that the FTT, which is supported only by the countries of the southern flank of Europe and by the financing countries, such as Germany and Austria, would limit the banks’ capacity of assuming the role of economic engines. Moreover, the FTT comes into the picture at a time when the banks try to raise the capital towards 7.5%, as agreed upon during the Basel III Agreement. Mr. Lazea explained the emergence of the FTT as the express manifestation of the will of the international community to “punish” the bankers, considered to be guilty for the deepening of the economic crisis, as well as to punish the banks in general, although only some of them are responsible for triggering the crisis by incorrectly turning to account the investors’ money. In his opinion, the FTT is targeted at the speculative operations undertaken by specific banks. From his point of view, there



are more efficient methods for making the bankers and the banks more accountable, such as eliminating the “golden parachute” options or rethinking the bankers’ salary limit. In closing, Mr. Lazea also identified the possibility that, should the FTT hold a specificity character, it could represent an additional source of budget resources as well as a funding source for a resolution fund.

According to Mr. **Moisă Altăr**, PhD Professor, University of Economic Studies, the FTT is a hasty measure of the European Commission, since its efficiency was not established previous to its implementation. Moreover, Mr. Altăr considers the FTT does not have the potential for inducing a significant economic growth. Moreover, Mr. **Lucian Liviu Albu**, Director at the Institute of Economic Forecast, Romanian Academy, member of the Fiscal Council, regards the FTT as being risky as well as hasty. He also emphasized that such a tax, which may be implemented only during a brief period of time, once instated within an already frail economic system, can lead to unpredictable effects. Regarding the EIR study, Mr. Altăr and Mr. Albu emphasized the scientific approach, considering the paper very useful for the researchers as well as for everyone interested in the subject and not specialized in the financial-banking field of activity.

The questions and comments section marked the fact that the FTT does not have the potential to discourage the market indiscipline. It was also mentioned that such measures must take into account the economic crisis that affects Romania, as well as the fact that this taxation is a political measure with a potentially adverse effect for the pension funds. In the end, it was pointed out that the FTT is not useful for the Romanian financial system and, should it be implemented, it must be the outcome of a consensus reached at the level of the entire European Union.

**Tudor Iacob, Nicolae Gavrileş, interns**

## Towards a European Global Strategy, through Coordinated Regional Approaches<sup>1</sup>

- article review -

In the context of a fast changing international environment, EU is facing the necessity to adapt its policies so as to take a more important role in its neighbourhood than it currently does. **Agnes Nicolescu**, Acting Head of the Studies and Analysis Unit at the European Institute of Romania, has submitted to our attention a series of shortcomings in the fashion in which EU is tackling the challenges in its vicinity and the way in which it builds an integrated European vision with regard to the global problems.

The article, entitled “*Towards a European Global Strategy, through coordinated regional approaches*” starts by bringing a fresh perspective on how the EU should tackle its neighbourhood policy, through a new vision aiming to keep close the aspiring states, as to not lose their interest to the benefit of other actors “which have become increasingly active over the last decade” in the area. As the neighbourhood should represent one of the essential topics of interest for the European global strategy, its management should be rethought as a priority. In order not to lose its credibility and attractiveness as regards the aspiring states, the author proposes the revision of the current approach based on the “more for more” and “less for less” principles, as it rather tends to transform into a “less incentive for more reforms” principle.

As it follows, EU needs to keep closer the states that are willing and able to adopt the European core values, such as the respect for human rights and the rule of law, in the context of prolonged economic downturn, which had a visible effect in their willingness to engage in external action, mostly due to the lack of financial resources. Thus, it is imperative for the EU to reshape relationships with countries in its vicinity, even if they are out of the reach of the enlargement process. By that, the author means opening channels towards the European market for those countries that can cope with the European competitive markets and improving the current mobility regime.

Also, the rethinking of soft power tools is not to be neglected, as its positive effects are numerous, though their effects are not necessarily immediate. In order for this purpose to be achieved, EU should adopt a more political approach, rather than a technical one, and favour regional cooperation formats especially in the Southern and Eastern neighbourhood, with actors such as Turkey. Such a perspective should allow the launching of regionally-led initiatives, subscribing to the core visions.

Furthermore, the debate on European Global Strategy and the revision of the European Security Strategy are essential components of a broader reconsideration of EU’s external action. More precisely, the revision should entail a coordinated response to challenges in EU’s neighbourhood, one that requires a common vision and one that can contribute to the reinforcing of the transatlantic cooperation. Afghanistan is an example, in this sense, for how the EU could bring a significant contribution to post-war reconstruction, coordinated intelligence and preventive diplomacy.

In conclusion, the paper reinforces the idea that a common European vision is needed in the efforts of taking a lead stand on the international scene. In order for this to happen, a realigning of the elements that define EU’s *raison d’être* in terms of core values and interests in the areas in which EU can bring a positive contribution is mandatory. The article’s conclusions point out to the core areas where the EU can bring a positive contribution: the respect for human rights, rule of law, territorial security and promoting increased responsibility towards the neighbourhood.

Petronela Chirvase, intern

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## projects

### Traineeships at the European Institute of Romania under the Project POSDRU/90/2.1/S/62955 “FACILITATING TRANSITION FROM SCHOOL TO ACTIVE LIFE FOR STUDENTS IN THE FIELD OF ECONOMY-INTERNATIONAL AFFAIRS”

The European Institute of Romania, as a partner institution in the Project *POSDRU/90/2.1/S/62955 Facilitating transition from school to active life for students in the field of economy-international affairs*, organised in the period **13 - 31 May 2013** internships for a number of **9** students of the

Academy of Economic Studies, the Faculty of International Economic Relations (5 students), the “Alexandru Ioan Cuza” University, Iași (1 student) and the „Ovidius” University, Constanța (3 students).

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<sup>1</sup> The article, written by Agnes Nicolescu, was published on 14 May 2013 on the *European Global Strategy* website: <http://www.euglobalstrategy.eu/nyheter/opinions/towards-a-european-global-strategy-through-coordinated-regional-approaches>.



The practical traineeship program spans over **42-90 working hours** in total, over a period of **2-3 weeks** (depending on the internal regulations of each university), and it was intended, on the one hand, to verify the applicability of the theoretical knowledge acquired by trainees in the framework of the education program and, on the other hand, to convey new knowledge necessary for active life.

To this end, the trainees benefited from a series of training modules that focused on improving theoretical knowledge in the field of European affairs (the presentation of the coordination system for European affairs in Romania, the role and the operating mechanism of the European Institute of Romania) and in the field of trainees' rights and obligations (the presentation of the provisions of the law in force regarding traineeship) in order to prepare them for the active life. The role of the theoretical training hours was to provide the trainees with a minimum set of knowledge, meant to turn them into informed citizens who can make informed decisions in the professional and academic field. The goal was to prevent possible abuse due lack of knowledge of the legislation in force.

The trainees were actively involved in the current activities of the Institute, participating together with the employees in its projects. Nevertheless, "la pièce de résistance" of the practical traineeship program was the study visits organised in national and international institutions, as well as the participation in various events and conferences.

The traineeship agenda included the presentation of the operating mechanism and the current problems of the institutions directly involved in European affairs (the European Commission Representation in Romania and the European Parliament Information Office in Bucharest). The goal was to achieve a constructive dialogue on European topics by giving the students the opportunity to come into contact with the personnel responsible for these fields. Thereby, a direct transfer of practical knowledge was achieved, while a series of questions of the trainees regarding the abovementioned fields were clarified.

Since we believe a direct contact between students and professionals in various fields is needed, students participated in a series of international conferences and events that took place in Bucharest while the internships were being carried out. The variety of themes on the agenda (equality of chances, European Social Model, etc.) facilitated the students' contact with new aspects of active life.

At the end of the traineeship period, students had to draw up a Practice journal and a Case study on a specific subject they came across during the internship. We estimate that, at this stage, the project fulfilled its declared objectives, allowing an increased interaction of students with the professional environment in the field of international affairs.

For more detailed information on the project, please visit our web page dedicated to the projects developed by the European Institute of Romania ([http://www.ier.ro/index.php/site/departament\\_page/18](http://www.ier.ro/index.php/site/departament_page/18)) and the Electronic platform of the project (<http://www.rei.ase.ro/practica/index.html>).

**Mihai Sebe**

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## **The New EU Diplomat: Beyond Democracy Defending** Bucharest, Romania Training Session (May 16 – 18, 2013)

The project „The New EU Diplomat: Beyond Democracy Defending” is designed to increase the involvement of young people in active European citizenship and to participate actively and creatively in democratic processes, to learn about EU diplomacy, EU delegations, foreign policy decision-making processes and to better understand EU external relations after the launching of the European External Action Service. Its objective is to foster the mutual understanding among prospective EU leaders from four EU countries (Germany, Slovakia, Hungary and Romania) in an interactive and innovative way. It will be organized as a multicultural learning programme for young leaders with the ambition to become future EU diplomats or professionals in European Affairs.







The project was initiated in the first quarter of 2013, with the launch of the e-learning part by an informal educational program focused on EU topics with the contribution of EU professionals, academics and experts in the field.

The second part is a combination of training sessions with the emphasis on practical dimension with a “learning by doing” methodology, seminars, presentations, simulation exercises and personalized debriefings.

For that purpose a series of training sessions took place in the capital cities of the countries involved in this project. The Bucharest session, May 16 - 18, was attended by 18 foreign students from the countries which are partners to this project

The European Institute of Romania and the Romanian-American University, in their capacity of national partners, organized in Bucharest a training session based upon the decision making process within the European Union. The keynote speakers of the session were HE Ambassador **Sergiu Celac** and Mr **Leonard Orban**, former European Commissioner. Thus, the participants had a global view of the management of foreign affairs both at the national and European level. Other specialised sessions were dedicated to asymmetric risks and to the decision making process using intelligence analysis.

#### Project initiators

Slovak Atlantic Commission - Center for European Affairs (<http://www.europeanaffairs.sk/>)

Euro-Atlantic Center (<http://www.eac.sk/>)

#### National Partners

Germany

German Atlantic Association (<http://www.deuscheatlantischegesellschaft.de>)

Bringing Europeans Together Association e.V. (BETA) (<http://www.beta-europe.org/>)

Hungary

FDE - Felsőoktatási Diák szervezetek Egyesülete (<http://www.fde.org.hu/>)

AEGEE - Budapest (<http://www.aegEE-budapest.hu/>)

Romania

European Institute of Romania ([www.ier.ro](http://www.ier.ro))

Romanian - American University ([www.rau.ro](http://www.rau.ro))

Mihai Sebe

## Protocol No. 15 Amending the Convention for the Protection of Human Rights and Fundamental Freedoms

On 16 May 2013, at its 123<sup>rd</sup> Session held in Strasbourg, the Committee of Ministers of the Council of Europe adopted Protocol No. 15 amending the Convention for the Protection of Human Rights and Fundamental Freedoms.

In recent years, there have been several landmarks in the reform of the Strasbourg Court: one important moment was Protocol No. 14 to the Convention for the Protection of Human Rights and Fundamental Freedoms, adopted (and signed by Romania) in 2004, which entered into force on 1 June 2010 and made a number of procedural amendments to the Convention enabling, *inter alia*, the reform of the Court's jurisdictional formations and their competences. Another major component was the three High Level Conferences on the Future of the European Court of Human Rights, held in Interlaken, Izmir and Brighton between 2010 and 2012. These conferences aimed, on the one hand, to reaffirm the States' commitment to the

rights laid down in the European Convention on Human Rights and, on the other hand, to identify short-, medium-, and long-term measures for a more effective protection system for human rights.

Regarded as the next step towards maintaining the effectiveness of the European Court of Human Rights, Protocol No. 15 makes the following amendments to the Convention:

(a) the Preamble added a reference to the principle of subsidiarity and the doctrine of the margin of appreciation, which is intended to enhance the transparency and accessibility of these characteristics of the Convention system and to be consistent with the doctrine of the margin of appreciation as developed by the Court in its case law;

(b) the reduction from six months to four months of the period within which an application must be lodged with the Court. The development of swifter communication technology, on



the one hand, and similar appeal time limits in force in the Member States, on the other hand, argued for the reduction of this period;

(c) an amendment to the admissibility criterion concerning “significant disadvantage” to delete the proviso that the case have been duly considered by a domestic tribunal. The requirement remains to examine an application on the merits where required by respect for human rights. This amendment is intended to give greater effect to the maxim *de minimis non curat praetor*;

(d) Parties may no longer object to relinquishment of a case by a Chamber in favour of the Grand Chamber. This measure is intended to contribute to consistency in the case-law of the Court, which had indicated that it intended to modify its Rules of Court (Rule 72) so as to make it obligatory for a Chamber

to relinquish jurisdiction where it envisages departing from settled case-law;

e) the age limit for judges was modified. Thus, candidates shall be less than 65 years of age at the date by which the list of three candidates has been requested by the Parliamentary Assembly, according to its role in electing judges under Article 22 of the Convention. This modification is intended to enable highly qualified judges to serve the full nine-year term of office and thereby consolidate the consistency of the membership of the Court.

Protocol No. 15 will be opened for signature by the States Parties on 24 June 2013.

Costin Fălcuță

analysis | opinion

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## Economic Crisis and the European Social Model

The European Commission Representation in Romania organised on 29 May 2013 the international conference on *Economic crisis and European Social Model*. Representatives of the Romanian public administration, trade unions and also of the academic field and the civil society took part in the event. The three panels’ discussions focused on the crisis’ effects on the European Social Model and on the actions to be taken for counteracting these effects, both at the European Union level and at the national level.

At present, the European Social Model passes through an image crisis, seeing a decrease in popularity and in the speed of implementation. Made up of a mosaic of ideas and perspectives, all of them bring together characteristics that make it unique. The fundamental idea promoted by this model is that the economic progress is inseparable from the social one. Therefore, it can be considered that the present crisis stems from the capitalism without a social basis.

Bearing in mind the present situation, the European Social Model needs a new conceptualization based on the social realities. The European Commission must identify a series of solutions to the problem of unemployed persons and also to reduce the negative impact of demographic challenges, such as the active population reduction and the increase in the number of retired people. Furthermore, in order to make the results more efficient, a particularization of the model according to European regions, which have different economic characteristics, is necessary.

At this moment, we can observe that the austerity measures imposed for overcoming the crisis turned out, contrary to expectation, to generate euro-pessimism across numerous European states and, in particular, in Romania. In consequence, the model must be reconstructed in order to comprise growth policies, measures of employment and investments in cohesion and social support.

Social Investment Package proposes a series of actions to make the labour market more flexible and to create a dynamic society. In this effect, a change of perspective is needed to allow the transition from economic competitiveness to social protection. The “Europe 2020” strategy, regarded as an answer of the European Union to the crisis’ effects, proves that EU has lost its peace and solidarity foundation argument, replacing it with that of economic competitiveness. The efficient and durable social investment can be done by modernising the social systems, which would lead to the reduction of unemployment and poverty.

Another challenge faced by the Union at present is the increasing number of youth who are unemployed, the outside the education system or professional training. The budget assigned for them is very small and increased efforts are needed on the part of national authorities to raise the degree of employment. For Romania, there are a series of strategies which are either in elaboration or in implementation, but the effect is not guaranteed, considering the fact that mere certification is promoted rather than actual abilities of youth. For higher efficiency of the results, a constant revision of the effects of the present strategies upon youth unemployment and an assessment of the extent to which they can constitute a basis for the Youth Guarantee is necessary.

As far as Romania is concerned, in order to counter the economic crisis effects, we need an increasing degree of absorption of the European funds and also an increasing level of social investments. Until now, it can be observed that the Romanian policies favoured the capital, not the labour force, which represents an underdevelopment strategy. The discrepancy between the level of remuneration in Romania and across the EU and also the fact that the active population, although numerous, is poor, have a negative impact over the country's budget and, at the social level, lead to migration, without stimulating the competitiveness on the labour market. A central element which must be found in Romanian policies is the correlation between the economic and social rights, which could lead to a sustainable development of society.

The objective of this conference was to provide better understanding of the European Social Model and of the methods by which it can be improved in order to reduce the existing problems (youth unemployment, the effects of the economic crisis etc.)

Ana-Maria Anghelescu, intern

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## Which Way Goes Romanian Capitalism?

The **European Commission Representation in Romania** and the **Friedrich Ebert Foundation (FES)** organized on 10 June 2013, a round table entitled "*Which Way Goes Romanian Capitalism? The economic growth model after 1989*". Falling within the series of debates *European Perspectives*, launched by the European Commission Representation in 2009, the event was attended by Mr. **Daniel Dăianu**, former Minister of Finance, Professor at the National School for Politic and Administrative Studies, Mr. **Bogdan Murgescu**, PhD, University of Bucharest, Mr. **Niculăe Idu**, Head of the European Commission Representation in Romania, Mr. **Cristian Pârvulescu**, Lecturer at the National School for Politic and Administrative Studies. The debate was also attended by Mr. **Theodor Paleologu**, former Minister of Culture, Mr. **Valentin Lazea**, Chief Economist, National Bank of Romania, Mr. **Valentin Ionescu**, former Minister of Privatization, Mr. **Mircea Geoană**, Senator, as well as Mrs. **Elena Dumitru**, former Minister of Labour. The event provided the occasion for the launching of the FES publication *Which Way Goes Romanian Capitalism?*, the debate having been chaired by Ms **Victoria Stoiciu**, Program Director, Friedrich Ebert Foundation, Romania.

The debate started with a brief overview of the work of the authors, Mr. Dăianu and Mr. Murgescu, given by Mr. **Niculăe Idu**, Head of the European Commission Representation in Romania, in order to scan the Romanian capitalist system, but also to identify its defining features and possible future developments. In this context and as the chair of the debate, Ms **Victoria Stoiciu** offered an overview of the Romanian capitalism, characterized by the absence of the initial phase of the bourgeoisie and also by the perpetuation of a system of privileges.

The authors, Mr. **Daniel Dăianu** and Mr. **Bogdan Murgescu**, provided a context of the pre-communism and communism periods, as well as the post-communist transition period. The collaboration between an economist and a historian generated a complex work that analyzes the domestic causes, i.e. the

institutional fragility and inefficient economic model, which led, over time, to an increasing institutional gap between Romania and the European Union. The speakers made a compelling exposure of the legacy of the past, reflected in Romania's economic backwardness and peripheral character, highlighting a number of major causes. Major policy errors having begun back in the '70s, correlated with the existence of relatively weak institutions in all the regimes in Romania and also with the lack of interest shown by the elites regarding the general welfare, represented the longitudinal causes that preceded Romania's current fragile economy. The authors conclude by emphasizing the specificity of Romanian capitalism, a „Balkan-Baltic variety” of the West, that can be, however, developed and modeled according to the expectations of the European Union, provided the recommendations outlined in the paper, such as institutional transformation, rethinking of the economic growth model, development of the domestic capacities and further empowerment of citizens (by strengthening participatory democracy) are implemented.

The discussion that followed the presentation of the study focused on the review of the Romanian Capitalism, each speaker expressing his or her point of view on the subject. Mr. **Cristian Pârvulescu**, lecturer, SNSPA, said that the decision-makers' failure to build an efficient capitalist system led to a degeneration of the liberal model of capitalism. Currently, he considers, Romania is characterized by a "wild capitalism" system, while corruption is regarded as the most effective method of avoiding the difficult procedures instated by the politicized institutions' bureaucracy. In addition, Mr. **Theodor Paleologu**, former minister of culture, considered that Romania experiences a "capitalism without capitalists", arguing that the state institutions' inefficiency is caused by the decision-makers' lack of motivation for building an efficient system. As an explanation for this inefficiency and lack of motivation, Mrs. **Elena Dumitru**, former minister of labour, identified two specific features of the Romanian Capitalism which were inherited throughout all governing regimes. On the one hand, the Romanian Capitalism is based on a status society, not



on a merit society. On the other hand, the former Minister considers, there is a weak presence of the responsible private investors, who possess a long term vision, as compared with the irresponsible private investors and their main objective of gaining a profit as big as possible, as soon as possible. From the former Minister's point of view, the Romanian Capitalism is characterized by a clandestine behaviour which led to the population's decrease in trust towards the system. In order for the institutions to obtain image capital, the former minister thinks that the solution should imply the allocation of sufficient budgets for education and training, as well as the reform of the medical and health insurance systems.

Considering the lack of credibility that affects the state institutions, Mr. **Valentin Ionescu**, former Minister of Privatization, argued that it is an outcome of the system's distortion by granting unequal access to the resources and by instating protection mechanisms that favor specific groups of interests. From his point of view, this institutional crisis worsened due to the emergence of corruption and led to an inhibitory effect on the private investors. Mr. **Valentin Lazea**, chief economist, National Bank of Romania, attributed the unequal allocation of resources to a deficient vision of the political decision-makers, a vision that is not oriented towards the sustainable development of Romania. Thus, he mentioned the elites' mistake of disregarding the relevance of

the disadvantaged rural population for the state economy. By removing the mandatory repartition of doctors and teachers to rural areas, by instating an occupational pensions system, by charging a flat income tax and by neglecting the railroads, the decision-makers ignored, after 1990, the significant potential of the mentioned population sector, leading to important disadvantages for the economy. In closing, Mr. Lazea underlined the fact that Romania must overcome the present tendency of conceiving and implementing populist, short-term projects.

The same point of view was shared by the last speaker, Senator **Mircea Geoană**, who stated that, regardless of their political affiliation, the decision-makers must adopt a long-term strategy for countering the socially and economically harmful phenomena. He thinks that Romania is not a country doomed to underdevelopment, because the change for the better will not be delayed if the correct policies for Romania will be identified and implemented. These policies must be aimed at the development from within, at recovering the lost economical leverage and at obtaining an economic system molded on the needs and particularities of the Romanian State.

Tudor Iacob, Nicolae Gavrileş, interns

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## European Parliament Plenary Session Strasbourg, 10 – 13 June 2013

Once again, the agenda of the plenary session reflected the complex European news, the main concerns of political decision-makers and civil society, as well as the international role played by the EU.

Parliamentary committees presented reports, followed by plenary debates. Thus, given the EU enlargement through the forthcoming accession of Croatia on 1 July 2013, expenditure related to this accession were subject to a draft amending budget, supported by the *Committee on Budgets*. Moreover, the appointment of the new European Commissioner Neven Mimica, from this country, nominated for the position of European Commissioner for Consumer Protection, was endorsed by the European Parliament by 565 votes in support, after the common hearing held by the *Internal Market and Consumer Protection Committee* and the *Environment, Public Health and Food Safety Committee*.

The *Committee on Legal Affairs* presented a report on the improvement of access to justice: legal aid in cross-border civil and commercial disputes. The same committee presented, at the plenary, several requests for waiver of the parliamentary immunity of members of the European Parliament.

The *Committee on Civil liberties, Justice and Home Affairs* presented applications for international protection lodged in a Member State by a third-country national or a stateless person (recast version). The Committee also presented a report on the temporary introduction of border control at internal borders.



Sursa: [http://www.flickr.com/photos/european\\_parliament](http://www.flickr.com/photos/european_parliament)

Regarding the subject of Schengen, free movement is one of the most positive outcomes of 50 years of European integration, according to 62% of the respondents in a recent Eurobarometer survey. The European Parliament approved, through the voted reform package, that Schengen inspectors are able to pay unannounced visits in order to prevent illegal border checks by national authorities at internal borders.

Since nearly 330 000 asylum seekers were registered in EU countries in 2012, the European Parliament approached the subject of the Common European Asylum System. On Wednesday, the members of the Parliament voted its structure, setting up common procedures and time limits for the assessment of requests, as well as a set of rights for asylum seekers in the EU, putting an end to their transfer to Member States that cannot cope with requests.

*The Committee on Development* presented the amendments to the Cotonou Agreement of 23 June 2000 that better reflect the trends towards increased regionalisation and pan-African development. The need for European Union's actions on the international scene to promote and encourage regional integration was stated.

A report on the freedom of press and media in the world was put to debate by the *Committee on Foreign Affairs*. The report reminds that free, independent and pluralistic means of information lie at the basis of democracy and pluralism. The members of the Parliament appreciate that regulation, intimidation, fines and media ownership concentrated in the hands of politicians and others with conflicting interests are elements likely to limit freedom of expression. In order to guarantee freedom of expression, the MEPs insisted on unlocking the potential of IT infrastructures worldwide, through interoperability and regulation, and deplored the attempts of introducing a "closed internet".

Other reports and debates were dedicated to subjects such as organised crime, corruption and money laundering; minimum security and health requirements regarding the exposure of workers to the risks arising from physical agents (electromagnetic fields); illegal unreported and unregulated fishing; re-use of public sector information.

**The priority debate** of this session was held on Wednesday, 12 June, on the declarations of the Council and the Commission regarding the preparations for the **European Council meeting, 27-28 June**, this year. On behalf of the Irish Presidency of the Council, Minister Lucinda Creighton reiterated the goal of improving competitiveness, through sustainable growth and job creation. The main subjects of the meeting, chosen by President Van Rompuy, were the European Semester, the fight against youth unemployment (subject also tackled in the Commission's communication of March this year), improving access to financing, further deepening of Economic and Monetary Union. Regarding the European Semester, country-specific recommendations were drawn up and the need for fiscal consolidation, as part of the effort to speed up structural reforms, was reiterated.

On behalf of the Commission, President José Manuel Barroso stated that the years of negative growth are now reflected in the high figures of unemployment and poverty in many parts of Europe. Despite all these difficulties, Member States and the Commission manage to meet the challenges.

In this session too, debates were conducted on cases of breaches of human rights in various countries in the world, such as Azerbaijan, Russia or Turkey.

For detailed information, visit <http://www.europarl.europa.eu/plenary/ro/debates.html>

Mariana Bara

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