



## The European contract law

The European Commission launched on 1 July 2010 a green paper in which it proposes several options regarding a more coherent approach of the contract law in order to ensure an increased legal safety for businesses and simpler rules for consumers. In the attempt to stimulate the cross-border trade and to ensure solid rights for consumers, the European Commission convened a new expert group to put forward ways to improve the European Union contract law.

The document submitted by the European Commission lays down several policy options:

- publication on the internet (non-mandatory) of model contractual rules which could be used on the European single market;

- a "set of instruments" designed for the European Union's decision-makers when adopting a new legislation with the purpose of obtaining better and more coherent rules;

- a recommendation requiring the Member States to include in their legal systems a European contract law;

- an optional European contract law which could be freely chosen by the consumers and businesses in their contractual relations;

- harmonisation of national contract legislations through an EU directive or regulation;

- creation of an independent European Civil Code which is to replace all the national contract rules.

The Commission will also draw up a strategic document and will launch a public consultation during this summer regarding the best way to follow in the field of the European contract law. The consultation will take place until 31 January 2011 and based on the results of this consultation the Commission will draw up proposals until the beginning of 2012.

The "GREEN PAPER FROM THE COMMISSION on policy options for progress towards a European Contract Law for consumers and businesses" can be accessed at the following address:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0348:FIN:en:PDF>

**Agnes Nicolescu**

European Studies and Analysis Unit

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**IER Course:** Communication in European financed projects

**7 - 8 August**

### NAPOLEON POP

Member of the NBR Board of Directors

Coordinator of the SPOS 2009 study on the *Future of the European community's own resources and the implications for Romania's contribution to the EU budget*

## We have a lot of rigidities in the real economy which inhibit the development of the tax base and national supply

**In 2009 you coordinated an EIR study from the Strategy and Policy Studies – SPOS series dedicated to the future of the European Community's own resources in the light of the implications for Romania's contribution to the EU budget. Could you share with us some of the conclusions?**



The concern regarding the future of the European Community's own resources is valuable in many ways, and the work which has begun years ago reflects the harmonization of the Community policies not only with the new challenges facing the EU, but also with the financial resources necessary to support them. It seems that, obviously, in parallel with the EU evolution, the processes of horizontal (several Member States) and vertical (in several areas and more thorough) integration will also require,

in time, a restructuring of the financial resources of the Community budget. Some of them, the traditional ones, will become smaller due to the evolution of integration in itself, others will have to be created to replace them.

As Romania is concerned, since we enter the EU budget reform on the move, we have to be prepared for adjustments, but at the same time we can still appeal for a transition which will allow us to preserve some advantages. As we move closer to a new multiannual financing cycle, we have to become active as regards the negotiation of the new perspective, without losing the sense of the budget reform, but also the increase in the efficiency of using it after the assignments to the Member States have taken place, according to the undertaken community policies.

**In your opinion what is the purpose of the Community budget reform?**

There is a political significance of the whole exercise on the future of the European Community's own resources, as the final battle for their technical restructuring - at least this is what results from the versions presented by the Commission following the grouping of all the conclusions of the public and institutional debates, as governmental and specialist opinions (there are five of them) touches major interests: those of net beneficiary, of net taxpayer, of exemption applicable to certain states, the compensation mechanisms and, last but not least, the principle of "juste retour". The declared aim is its efficiency and maybe even its uniformity by removing all forms of exception from the formula of assigning the individual financial contributions. Moving to authentic

Community financial resources, under the form of generalised charges or taxes, raises case-law issues as regards the way taxes can be levied at community level when the tax legislation stays at the level of the Member States. Moreover, at least as Romania is concerned, the joined compensation up to the contribution amount remains incumbent on the source based on the national income which in the current situation means a critical pressure on the national budget.

**What would be the implications of the reform for Romania and its financial contribution?**

Any EU budget reform has qualitative and quantitative implications for the financial contribution of Romania. I repeat, we have to be prepared for it, to regard it as a project in which an active national involvement is desired, and the transition should provide the beginner's advantages, since we became an EU Member State, accepting mild adjustments in the position of net beneficiary. I would not want a simple alignment to what others from the club will decide. I can say nothing about the quantitative changes in the national contribution to the European Union Budget (EUB) yet, but we can control the shape of the Community budget expenditure by defining the future Community policies which give life to the UE objectives. From this point of view at least, at which I add the need to effectively spend our share – including the structural funds – we can control the future pressure on Romania's financial contribution in the context of the EUB reform.

**What is your opinion about the recent measures of fighting against the economic and financial crisis adopted in Romania?**

From the point of view of my professional and institutional duties I only can say that the economic situation requires an austerity programme which, together with what is regarded to be authentic accompanying measures meant to stimulate the real economy, will hopefully be able to restore the financial sustainability leading to an increase in the budgetary revenues and implicitly bringing the budget deficit closer to the targets agreed with the EU and IMF. Yet, I would like to add that the current austerity actions fight the circumstantial effects of an economic crisis which has more profound internal causes, besides the external ones, as result of the international crisis, which spread through global mechanisms. It is absolutely necessary to start fighting the causes as early as this moment, if we do not want to enter an effect reproductive mechanism, as a result of failing to eliminate the disruptive causes. We have a lot of rigidities in the real economy which inhibit the development of the tax base and the national supply, and the entry on the market and the withdrawal from the market of companies and labour force require real structural reforms without which we only undermine the ability to overcome and adjust to the real economic conditions and to the impact of the economic crisis.

Interview by **Mădălina Magnusson**

### Training programmes at Chişinău

The **Training in European Affairs Unit** has developed two training programmes at Chişinău in partnership with **IDIS (Institute for Development and Social Initiatives) "Viitorul" ("Future")** organization from the Republic of Moldova. These training modules have been integrally financed by the German foundation "**Hans Seidel**" within "**Moldova at Europe's gates, building national and local synergies**" project, implemented by IDIS "Viitorul". The project aims to enhance the quality of the negotiated agreements, to strengthen the professional competencies held by the negotiators groups of the future Association agreement between the Republic of Moldova and the European Union.



During **22-24 April 2010** IDIS "Viitorul" and IER developed the first training module for 25 civil servants, representatives of the specialised ministries, of the State Chancellery, of the Prosecutor-General's Office and of the Information and Security Service. The subjects discussed in this session included: EU institutions and the decision making processes, the normative system of the EU, the free movement of goods within EU, the internal market, the budget and the EU's commercial policy.

The participants declared that only the strong knowledge concerning the European rules and regulations regarding the competition protection and public procurement can accelerate and bring the negotiations process with the European Union to a successful conclusion.

The Deputy Director of the National Agency for the Protection of Competition, **Ion Echim**, pointed out: "*We need training regarding European regulations because in the field in which we work there are a series of arrangements concerning competition policy which aim at approximating the national legislation with the *acquis communautaire*. Namely, it is very useful for us to know the practice of other countries that have already passed through this process and apply the *acquis communautaire* at the moment. This is the only way we can understand what aspects should be stressed in the negotiations process.*" Echim also referred to the period of adapting to the European regulations: "*It is a rather difficult stage. The difficulties are related to the way of perceiving and applying this legislation because not everybody accepts the new rules of the game, which are tougher, especially for the economic agents and for the public authorities. Therefore, there are some negative reactions which we have to face frequently. We hope to overcome this stage through a better communication.*"



Also, **Ghenadie Grib**, Deputy Director General at The Public Procurement Agency stated: "*This training is very useful, simply because we are now in a full process of approximation of the national legislation with the *acquis communautaire*. The greatest difficulties we are facing are the reduced capabilities of the contracting authorities, the insufficient, weakly motivated personnel, who does not have the possibility to train itself because the trainings in this field are pretty rare also, especially those with the participation of experts from abroad.*"

The representative of the Ministry of Economy, **Iliaş Cezar**, Deputy Head at the Policies of regulating the entrepreneur activity Unit noticed: "*We need supplementary trainings on European regulations of the competition protection and public procurement because I would like to know exactly the exact state in which we are. Some of the participants to this course do not know that we are already in the negotiation process of the Association agreement between the Republic of Moldova and the EU, thing that worries me.*"

The positive experience of the two courses and the good collaboration with IDIS "Viitorul" will materialize into other partnership projects in the future.



During **9-10 June 2010** at Chişinău, the second training session took place. The subject of this session was the competition protection and public procurement. With this occasion, 25 civil servants from the Ministry of Economy, the Public Procurement Agency and the National Agency for the Protection of Competition were trained by famous experts from Romania, who were involved in the negotiation process in the area of competition protection and public procurement.

**Cornelia Predoiu**  
Training in European Affairs

## ***Romania and Republic of Moldova in the new (geo)political context: opportunities, challenges, solutions***

On **14 June 2010**, the **European Institute of Romania** and the **Institute for Development and Social Initiatives "Viitorul" (IDIS "Viitorul")** in partnership with the **Representation of the Konrad Adenauer Foundation** in Romania and the **Moldova-Leipzig Institute** organised the conference ***Romania and Republic of Moldova in the new (geo)political context: opportunities, challenges, solutions***. The event aimed to draw attention to various solutions of accelerating the process of bringing the Republic of Moldova closer to the European area. Among the participants there were representatives of the public administration, experts in political and economic sciences, Romanian and Moldovan cultural personalities concerned to identify and analyse solutions and possible scenarios to consolidate the relations of the Republic of Moldova with the European Union. The main topics covered during the conference regarded: *the relationship between Romania and the Republic of Moldova, a special partnership in the context of the EU initiatives regarding its Eastern neighbours; The economic dimension of the relations between the two countries; The cultural and educational dimension of the relations between Romania and the Republic of Moldova; The strategic component of the relations between Romania and the Republic of Moldova.*



the Republic of Moldova as, in an economic and social context which is unfavourable to their professional achievement, the young choose to study or work mainly outside the country.

EXCEPS International Conference

### ***Ethno-Politics and Intervention in a Globalised World***

A representative of the European Institute of Romania attended during **27-30 June 2010** the first multi-disciplinary international conference ***Ethno-Politics and Intervention in a Globalised World*** organised by the **University of Exeter**, a UK well-renowned academic institution, at the Exeter Centre for Ethno-Political Studies (EXCEPS). The event gathered experts from research institutes and think-tanks as well as representatives of academic institutions and international organisations which conduct analysis and research activities in the field of European and international studies such as International Crisis Group, European Centre for Minority Studies – UK, Institute of Arab and Islamic Studies – University of Exeter, UK, University of Glasgow – UK, University Juan Carlos Rey – Spain, Royal Military Academy Sandhurst – UK, NATO and the European Institute of Romania. The conference agenda included ten presentation sessions which covered: issues on ethno-political conflicts and how they can be dealt with; the role of the EU as a global player involved in managing conflicts; critical approaches on the doctrine of the humanitarian intervention and mechanisms for managing the ethno-political conflicts.

During the event a special emphasis was placed on the evolutions in the foreign policy of the Middle East, especially regarding the regional dimension, as well as on their correlation with the European evolutions in the field. The EIR representative presented a comparative perspective on the potential of cooperation between EU and US in the Middle East peace process and the institutional mechanisms available to the EU for this purpose.

**Agnes Nicolescu**

European Studies and Analysis Unit



The discussions held on the topics featured highlighted that a pragmatic attitude is recommended for approaching various issues regarding the relationship with the Republic of Moldova. The speakers stressed the need to strengthen and develop the economic relations with Chişinău, as an essential condition for achieving a future economic integration. A special attention was paid to exploiting the opportunities provided by the implementation of the Agreement on small border traffic which might open the way for future direct foreign investments and extend the scope of the bilateral, but also European cooperation projects. The lack of new, innovative technologies for the industry, as well as the need to develop new activity sectors such as land exchange, financial services, but also environment protection are among the concrete issues mentioned. Last, but not least, a warning signal was given regarding the demographic concern facing

## The debate

### *The effects of the economic and financial crisis. Efficiency and solidarity*

On **9 June 2010**, the **Information Office of the European Parliament in Romania**, the **Representation of the European Commission in Romania** and the **European Institute of Romania** organised the debate on *The effects of the economic and financial crisis. Efficiency and solidarity*. The keynote guest at this event was Mr **Jerzy Buzek**, President of the European Parliament.

The first part of the conference was moderated by Professor **Gabriela Drăgan**, PhD, Director General of the European Institute of Romania. The panel included Mr **Daniel Dăianu**, Professor of Economics at the National School of Political Studies and Public Administration, Mr **Cătălin Ghinăru**, Scientific Secretary at the National Scientific Research Institute for Labour and Social Protection and Mr **Niels Schneck**, Managing Senior Partner, Schneck van Wyk & Pearson.

Ms Roberta Anastase pointed out the importance of Mr Jerzy Buzek's presence in Romania in this difficult context, in which the countries of the European Union experience an unprecedented crisis. This crisis has revealed Romania's vulnerabilities, which were accentuated by the unsustainable increase of the budgetary expenditure.



The guests focused their interventions on the main challenges and difficulties in overcoming the current economic and financial crisis. In their opinion, the existing economic situation can be regarded as an economic depression. Romania has a small and open economy, which directly feels the economic shocks, also meaning that its capacities to deal with and eventually get out of the crisis are rather limited.

The present crisis is the crisis of a certain type of capitalism, being at the same time doubled by a demographic and institutional crisis, which revealed the effects of some profoundly accentuated descending trends in the European Union. The crisis does not behave uniformly, the countries being affected differently. Romania, which is not a small country compared to the Central and Eastern European area, is the only EU country in which the weight of the amounts collected to the GDP is below 30%.

The present crisis has also long term effects. Starting with the end of the 18th century, each major crisis brought about essential changes in the energy, social and social regulations fields. The European Union must adapt by adopting reforms: implementing a common fiscal platform, establishing methods of statistic investigation, etc.

In the second part of the conference, entitled ***Opportunities, challenges, solutions*** the speakers were Ms **Roberta Anastase**, President of the Chamber of Deputies and Mr **Jerzy Buzek**, President of the European Parliament, the session being moderated by Mr Ioan Pânzaru, Rector of the University of Bucharest.

Mr Jerzy Buzek believes that the moments of crisis can also provide great opportunities. In this moment there is a need for reforms, but also for solidarity, since Europe is important not only as regards the funds it grants, but also as regards solidarity. The strategy for overcoming the crisis will have to ensure in the future an important economic development (5 - 6% per year). Another



relevant aspect regards the fact that the European Union has an important deficit of science specialists (approximately 1,000,000 scientists), which hinders our future competitiveness. The speaker underlined Romania's important geostrategic position, also pointing out that the current reduction of the budgets must be accompanied by responsibility in the future actions undertaken in the fiscal field. To this end, a long term strategy needs to be developed.

**Mihai Sebe**  
European Studies and Analysis Unit

## The conference *Turkey – a key to Europe’s future*

On **29 June 2010**, the **European Institute of Romania** organised, in partnership with the **Embassy of the Republic of Turkey in Romania**, the conference **Turkey - a key to Europe’s future**. The keynote speakers were HE Mr **Egemen Bağış**, Minister of EU Affairs and Chief Negotiator of Turkey and HE Mr **Leonard Orban**, presidential advisor of Romania and former European commissioner.

During his intervention, Minister **Egemen Bağış** pointed out the importance of the traditional cooperation relations between Romania and Turkey, the similarities in mentality as well as of the regional cooperation projects envisaged by the two countries. Minister Bağış underlined the significant role of the bilateral relationship between Turkey and Romania where the commercial (approximately 7.5 billion US dollars) and investment component (approximately 5.5 billion US dollars – investments of Turkey in Romania) hold an extremely important place. The development of the energy component, supporting the Nabucco project, the good neighbourhood relations with the countries in the area, the fight against terrorism are some further examples of projects by means of which the common interests of Romania and Turkey bring the two countries closer.

Minister Bağış insisted on emphasizing a series of reasons for which Turkey could be the “key” to solving a number of issues facing the European Union. The economic aspect (continuously developing market with an increased degree of economic modernisation and a continuous growing potential, an impressive number of consumers), the energy aspect (important area for the transit of the oil and gas resources to Western Europe), the sustained (mutual) efforts in fighting against terrorism are only a few elements which might constitute strong points in Turkey’s relationship with the European Union.

Opening the chapters of negotiation with the European Union is not an easy process. A lot of difficulties at the technical level, but also generated by the reluctance of some Member States to give credit, support and be open towards a continuous dialogue in the project of Turkey’s accession, turns Turkey’s negotiation process

with the EU into a troublesome, complicated and prolonged one.

Within the framework of this negotiation process, Turkey intends to identify partner states which are favourable to the idea of its accession to the EU. Romania is definitely one of the supporters of Turkey’s accession to the European Union. This position was reiterated during the conference by Mr **Leonard Orban**, presidential advisor for European Affairs. Expressing Romania’s total support for Turkey’s road to the European Union, Mr. Orban also pointed out the difficulty of the negotiation stages, particularly as some Member States have certain “reserves”



regarding Turkey’s accession to the EU. The enlargement process of the European Union has become increasingly unpopular in the Member States and the completion of the stages by the Western Balkans countries in the last years has not been a good example for EU’s commitment towards another rapid wave of enlargement. The proposals of some EU states to promote a *special relationship* with Turkey cannot be accepted by the latter as Turkey’s wish is exclusively to enter firmly the path of the

negotiations for the accession to the EU, even if this means a long term process. Mr. Orban reaffirmed the need for Turkey to become an EU Member State, stressing the key role Turkey would play in proving the importance of the principle of *diversity* (ethnic, cultural, linguistic and of civilisation) which underlies the context of various communities living together.

The speakers pointed out that *the process is as important as the final outcome*. Even if Turkey’s accession to the European Union is envisaged to be a project achievable only in the long term, the process of modernisation, of continuous strengthening of Turkey (economic, social, political and of the democratic structures) is certainly an important step towards the European Union.

For the full synopsis of the event, please access *Previous projects* section on [www.ier.ro](http://www.ier.ro).

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