

**NATO ENLARGEMENT:
IS ROMANIA READY TO JOIN
THE ALLIANCE?**

by

Donald R. Falls
Lieutenant Colonel, USAF
Air Force National Defense Fellowship

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Romania's Geographic Location



Source: Central Intelligence Agency



Source: Central Intelligence Agency

SECTION I—INTRODUCTION

Romania's achievements prove that, in today's Europe, geography is no longer destiny.
Javier Solana, Former NATO Secretary General¹

Centuries on end we have borne the threat of devastating invasions. Ultimately, in order not to remain isolated, on the outskirts of all empires, we need a beneficial "invasion."
Andrei Plesu, Former Romanian Minister of Foreign Affairs²

Romanian society does not regard accession to the North Atlantic Treaty Organization as a form of protection against a threat, but rather as a way to regain an identity that was unjustly denied to it for five decades. For us, NATO is not a shelter but a community based on shared values, now recovered.
Emil Constantinescu, President of Romania³

Romania's efforts to overcome the legacy of its communist past have been more painful and have proceeded with far less dispatch than in most other East European countries. The autocratic and often cruel brand of socialist ideology practiced by Nicolae Ceausescu left the population physically and mentally malnourished. While Ceausescu and his wife were quickly disposed of on December 25, 1989, following a violent popular upheaval, the residual effects of years of enforced political inactivity and over-centralized planning left the country's social and political elites ill-prepared to manage the new paradigm with which they were faced. As a result, the transition to a true democratic form of government and functioning market economy has proceeded at a halting pace. Through it all, Romanians cast their gaze westward, transfixed on the notion of one day earning the right to be a full-fledged member of NATO.

A wealth of material and commentary has been generated on whether the Alliance should or should not have been expanded to include Poland, Hungary, and the Czech Republic – and whether still further enlargement is desirable.⁴ It is not the intent of this paper to recast old arguments in support of either proposition. I take as a given that at some point NATO will be "forced," by dint of its own rhetoric and promises, to admit new members. How many and when is unknown, although officials attending the April 1999 summit in Washington to celebrate NATO's 50th anniversary indicated no further action on this front would take place until the next summit, but at the very latest by 2002.⁵ In the interim, aspirants were provided with a Membership Action Plan (MAP), the purpose of which was to more clearly spell out what they could do to bolster their chances for future consideration.⁶ Rather than expansion writ

¹ Opinion/editorial by NATO Secretary General Javier Solana, *Romania Libera*, July 7, 1999, as reproduced at the NATO on-line library. Internet.

² Romanian Foreign Minister Andrei Plesu, "The Indivisibility of Security and the Necessity of Continuation of the NATO Enlargement Process," (speech presented January 12, 1998), Nobel Institute, Oslo, Norway. Internet.

³ Romanian President Emil Constantinescu, "The Security of Central Europe – Repairing the Division of Central Europe," (speech presented during June 21-25, 1997), XIVth NATO Workshop On Political-Military Decision Making, Prague Castle, Czech Republic. Internet.

⁴ For a concise summary of the key issues, particularly as seen from the congressional point of view, see *NATO: Congress Addresses Expansion of the Alliance*, by Paul E. Gallis, CRS Report for Congress, updated July 24, 1997; and, *NATO: Congress Addresses Expansion of the Alliance*, by Paul E. Gallis, CRS Issue Brief, updated February 18, 1999, order code IB95076.

⁵ NATO, *NATO's Membership Action Plan 4/24*, fact sheet released April 24, 1999, at the Washington Summit.

⁶ The MAP includes various mechanisms to assist aspirants. For example, "Each year the Alliance will draw up for countries wishing to join NATO a report providing feedback focused on progress made in the areas covered in their annual national programs [which lays out the country's own roadmap to prepare for potential membership]." While the MAP specifically states that the points it covers do not constitute membership criteria, they are nevertheless suggestive of the types of behavior patterns future NATO decision makers will hope to see in viable candidates. To

large, I focus on Romania and its ability to shoulder the burdens and responsibilities of membership should it eventually be afforded a seat at the NATO table.

Hans Binnendijk and Richard Kugler got it right in the spring of 1999 when they wrote:

Romania occupies an important position in the Balkans and Black Sea region. It has the potential to be the “Poland of the South” and could serve as an important staging area for peace support operations in the Balkans. But it needs to make more progress in political, economic, and military reform before it can be considered for [NATO] membership.⁷

Since the focus of their article was not on Romania per se but the larger case that careful thought should precede any further NATO enlargement decisions to ensure a “strategic rationale” serves as the motive for accepting new applicants, Binnendijk and Kugler chose not to develop their judgment concerning the evolution of Romania’s reforms as they pertain to NATO membership.

While numerous authors have delved into detailed assessments on particular aspects of Bucharest’s successes and failures in the political, economic, or military arena, no current analysis comprehensively pulls together the three components to form a detailed portrait of where the trend lines are headed and what it all means. This paper attempts to do just that. Specifically, I argue that the political establishment has made major strides but can do more to reach the level of development required for a sustained commitment of this nature. Furthermore, the struggling economy makes it unlikely Romania will be able to meet NATO and national military funding requirements any time soon. Finally, the weight of the first two propositions forestall any hopes of meaningful, near-term military modernization, although modest, isolated instances of progress will be accomplished.

I begin with a look at the background and framework against which the above topics must be viewed, followed by a detailed assessment of the Romanian political, economic, and military situation, and end the paper with a summary of the conclusions. Due to the widely varying cost estimates associated with NATO’s initial expansion and the diverse nature of underlying assumptions, I have included an appendix that briefly recaps the competing computations.

allow itself some maneuver room, NATO pointed out that the document was not an exhaustive checklist for membership and that countries would be evaluated individually. Further, just because a nation might conform with the tenants spelled out in the document, it would not be assured of admission. NATO, *Membership Action Plan (MAP)*, press release NAC-S(99)66, distributed April 24, 1999, at the Washington Summit.

⁷ Hans Binnendijk and Richard L. Kugler, “Open NATO’s Door Carefully,” *The Washington Quarterly*, vol. 22, nr. 2, (spring 1999), p. 134.

SECTION II—BACKGROUND

Unfortunately, the 1992-1996 government had wrong objectives, but they were fulfilled. The 1996-1999 government targeted the right objectives, but it proved to be unable to reach them.

Adrian Severin, Former Romanian Foreign Minister⁸

As far as Romania is concerned, we have given undisputed priority to integration with NATO and regard other means of ensuring our security as secondary to this....all solutions short of NATO membership will be transitory and not fully satisfactory for Romania. Unfortunately, transitory solutions are costly and have a bad habit of becoming permanent!

Victor Babiuc, Former Romanian Defense Minister⁹

Almost everyone in Romania wants your nation to join NATO; yet almost no one [in Romania] considers this to be the country's highest priority.

James Rosapepe, U.S. Ambassador to Romania¹⁰

By a wide margin, the average Romanian favors the country's efforts to join NATO, although support has eroded over time. According to an April 1999 public opinion poll, 57 percent favored NATO entry. A similar sounding in December 1998 registered a 67 percent backing, while nine months earlier the figure had stood at 82 percent.¹¹ This trend parrots a similar loss of support witnessed in other Central and East European countries, such as Poland where upwards of eight out of 10 Poles favored joining the Alliance at the beginning. Around the time of actual accession, only about six out of 10 were so moved.¹² In Romania's case the steady decline is likely attributed, among other things, to the disappointment at failure to join Poland, Hungary, and the Czech Republic in the first round of new members, disfavor with the pace/impact of reforms designed to enhance Romania's attractiveness to the Alliance, and the NATO operations in Serbia and Kosovo. For their part, West Europeans seem to favor broadening the Alliance to accept more Central/East European states – with the important caveat that defense budgets not be increased to pay for the expansion.¹³

Partnership for Peace (PfP)

At its January 10-11, 1994, ministerial meeting in Brussels, NATO heads of state and government affirmed that the way was open for new members, stating they “would welcome NATO expansion that

⁸ Interview with former Romanian Foreign Minister Adrian Severin, *Invest Romania*, July 1999. Internet.

⁹ Romanian Defense Minister Victor Babiuc, “A Romanian View on Security in Central and Southeastern Europe – Global Security and the Relevance of Regional Initiatives,” (speech presented during June 19-23, 1998), XVth International [NATO] Workshop on Political-Military Decision Making in the Atlantic Alliance, Hofburg Palace, Vienna, Austria. Internet.

¹⁰ U.S. Ambassador to Romania James Rosapepe, “Romania and NATO: ‘Knocking on an Open Door,’” (speech, undated). Internet.

¹¹ The 1999 poll was conducted April 17-20 of 1,591 respondents. The error rate is plus or minus 2.5 percent. “Sondaj IMAS,” *Lumea Libera*, nr. 552, May 1, 1999. It should be pointed out that fluctuations in public opinion sometimes occur from month to month, let alone over extended periods. For example, according to a May 15-20, 1999, poll, 62.4 percent of respondents favored Romania's entry into NATO, while 25.2 percent preferred remaining outside the Alliance; 12.3 percent had no opinion or failed to respond to this question. No specifics as to the number of individuals polled or error rate were provided. “Sondaj IMAS,” *Lumea Libera*, nr. 556, May 29, 1999.

¹² Peter Finn, “In Warsaw, Poles Cheer a New Pact – ‘We Are in the West,’ Veteran Says,” *The Washington Post*, March 13, 1999.

¹³ The observations on European attitudes were drawn from interviews in 1998 of about 1,000 people over 18 years of age in each country. “What the Polls Say: U.S., European Views on Transatlantic Issues,” *USIA Electronic Journals*, vol. 4, nr. 1, March 1, 1999. Internet.

would reach to democratic states to our East.”¹⁴ They further announced creation of a Partnership for Peace (PfP) initiative envisioned as a mechanism to forge closer political and military ties with the countries of Central/Eastern Europe and Former Soviet Union. Its objective was to foster a closer working relationship with NATO “in concrete ways towards transparency in defence budgeting, promoting democratic control of defence ministries, joint planning, joint military exercises, and creating an ability to operate with NATO forces in such fields as peacekeeping, search and rescue and humanitarian operations, and others as may be agreed.”¹⁵

With the splintering of the communist yoke, Romania’s new leaders, many of whom who were themselves former communists, set in motion a spectral shift in the country’s orientation, seeking integration into European institutions. The PfP was an opportunity that would not be missed. Romania quickly joined, becoming the first country to sign The Framework Document of the Partnership for Peace, doing so on January 26, 1994. By taking an active role in the PfP, Bucharest hoped to position itself for priority consideration for the much bigger prize: NATO membership. The Alliance too hoped to use the PfP as a mechanism to mark the interest/progress of aspirants.

During the Partnership’s first year, Romania took part in 58 PfP-related activities and participated in four NATO/PfP exercises or joint training sessions, allotting \$0.8 million for these efforts. By 1997, close to \$8 million was set aside to cover PfP expenses. Within the constraints of its situation, Romania has also contributed to numerous peacekeeping missions, including Desert Storm (Saudi Arabia), UNOSOM II (Somalia), UNAVEM III (Angola), and IFOR/SFOR (Bosnia) to name but a few. In most cases this involved the sending of field hospitals, military observers, and engineers.¹⁶

Romania’s robust integration into the PfP included the mid-1996 deployment of U.S. servicemen to the country, marking the initial return of American troops to Romania in over 50 years, only this time they arrived in non-threatening transports rather than bomb-laden B-24 Liberators.¹⁷ In excess of 200 Alabama and Indiana Air/Army guardsmen worked side-by-side with host-nation military forces in support of Cornerstone ’96, a NATO-sponsored engineering exercise. The practical side of the activity involved making needed repairs to a children’s orphanage and day care center as well as a military hospital. One telling aspect of the operation was the material divide separating the two sides, which was succinctly captured by the comments of one guardsman who said: “The Romanian soldiers I worked with at the day care site had never seen a circular saw.”¹⁸ Despite the obvious disparities in even the most

¹⁴ NATO, *Declaration of the Heads of State and Government*, press communiqué M-1(94)3, ministerial meeting of the North Atlantic Council, NATO Headquarters, Brussels, January 10-11, 1994.

¹⁵ NATO, *Partnership for Peace: Invitation*, press communiqué M-1(94)2, meeting of the North Atlantic Council, NATO Headquarters, Brussels, January 10-11, 1994.

¹⁶ Romanian Ministry of National Defense Home Page, Defense Policy Directorate. Internet. It should be borne in mind that aspirants like Romania receive a steady stream of U.S. aid (dollars and equipment) that would serve to facilitate potential integration into NATO. For illustrative purposes, during the period discussed Romania obtained the selected following U.S. assistance: funding for the International Military Education and Training Program (IMET) – \$460,000 in FY95, \$700,000 in FY96; funding for the Joint Contact Team Program in FY95 - \$711,000 (this program is designed to allow interaction with national military forces outside the structured venue of training and equipment transfers...ideas and philosophical exchanges on ways of doing business form the key medium of interaction); value of excess defense articles authorized for FY96 - \$4,337,329; PfP-related support and bilateral assistance in FY96: DoD support programs - \$725,000, State Department bilateral assistance - \$9,275,000. *NATO Enlargement: NATO and U.S. Actions Taken to Facilitate Enlargement*, GAO report to the Chairman, Committee on International Relations, House of Representatives, May 6, 1996, GAO/NSIAD-96-92.

¹⁷ For a detailed description of the situation surrounding the last U.S. troops in Romania, i.e., downed American fliers in World War II, see Capt. Donald R. Falls, USAF, “American POWs in Romania,” *Air Power History*, vol. 37, no. 1, (spring 1990), pp. 37-44.

¹⁸ 1st Lt. Troy M. Gipps and 1st Lt. Mark D. Brewster, “Relating in Romania,” Massachusetts National Guard, undated. Internet. As a further aid to countries not part of NATO but desirous of improving their regional/international military interaction, the State Partnership Program (SPP) was created, with the National Guard as lead agency. The heart of the system entails linking participating state National Guards with a specific country. In the case of Romania, the Alabama Guard serves as its partner. As of 1999, 30 states and 27 countries

basic capabilities, as recently as mid-September 1999, 36 Alabama National Guardsmen were again in Romania, this time taking part in Rescuer 99, a command post exercise focused on the response to natural disasters.¹⁹

To top-off its long string of support to PfP activities, Romania joined 17 other nations (seven NATO, 10 PfP) in Cooperative Determination '99, a December 2-5, 400-person computer exercise held in Romania designed to simulate peace support operations and a military conflict in a contiguous area between two states. Exercise controllers planned to replicate the actions and movements of thousands of troops and accompanying vehicles on terminal screens rather than actually field the imaginary booted and wheeled forces. The Turkish commander of the exercise, General Tamer Akbas, highlighted the symbolic significance of Cooperative Determination '99 when he pointed out that "This exercise is the last NATO exercise of the millennium."²⁰ The subtle irony was no doubt evident to the Romanian hosts. After all, Romania had been the first country to sign up for PfP. Yet, having failed to make the first cut in the Alliance admission sweepstakes, it now assumed center stage in NATO's final exercise of the 20th century.

Still, the official desire for integration with NATO seems largely undiminished, as demonstrated by its September 27, 1999, delivery to Alliance headquarters in Brussels of its National Annual Program of Preparation for NATO Membership.²¹ Moreover, in January 2000, the leadership decided to establish an "inter-departmental commission" to coordinate the NATO admission process under the overall supervision of the Foreign Ministry.²² That same month in Washington, U.S. Secretary of State Madeleine Albright met with newly appointed Romanian Foreign Minister Petre Roman to discuss bilateral issues, including those related to the Alliance. According to State Department spokesman James Rubin, the two officials "agreed on the need for Romania to make full use of NATO's Membership Action Plan and to intensify military and economic reforms to bring Romania closer into the NATO family."²³

Romanians Told Chances Good for NATO Admission

The steady stream of public statements from high-ranking U.S. and European officials on Romania's position in the NATO horse race – beginning with the Madrid summit in July 1997, which invited the three front-runners (Poland, Hungary, and the Czech Republic) to start the formal admission process – has offered hope that it will cross the finish line the next time around. It may be recalled that although Bucharest failed to garner the checkered flag in Madrid, Romania was mentioned along with Slovenia as being well-placed for future competition.²⁴ Indeed, a month or so prior at a meeting of

(Europe/Central Asia) had established partnerships. For more details, see John R. Groves, Jr., "PfP and the State Partnership Program: Fostering Engagement and Progress," *Parameters*, vol. XXIX, nr. 1 (spring 1999), pp. 43-53.

¹⁹ "Rescuer 99 concludes in Romania," United States European Command, September 19, 1999. Internet.

²⁰ See "Romania To Host NATO Virtual Military Exercise," *Agence France Presse*, November 27, 1999; "Officials Brief Media on PfP Drills in Bucharest," *Rompres* (in English), November 26, 1999, (FBIS transcription); "NATO, Partners in Romania for Maneuvers," *Reuters*, November 30, 1999; and, "Computer Generated Exercise Held in Bucharest," *Rompres* (in English), December 2, 1999, (FBIS transcription).

²¹ "EU and NATO integration: Moving Ahead," The Embassy of Romania in the U.S., *Embassy Newsletter*, vol. 1, #2, December 1999. Internet.

²² "Government to Establish Commission on Joining NATO," *Rompres* (in English), January 7, 2000, (FBIS transcription); and, "Romania Sets Up NATO Integration Commission," *RFE/RL*, January 10, 2000.

²³ "Albright Meets Romanian FM, Notes Need For Reform," *Reuters*, January 26, 2000.

²⁴ *NATO's Future and the Washington Summit*, by Stanley R. Sloan, CRS Report for Congress, March 18, 1999, order code RS20086, p. 2.

NATO foreign ministers in Sintra, Portugal, as many as nine Alliance members reportedly backed the entry of both countries.²⁵

A number of prominent private citizens also fully support Romania's inclusion in the second tranche. One of the most solid supporters is former U.S. Ambassador to Romania David Funderburk who told the author during a January 2000 interview that Bucharest should definitely be invited into the fold. Failure to secure a coveted spot in the next round might lead to unintended consequences, the ambassador pointed out. "Romanians could become very much soured on the West, feeling that they had been sold out and let down." In the worst case, Romania could turn to a nationalist/extremist form of governance or fall prey to a military dictatorship. While the country may not technically be ready, having very real economic and military shortfalls, it nonetheless has a consistent record of support for the West: "They have shown, for example, from a military point of view as well [as] from a good faith point of view, that they are willing to be good partners – whether it was in Kosovo, whether it was Partnership for Peace, or virtually everything we've asked them to do from a military cooperative point of view, they've tried to be accommodating...."²⁶

Particularly striking is the consistency of administration public statements, which come as close as possible to assuring the Romanians – without actually uttering the words – that their coveted dream will at some as yet defined future date become a reality. A companion theme has been the explicit admonition that Romania must do the heavy lifting required to meet admission requirements. Especially important is the need to enact economic reform to set in place the means to pay for military restructuring. U.S. Secretary of Defense Bill Cohen probably articulated the reality of the situation best when he stated that "the door to NATO membership remains open, but that door stands at the top of a very steep staircase."²⁷ During a subsequent late 1999 visit to Romania, the defense secretary told his Romanian listeners that "Romania could enter NATO soon; however, it has to demonstrate before the next expansion talks in 2002 that it can offer security, not just consume it."²⁸ Within these shifting sound bites, however, Bucharest listeners are more likely inclined to pick out those that imply NATO membership sooner rather than later – with some justification.

For example, stepping back to mid-June 1997, in a White House meeting between then-Prime Minister Victor Ciorbea and Vice President Al Gore, the U.S. purportedly sought to mollify Romania's disappointment following the Madrid summit by offering explicit, though non-public, assurances to Bucharest. According to some press accounts attributed to Ciorbea, the vice president told him Romania would be admitted to NATO in the second round.²⁹ Other reports, also sourced to the prime minister, indicated that Vice President Gore added the important caveat that such would be the case if Romania "pursues the road on which it has started."³⁰

²⁵ Media sources identified Canada, Belgium, France, Greece, Italy, Luxembourg, Portugal, Spain, and Turkey as backing Slovenia and Romania for NATO inclusion in the first tranche. Roland Eggleston, "NATO Membership Debate Continues," *RFE/RL*, June 3, 1997.

²⁶ Author interview with former U.S. Ambassador to Romania David Funderburk, January 10, 2000, Washington, D.C. Ambassador Funderburk headed the Embassy in Bucharest 1981-85.

²⁷ U.S. Secretary of Defense Bill Cohen, DoD news briefing along with Romanian Minister of Defense Victor Babiuc, June 29, 1999. Internet.

²⁸ As quoted in "Romania poate adera la NATO in anul 2002," *Monitorul*, December 1, 1999 (author's translation).

²⁹ K. P. Foley, "Ciorbea Says Gore Gives Assurance on Future NATO Membership," *RFE/RL*, June, 18, 1997. If a back channel (or not so back channel) assurance was given to Romania in 1997, Defense Secretary William Cohen has not acknowledged it publicly. Indeed, two years after the Gore-Ciorbea meeting, Secretary Cohen told the press, with Romanian Defense Minister Victor Babiuc at his side, that "We have made no commitment [with regard to NATO membership] to Romania, Slovenia, Bulgaria, [or] any other country." Cohen, DoD news briefing, June 29, 1999.

³⁰ Joseph Harrington and Scott Karns, Framingham State College, "Romania's Ouestpolitik: Bucharest, Europe, and the Euro-Atlantic Alliance, 1990-1998," in *Romania and Euro-Atlantic Integration*, ed. Kurt W. Treptow and Mihail E. Ionescu (Iasi: The Center for Romanian Studies, 1999), p. 41. The Romanian Ambassador to the U.S., Mircea

Of equal significance, aware of the impact of non-selection at the Madrid summit on Romania, President Clinton flew to Bucharest to soften the body blow in person, addressing an enthusiastic crowd in University Square on July 11, 1997. The president promised Romanians that if they continued on the road to reform their NATO aspirations would be satisfied: “the door to NATO is open. It will stay open, and we will help you walk through it.” He gave further hope to sagging spirits, adding that in terms of future expansion, “Romania is one of the strongest candidates.”³¹ The rhetoric was strong and so was the belief that Romania was inching closer to a door being personally held ajar by the president of the United States. As Robert Kaplan put it: “Clinton’s appearance on the podium with Constantinescu – and his vow before throngs of Romanians... – has, in a part of the world where words and dates are remembered pathologically, assumed the aura of a sacred trust.”³²

Deputy Secretary of State Strobe Talbott continued the drumbeat the following year, telling a gathering at Bucharest University on March 19, 1998, the U.S.’s goal was to abet Romanian efforts to integrate into European institutions, especially NATO. “In short,” he said, “the door of NATO enlargement remains open in general and open to Romania in particular.”³³

While in Romania in July 1998, NATO commander General Wesley Clark remarked that “Romania will continue to be seen as a key state to NATO.”³⁴ In a follow-up visit one year later to discuss military cooperation, General Clark once again praised the country’s ability to contribute to the Alliance and stated his belief that Romania was in the lead pack of nations seeking NATO admission.³⁵

During early March 1999 comments in Bucharest, U.S. Ambassador to NATO Alexander Vershbow praised Romania’s contributions to the PfP and cited its role in adding to regional security. He underscored the point, however, that a strong economy is the surest path to eventual integration into NATO; for without it, Romania will be unable to afford the requisite military-related costs. Ambassador Vershbow concluded his remarks by saying, “As President Clinton made clear during his visit to Bucharest two years ago, the United States wants to see Romania become a member of the Alliance....” “I can assure you,” he added, “that the United States will do everything it can, working with Romania, to achieve this goal.”³⁶

At a joint June 1999 press conference in Bucharest with her then counterpart, Foreign Minister Andrei Plesu, Secretary of State Albright added to the positive tone. Responding to a reporter’s question about whether Romania’s support during the Kosovo crisis helped its case for NATO membership, Albright responded: “the support that was given, I think, was very important and especially – [sic] throughout the whole crisis, and in many ways *has already made Romania part of the NATO family*” (emphasis added).³⁷

A senior Romanian delegation sent to Washington in late November-early December 1999 to discuss bilateral issues with administration officials apparently elicited similar words of support. According to press accounts, “The *US officials stressed the fact that [the] USA would further back up*

Geoana, felt this was the more probable way that the discussion between Prime Minister Ciorbea and Vice President Gore had proceeded. Author interview with Ambassador Geoana, January 11, 2000, Washington, D.C.

³¹President Bill Clinton, “Remarks to the People of Romania,” (speech presented July 11, 1997), Bucharest, Romania. Internet.

³²Robert D. Kaplan, “The Fulcrum of Europe – Romania longs for the West, and the West needs Romania more than it knows,” *The Atlantic Monthly*, September 1998.

³³Deputy Secretary of State Strobe Talbott, “The United States and Romania: A Strategic Partnership,” (speech presented March 19, 1998), Bucharest, Romania. Internet.

³⁴“NATO General Says Romania ‘Key Partner,’” *Rompres* (in English), July 8, 1998, (BBC transcription).

³⁵Nikolai Morozov, “Romania, NATO discuss military cooperation,” *ITAR-TASS*, July 15, 1999.

³⁶U.S. Ambassador to NATO Alexander Vershbow, “Five Years of Partnership for Peace,” (speech presented March 1, 1999), Bucharest, Romania. Internet.

³⁷Secretary of State Madeleine Albright, remarks presented at a joint press conference with Romanian Foreign Minister Andrei Plesu, June 22, 1999, Bucharest, Romania. Internet.

Romania's joining NATO and [the] EU and its active participation in the Euro-Atlantic Partnership Council and the Partnership for Peace..." (emphasis added).³⁸

Congressional sources have given added weight to the administration's declarations. In a 1999 article Senator William Roth, chairman of the Senate's NATO Observer Group, and Stanley Sloan singled out Romania (along with Bulgaria) as "worthy candidates," adding that "their progress toward political, economic, and military reform should eventually yield an invitation to join [NATO]."³⁹

Other members of the Alliance have been equally rosy in their assessment of Romania's future admission. In May 1999, for example, Britain's Prime Minister Tony Blair told a joint session of the Romanian Parliament that the previous month's Washington summit had laid out an unambiguous, transparent process for NATO aspirants to follow. Romania headed the list of candidates, he observed, and offered his conviction that the country would be among the next batch of those admitted.⁴⁰ Similarly, Czech President Vaclav Havel told reporters during a May 2000 visit to the Romanian capital that "We fully support Romania to join NATO as quickly as possible and the country's efforts to implement democracy and reforms."⁴¹ Bronislaw Komarowski, president of the Polish Sejm's Defense Committee, also voiced Poland's support for Romania's entry bid during an early December 1999 visit to Bucharest.⁴² Finally, while on an early February 2000 visit to the country, NATO Secretary General George Robertson called Romania a "partner of strategic importance" to the Alliance. According to press reports, "Robertson said that Romania would find itself in a poll position if it continued [on] the road it has embarked [upon] and if at a military level it applied the restructuring plan of the Army."⁴³

Against this brief contextual background, the following three sections investigate the precarious state of Romania's political, economic, and military situation to determine their impact on Bucharest's ability to heft and carry its share of the burdens associated with potential NATO membership. I begin with an examination of the political arena as it evolved following the overthrow of the communist regime of Nicolae Ceausescu at the end of 1989.

³⁸ "Rompres Reports on Romanian Official's Washington Talks," *Rompres* (in English), December 4, 1999, (FBIS transcription).

³⁹ William V. Roth, Jr., and Stanley R. Sloan, "The Atlantic Alliance: A View from Capitol Hill," *Joint Force Quarterly*, Special Edition – The Washington Summit, (April 1999), p. 28.

⁴⁰ "Vizita lui Tony Blair la Bucuresti," *Lumea Libera*, nr. 553, May 8, 1999.

⁴¹ "Czech Republic Backs Romania's NATO Bid," *Reuters*, May 19, 2000.

⁴² "Polish Sejm Defense Body Head Reiterates Support for NATO," *Rompres* (in English), December 8, 1999, (FBIS transcription).

⁴³ See "NATO secretary general, George Robertson, visited Bucharest," *Invest Romania*, February 11, 2000, Internet; and, "NATO Chief Meets Romanian Legislators at Parliament Palace," *Rompres* (in English), February 10, 2000, (FBIS transcription).

SECTION III—THE POLITICAL COMPONENT

Unwisely, NATO and the EU kept the Balkan states out of contention for early membership, claiming that they were not ready. This became a self-fulfilling prophecy, since it reduced the economic and political incentives for difficult reform measures in those countries.

Jeffrey Sachs, Director of the Center for International Development, Harvard University⁴⁴

The prognosis for Romania joining NATO and the European Union continues to be uncertain, even while the desire is clear. The principal reason for this is the poor state of the economy brought about by a stalled economic reform....Paradoxically, Romania remained one of the leaders in military reform and achieving interoperability with NATO forces. In this domain it has remained a more attractive prospect for integration than some of the first wave invitees.

Joseph Harrington and Scott Karns, Framingham State College⁴⁵

Romania's path to democratic government was borne of the tumult arising from the chaos of the '89 revolution. In many respects the nation has overcome the special burdens imposed by its violent birth to forge a political system that is consistent with the ideals normally associated with a representative form of government. Elections are open and fair; the executive, legislative, and judicial branches of government function largely as one might expect to see in any other European country; the military is firmly under control of the civilian leadership; friendly relations exist with neighboring countries; and the rule of law and personal rights largely conforms with international principles. Rather than step through each of these categories in detail, I will instead concentrate on those particular aspects of the political component that bear watching by those considering Romania's admission to NATO. Specifically, this will include a look at the political setting, legal peculiarities, the ongoing issue of non-democratic elements within governmental institutions, the question of relations with Hungary and the ethnic Hungarian minority in Transylvania, and the implications of national elections later this year.

The Political Setting

In marked contrast to several of his fellow communist states, Nicolae Ceausescu allowed no room for dissent and commanded total obedience; as supreme ruler he suffered no opposition to a path that left the country in arguably the worst political and economic shape of any in the Soviet bloc. Dissent of any form was strictly prohibited and, should it emerge, harshly punished. Only on rare occasions did individuals or groups find the will to resist publicly. Under such conditions it is not surprising that a reformist wing of the Romanian Communist Party (RCP) failed to step forward earlier⁴⁶ or that a Polish Solidarity-like labor union or grouping similar to Charter 77 in Czechoslovakia did not coalesce to oppose the regime. A tradition of popular dissent simply did not exist, nor was there a trained cadre of professionals, untainted by previous compromises, ready to take the reigns of power.

Instead, the former Central Committee Secretary Ion Iliescu somehow managed to position himself to take advantage of the moment offered by the December 1989 revolution and draw strength

⁴⁴ Jeffrey D. Sachs, "Eastern Europe reforms: Why the outcomes differed so sharply," *The Boston Globe*, September 19, 1999.

⁴⁵ Harrington and Karns, "Romania's Ouestpolitik," *Euro-Atlantic Integration*, p. 46.

⁴⁶ Sporadic opposition did take place, however. In 1971, Ion Iliescu called into question Ceausescu's new hard-line ideological bent after the dictator's visit to North Korea and China, which resulted in Iliescu's demotion and banishment to second-rate positions. In March 1989, top-level dissent did take place when six party members sent an open letter to Ceausescu, charging him with failed policies and lobbying for reforms. The six were immediately detained and questioned. Vladimir Tismaneanu, *Reinventing Politics – Eastern Europe from Stalin to Havel*, (New York: The Free Press, 1992), pp. 224-229.

from (if not hijack) it under the banner of the National Salvation Front. According to Romanian expert Vladimir Tismaneanu:

What happened was actually the abduction of the revolution by a group of seasoned apparatchiks, well versed in palace intrigues and behind-the-scenes maneuvers....the principal source of instability in postrevolutionary Romania has been the attempt of the reform communists to preserve political and economic power in the hands of the same *nomenklatura* class that had administered and ruined the country for more than four decades.⁴⁷

Romania's inability to formulate a clean break with the past as it stepped out of the chaotic circumstances surrounding Ceausescu's overthrow, breathlessly watched by millions around the world, meant that a neo-communist leadership under Iliescu's guiding hand would manipulate the levers of government for seven years and impede efforts at true democratic and economic reform. Despite the seemingly inherent contradiction, the sophisticated Iliescu pressed to gain legitimacy through access to Western institutions and funding.

Romania's drive to enter NATO gained momentum with President Clinton's October 1996 pre-election statement that he favored the Alliance's expansion⁴⁸ followed by the election one month later of a reform-minded center-right coalition government in Romania. The electoral defeat of the communist-leaning Party of Social Democracy of Romania (PDSR) meant the ouster of Ion Iliescu as president and his replacement by the former rector of Bucharest University, Emil Constantinescu. To this point Iliescu had been Romania's only post-revolution president.⁴⁹

In the run up to the elections, the Democratic Convention of Romania (CDR), an alliance of democratic opposition parties with Constantinescu as its candidate, mimicked the U.S. Republican Party's "Contract with America," unveiling its own "Contract with Romania" to explicitly demonstrate its commitment to break with past ways of doing business. During the course of the campaign Iliescu, on the other hand, revealed his true colors, raising questions about the future intentions of the Hungarian minority in Transylvania, a long-standing, emotion-laden issue in Romania, and implicitly casting a disparaging finger at the Jewish ancestry of another presidential candidate, Petre Roman. Such clumsy appeals to nationalism were not enough to prevent Constantinescu's win. For the first time since its foundation, Romania had changed heads of state with a ballot box and demonstrated that the tools for democratic government were now in place.⁵⁰

When Emil Constantinescu took the oath of office as president in late 1996 it's doubtful he could have anticipated with any degree of clarity the depth of the morass into which Romania had fallen. Prior to his ouster and execution by firing squad – a fate that also befell his wife Elena – Ceausescu spared neither the rod nor the people in eliminating a \$12 billion external debt that he felt was strangling the country. As a result of this policy, precious little was allowed to be imported and foodstuffs, which were

⁴⁷ Ibid., pp. 267-268. Popular perceptions tend to support Tismaneanu's assessment. In a December 1-20, 1999, poll by the Romanian Youth Association, 49 percent of respondents felt the events of late December 1989 were indeed a "revolution"; a hefty 41 percent, on the other hand, opined that "coup" was a more apt description of what took place. "Poll: 35 Percent Think Nothing Changed Since '89 Dec," *Rompres* (in English), December 23, 1999, (FBIS transcription).

⁴⁸ See James M. Goldgeier, "The U.S. Decision to Enlarge NATO: How, When, Why, and What Next?," *Brookings Review*, (summer 1999), p. 20, for a description of why the announcement came at this time. For a more detailed account of U.S. decision making leading up to the admission of Poland, Hungary, and the Czech Republic to the Alliance, see George W. Grayson, *Strange Bedfellows: NATO Marches East*, (New York: University Press of America, Inc., 1999).

⁴⁹ For a concise summary of the contorted, sometimes stormy 1996-98 political caldron, see, *Romania: Background and Issues for Congress*, by Carl Ek, CSR Report for Congress, August 17, 1998, order number 98-685 F, pp. 1-3.

⁵⁰ A good overview of the political environment surrounding the 1996 elections can be found in Michael Shafir, "Opting for Political Change," *Transition*, vol. 2, nr. 26, (December 27, 1996). Internet.

desperately needed by the Romanians themselves, were sold abroad to generate hard currency.⁵¹ Iliescu had spoken of the need for systemic reforms but failed to ensure action matched rhetoric. Given the draconian conditions Ceausescu imposed upon his downtrodden citizens, it is difficult to envision shock therapy as having been a viable option in the move from command to market economy in those first years of freedom. Still, Iliescu had from 1990 through much of 1996 to marshal support and gradually steer the nation's political and economic fortunes in the right direction through enlightened decision making. The failure to institute even modest structural reforms in the early nineties ensured Romania would lag other transition economies. His failures, and those of the governments he put in place, waited to greet the next president.

President Constantinescu took little time to attempt to rectify past missteps. Gaining admission to NATO became the nation's topmost obsession in the foreign affairs arena. Legions of government officials were sent to each NATO member to make the best case possible for the Southeast European country's NATO bid. The U.S. Ambassador to Romania at the time, Alfred Moses, marks the post-election efforts of the new leadership as a turning point in Bucharest's attempt to market itself and articulate what it could do for the Alliance.⁵²

Well-intentioned and eager to move forward, President Constantinescu struggled to formulate and implement policies designed to revitalize the economy and institute infrastructure reform. Three years into his term, in spite of Herculean efforts, the balance sheet still listed a bevy of less-than-favorable economic indicators such that in November of 1999 thousands of Romanians from across the nation took to the streets to protest the grim living/working conditions. As but one indicator among many of the extent to which popular frustrations had reached a breaking point, 10,000 demonstrators in Iasi called for the government to resign, with "Hail Nicolae Ceausescu" reverberating from the lips of some in the crowd. Many of the protests were organized and encouraged by union leaders to voice their frustration with ineffective government reform policies.⁵³

Quite obviously Iliescu missed the mark by a wide margin in terms of instilling the norms of behavior and statecraft looked for by the NATO community. Former Romanian diplomat Mircea Raceanu, who at one time was responsible for U.S. affairs within the Foreign Ministry, believes Iliescu compromised any goodwill felt toward Romania from the U.S. by effectively stifling economic and financial reform, refusing to brook political disagreement, and resuscitating many facets of the heavy-handed secret police apparatus. Constantinescu had a unique opportunity to capitalize on the new beginning his election afforded and to flush the poisoned atmosphere left by his predecessor's toxic administration. Early on the resilient U.S.-Romanian relationship seemed to regain its balance, helped in large measure by Romanian pledges to put in place decisive fixes to the country's ills. The inability to make the hard choices, turn the corner on economic/financial reform, suppress rampant corruption, and instill true democracy, Raceanu believes, soured the opportunity. Indeed, he opined that Romania has so far been ineffective in persuading Americans it is ready to cross the NATO threshold. "As a matter of fact, there exists serious doubt with regard to the attachment of some Romanians to the principals and values of the Atlantic Alliance." Raceanu appeared to suggest Romania has not matured politically and economically to the degree that it can knock on, let alone walk through, the "open" NATO door.⁵⁴

The famous Romanian dissident poet Ana Blandiana would seem to second Raceanu's assessment, although she appears to ascribe the systemic defects to demons buried much deeper in the national psyche:

⁵¹ Tismaneanu, *Reinventing Politics*, p. 226.

⁵² Alfred H. Moses, "Romania's NATO Bid," *SAIS Review*, vol. XVIII, nr. one, (winter-spring 1998), pp. 137-138. Ambassador Moses headed the American Embassy in Romania from late 1994 to mid-1997.

⁵³ See, for example, "Romanian Demonstrators Nostalgic For Ceausescu," *Agence France Presse*, November 23, 1999; and, "Romania Workers March, Seek Government's Dismissal," *Reuters*, November 24, 1999.

⁵⁴ Interview with former Romanian diplomat Mircea Raceanu, "Mircea Raceanu in dialog cu Anca Oegar despre relatiile romano-americe," *Lumea Libera*, nr. 580, November 13, 1999.

No one really lived better under Ceausescu, but they lived simpler. No one in Romania took responsibility for what happened in the country, because everyone pointed to Ceausescu. Now, every moment of life is a test for us all. For some people, the responsibility for their own lives is unbearable. They aren't used to it. That is the hardest burden of freedom. Everyone wanted to be free, but nobody recognized it would be harder to be free than not to be free.⁵⁵

Perhaps this mentality is partially to blame for the selective recollections of life under Ceausescu on the part of some, to whom present hardships eclipse past deprivations. Among those clustered over the late dictator's purported gravesite on his birthday was a wizened woman who lamented: "This grave is a symbol for 22 million impoverished Romanians....Life was bad under him, but now our life is hell on earth." Lest the Ceausescu spin be ascribed only to the aged, one young man, only seven at the time of the dictator's fall, observed that "Under Ceausescu, people at least knew that they would get jobs, no matter what."⁵⁶

Despite signs that the system is maturing, serious aberrations continue to leave Romania's political face pockmarked, causing some to question the true depth of commitment to democratic processes. In its August 1999 rating of Romania, Standard & Poors pointed out that "its unstable, immature political environment, dominated by personal rivalries and petty politics, sets Romania apart from its peers."⁵⁷

The Legal System

While nominally independent, the judicial branch of government is subject to manipulation by the executive branch, according to the State Department's 1999 review of human rights in Romania. Moreover, several serious problems detracted from the overall pattern of respecting citizens' rights. Of special mention in this regard, individuals under police detention continued to be subjected to beatings, and authorities routinely failed to apprise suspects of their legal rights as required by law. Investigations into police abuses frequently proved fruitless and charges of wrongdoing were rare.⁵⁸

In a separate 1999 assessment, Amnesty International cited "numerous reports of torture and ill-treatment." According to the report, 67 police officers were indicted in 1997 alone for abusive conduct/investigations (65) and torture (2). Authorities indicted another 23 officers on similar charges during the first half of 1998 (none for torture).⁵⁹ Given the seeming inability or lack of desire on the part of the legal system to prosecute law enforcement officials who cross the line, these figures are likely much higher. This is even more probable in light of a 1999 Romanian Helsinki Committee report that asserted "in 90 percent of the police abuse cases it had monitored in the past six years, the Military Prosecutor's Office [where police were tried] ruled that there should be "no indictment."⁶⁰

In an interim end-of-1998 report in support of Romania's bid to join the European Union, the European Commission determined the country was on track in terms of the major areas mentioned at the beginning of Section III of this paper. It caveated its comments by saying "much remains to be done in rooting out corruption, improving the working of the courts, and protecting individual liberties and the rights of the Roma [gypsies]."⁶¹

⁵⁵ As quoted in Roger Thubow, "Grave Revenge? Some See Auctioning Of a Dictator's Things As Political 'Exorcism,'" *The Wall Street Journal*, December 8, 1999.

⁵⁶ "Disillusion Reigns As Romanians Mark Ceausescu's Name Day," *Reuters*, December 7, 1999.

⁵⁷ "Analysis of Romania (Republic of)," Standard & Poors Sovereign Ratings Service, August 1999. Internet.

⁵⁸ U.S. Department of State, *1999 Country Reports on Human Rights Practices—Romania*, released by the Bureau of Democracy, Human Rights, and Labor, February 25, 2000.

⁵⁹ "Annual Report 1999: Romania," Amnesty International, undated. Internet.

⁶⁰ As cited in "Romania: Human Rights Developments," World Report 2000, Human Rights Watch, undated. Internet.

⁶¹ *Ibid.*

A well-known case that speaks to the political/judicial intersection of justice concerns Lieutenant General Ion Pacepa, former head of Romania's foreign intelligence service, known as the DIE, who requested political asylum in the U.S. in 1978. An avowed patriotic Romanian, he provided the West with a treasure trove of valuable information on what he said was a decadent communist regime he could no longer support. Nicolae Ceausescu vented his anger by having the general tried in absentia and condemned to death. Inexplicably, it took until June 7, 1999, 10 ½ years after the 1989 revolution, before the Supreme Court revoked the sentence. Pacepa himself called the action Romania's first step towards normalization but pointed out that at least 11 other Americans of Romanian origin have yet to have their Ceausescu-era sentences annulled. Included in this ill-fated grouping is Mircea Raceanu, who was cited above, a respected former high-ranking diplomat who as well received the gavel of Romanian justice after charges of spying were levied. Although amnestied in the midst of the '89 revolution's turmoil, a life sentence was reinstated in mid-1999.⁶²

Several months prior to his sentence revocation, Pacepa charged that – according to unnamed American political researchers – Romania's justice system lagged other former East European communist states by up to seven years in terms of its maturation. The general laid the blame squarely on the shoulders of Ion Iliescu and the undemocratic principles of his administration.⁶³

Do Governmental Institutions Still Harbor Non-Democrats?

The other former bloc nations have been more forgiving of their citizens who acted similarly to General Pacepa, choosing instead to confront the past, putting in context the motives of those who fought back against a system they could not stomach in an effort to save the country they loved. Often times these individuals received a hero's welcome on their return. Romanians, for some reason, have found it more difficult to forgive and forget, perhaps indicating the stamp of the communist press will take longer to overcome. The added difficulties in Romania may in part be explained by the efforts of pre-revolution functionaries, who continue to populate government institutions, to minimize – if not stall – further political change.

In terms of the current discussion, senior NSC official Jim Steinberg reportedly observed in July 1997 that Romanian intelligence services were stocked with former officers of the dreaded Securitate who did not favor jumping on the NATO bandwagon, let alone internalizing its credos. This reality, he said, drove the decision to exclude Romania in the first round of NATO expansion.⁶⁴ In 1998, another NSC official, Steve Flanagan, told the Voice of America the U.S. would have no dealings with military or security officials occupying positions of influence in the current government who carried the baggage of a dubious past.⁶⁵ Ambassador Funderburk believes this issue was a factor the first time around, but only one of several. "It would continue to be a factor, or it should be," he said, "as long as the numbers of former Securitate members is high in the current state secret police in Romania and in the military." He hastened to add that each of the recently admitted members to the Alliance also face this problem to some degree yet integrated with relative ease. There should be no "double standard" on this matter when

⁶² Ion Mihai Pacepa's commentary in "Un prim pas catre normalitate," *Lumea Libera*, nr. 558, June 12, 1999. Also see his post-Washington summit assessment in "Este timpul ca "justitia" comunista sa nu mai fie venerata," *Lumea Libera*, nr. 557, June 5, 1999; and, David Binder, "Safe in U.S., Ex-Envoy Is Haunted By Romania," *The New York Times*, December 26, 1999.

⁶³ Ion Mihai Pacepa, "E timpul ca si Romania sa devina stat de drept," *Lumea Libera*, nr. 551, April 24, 1999.

⁶⁴ See Ion Mihai Pacepa, "O noua era in istoria Romaniei," *Lumea Libera*, nr. 554, May 15, 1999; and, Gen. I. M. Pacepa, "E timpul ca serviciile secrete romane sa fie curatite de securisti," *Lumea Libera*, nr. 584, December 11, 1999. In this last article, General Pacepa attributes the source of Mr. Steinberg's comments to *The New York Times*, July 15, 1997, but the author could not locate this article independently. Ambassador Moses disputes claims that Mr. Steinberg would have made such a comment and discounts its impact on the first tranche deliberations. Author interview with former U.S. Ambassador to Romania Alfred Moses, January 13, 2000, Washington, D.C.

⁶⁵ As recounted in Mircea Raceanu, "Cateva considerente pe marginea relatiilor romano-americe," *Lumea Libera*, nr. 551, April 24, 1999.

considering Romania's application. While our misgivings may be more acute due to the slower pace with which the ranks have been weeded out vis-à-vis other countries of Central/East Europe, Funderburk said we should nevertheless encourage further housecleaning but not use this as an excuse to reject Romania's NATO bid.⁶⁶ The presence of former Securitate personnel in the current ranks of the Romanian security services are of less concern to former U.S. Ambassador to Romania Alfred Moses who characterizes them as "opportunistic" with "no ideological commitments."⁶⁷

The Romanian émigré press has continued to hammer this theme, however, reporting for example that former Securitate personnel remain sprinkled throughout the Ministry of Foreign Affairs (MAE). A prime case given is that of Ceausescu's former interpreter, Serghei Celac, who General Pacepa had earlier identified as a Soviet agent. Following the revolution Celac was appointed ambassador to Great Britain by the Iliescu administration but recalled shortly after the November 1996 elections. Rather than being pensioned off, then-Foreign Minister Adrian Severin and his successor Andrei Plesu found work for the former translator turned diplomat at the MAE.⁶⁸

Even the military is not immune to charges of offering safe haven to its share of former communists. A 1999 article in a Bucharest paper identified about a dozen such officers who prior to the revolution held positions as political officers in the Army. From this perch they served as the eyes and ears of a civilian leadership intent on ensuring that its officer corps keep its loyalties properly affixed to the RCP. Today these now colonels and lieutenant colonels occupy jobs of some authority and influence.⁶⁹ Even more troubling to some is the fact that "virtually the entire military elite in Timisoara [epicenter of the Romanian revolution], which was involved in massacring civilians...in 1989, has remained in place." According to Traian Orban, the driving force behind the Revolution Memorial Center for Information and Documentation in Timisoara, a large number of the officers directly involved in suppressing the uprising have since been promoted.⁷⁰ In response to the author's query on this matter, Major General Neculai Balan, defense attaché at the Romanian Embassy in Washington, D.C., replied that all military personnel facing allegations of wrong doing at the time of the revolution have been duly investigated by the military justice system. Action has been taken against those individuals where charges could be substantiated.⁷¹

A potential conclusion to draw from the preceding discussion would be that NATO's secrets might be at increased risk to compromise should Romania accede to the Alliance. However, a wider perspective shows that while Romania may lag other former satellite states in purging its institutional bureaucracies of nefarious characters and expunging its collective soul of "communist think," Poland, Hungary, and the Czech Republic face similar, though less-pronounced ills. Although the charges were too diffused to act upon, in 1996 Polish Prime Minister Jozef Oleksy left office when faced with allegations of past spying on behalf of the sword and shield of the Former Soviet Union, the KGB. And in 1999, Janusz Tomaszewski, a high-ranking official in the Interior Ministry, was obliged to give up his position "after reports surfaced that he had collaborated with the secret police of the former Communist regime." Not long after this incident, a top general, Slawomir Petelicki, who was "in charge of one of Poland's elite combat units that has worked closely with NATO," received his walking papers for much the same reason. The disgruntled officer refused to hand over the key to a safe rumored to contain "top-secret NATO documents." In a similar vein, former Deputy Defense Minister Robert Mroziewicz stepped

⁶⁶ Author interview with Ambassador Funderburk, January 10, 2000, Washington, D.C.

⁶⁷ Author interview with Ambassador Moses, January 13, 2000, Washington, D.C.

⁶⁸ Andrei Badin, "Cimitirul elephantilor rosii," *Lumea Libera*, nr. 573, September 25, 1999.

⁶⁹ Octavian Hoandra, "Current Army Posts of Former Political Officers Revealed," *Ziua*, September 14, 1999, (FBIS translation).

⁷⁰ Jeremy Bransten, "Romania: The Bloody Revolution In 1989 – Historic Facts Remain Obscured," *RFE/RL*, December 12, 1999.

⁷¹ Author interview with Major General Neculai Balan, Romanian defense attaché at the Romanian Embassy in Washington, D.C., and his assistant, Lieutenant Colonel Petrus Butu, on January 11, 2000. Prior to his posting in Washington, General Balan served as the Chief of the Human Resources Management Directorate, where he was responsible for personnel-related issues.

down after questions about his communist ties surfaced. Likewise, in the Czech Republic, the counterintelligence chief was relieved over reports he failed to make known Baghdad's intention to bomb Radio Free Europe's Prague offices in retaliation for start-up of Radio Free Iraq. A NATO official in Budapest summed up the quandary and risk of handing over NATO secrets to officials in newly minted Alliance countries that until relatively recently operated under the guiding light of communism: "If Russia, for example, wished to seize classified NATO material, it might be easier to do it here than, say, in London or Paris." Equally vexing, reports that a French major supplied Belgrade information on NATO military operations against Kosovo provides fresh evidence that establishment NATO countries themselves are not entirely impervious to unhealthy elements within their midst's.⁷²

Relations with Hungary and the Magyar Population in Transylvania

Another factor that speaks to the development of the Romanian political system is how it approaches relations with Hungary. Historically, relations between Budapest and Bucharest have been cool to the touch, primarily due to the differing claims over Transylvania and Romanian treatment of its Magyar population, whose numbers equal about 1.7 million, or roughly seven percent of the population. During the communist heyday, RCP historians credited Transylvania with having given birth to the original indigenous Romanian peoples, the Dacians. This "falsehood" was hotly contested by Hungarian historians who insisted their predecessors inhabited the area first. Each side produced voluminous empirical evidence to support its claim to have beaten the other in the ancestral race. This underlying hostility has traditionally affected virtually every aspect of Romanian-Hungarian relations.

The important conclusion of a friendship treaty in 1996 put a formal end to tensions and committed both sides to respect minority rights within their boundaries and to honor the current border demarcation. Ambassador Moses has written that "The signing in 1996 of the Romanian-Hungarian bilateral treaty was, for the region, comparable to German-French reconciliation after World War II."⁷³ Moving further afield, the two countries have additionally formed a joint battalion for use in peace-keeping operations. Although Bucharest has made admirable strides in its official relationship with Budapest, deep-seated animosities from time to time draw attention to the fact that problems remain. A particularly vexing thorn in the government's side has been a small, marginalized band of nationalists who seem unwilling to forget the past as a prelude to getting on with the future.

A caldron of ethnic tensions continues to simmer in the key Transylvanian city of Cluj, where the vehemently nationalistic mayor, Gheorghe Funar, cannot seem to restrain himself from stirring the pot of discord with unhelpful regularity. One such episode occurred in mid-summer 1997 when city employees removed the Hungarian flag affixed to the Hungarian consulate in Cluj, which had only recently been opened. To Funar's twisted sense of logic the three vandals who carried out this indiscretion deserved praise, not derision, for "a heroic act."⁷⁴ In mid-September 1999 Funar again went for the ethnic jugular, orchestrating a campaign against the newly appointed Hungarian consul general, Laszlo Alföldi, who the communist government had declared *persona non grata* 11 years earlier and ejected from the country on a murky spying charge. Lacking any semblance of sophistication in his methods, the mayor had a billboard erected in front of the Hungarian consulate general, which read: "Here is the Hungarian spy nest." The Hungarian ambassador to Romania decried the confrontational action, as did the chief party of ethnic Hungarians living in Romania, the Hungarian Democratic Union of Romania (UDMR), which called the sign a "provocation." The billboard was quickly removed on government orders. To give added thrust to

⁷² Michael J. Jordan, "New Allies Privy To NATO Secrets," *The Christian Science Monitor*, March 24, 1999; and, Roger Cohen, "Poland's Glossy Capitalism Displays a Darker Underside," *The New York Times*, September 30, 1999.

⁷³ Alfred H. Moses, Romania's NATO Bid," *SAIS Review*, p. 143.

⁷⁴ Paul Goble, "Analysis From Washington – Managing NATO Enlargement," *RFE/RL*, August 1, 1997.

his effrontery, however, Funar initiated a “fund-collecting action” to obtain the money needed to buy Alföldi a one-way ticket back to Hungary.⁷⁵

An equally contentious incident played itself out the following month in the western Transylvanian town of Arad over the planned unveiling of a statue at an event organized by the UDMR. The memorial commemorated Hungarian generals put to death in the aftermath of the 1848 revolution. The re-rollout of the monument – removed from its pedestal in 1924 by the ruling Liberal Party government – had been intended as a further sign of reconciliation between the Hungarian and Romanian governments. Hungary’s Prime Minister Viktor Orbán and Romania’s Prime Minister Radu Vasile were expected to officiate at a ceremony that would also see the consecration of a “Reconciliation Park,” of which the statue would hold center stage. Lamentably, such was not to be the case. The head of the extremist Greater Romania Party (PRM), Corneliu Vadim Tudor, raised the rhetorical flame, saying: “Those 13 generals were butchers of the Romanian people. They destroyed more than 280 Romanian villages.” In the face of such vitriol, the prime ministers understandably cancelled plans to attend. In the event, a drastically scaled-down observance still met with resistance as about 100 Romanian nationalists shouted insults at the 1,000 ethnic Hungarians attending a Catholic service to mark the start of the day’s ceremonies.⁷⁶

A legitimate question to ask is whether ethnic tensions in Transylvania really rise to a level of any consequence or are relevant in the context of improved official Hungarian-Romanian relations, i.e., a situation in which efforts have been made to resolve long-standing disagreements. Unquestionably the issue has been confronted and largely rendered moot. Ambassador Moses, for example, calls it a “tempest in a tea pot.”⁷⁷ Notwithstanding this judgment, it is nevertheless important to remain cognizant of developments with regard to Romania’s ethnic minority given the emotions the topic engenders and frequency with which it seems to draw our attention.

For example, according to a *Washington Post* article dealing with the Kosovo peace settlement, some in Europe may be uncomfortable with the precedent Kosovo set whereby outside intervention based on humanitarian concerns is possible in situations that would otherwise have been viewed as purely domestic disputes. As regards Romania: “When Deputy Secretary of State Strobe Talbott canvassed the Balkans for support, Romanian officials in Bucharest drew some of his aides aside. What exactly, they asked, does Kosovo portend for NATO’s attitude toward the restive ethnic Hungarian population in Romania’s Transylvanian region?”⁷⁸

The level of concern was further raised by Adrian Nastase, a PDSR vice president, while on an early January 2000 visit to Cyprus. To his way of thinking, the ability of a sizeable ethnic minority on Cyprus to engender outside support had direct implications for the situation in Transylvania. “It is important for us to watch the institutional evolutions of this problem,” he said, “which is grounded on the acquirement of certain advantages, of a certain status for a certain ethnic community after the intervention of some foreign supportive forces.”⁷⁹

⁷⁵ See “Anti-Hungarian Message Posted in Cluj,” *Radio Romania Network*, September 17, 1999, (FBIS translation); “Cluj Mayor Sparks Diplomatic Row With ‘Insulting’ Plaque,” *Paris AFP* (North European Service), September 17, 1999, (FBIS transcription); “Budapest Denounces Cluj Plaque as ‘Tasteless and Boorish,’” *Paris AFP* (North European Service), September 17, 1999, (FBIS transcription); and, “Funar Collects Money for Hungarian Consul’s Ticket Home,” *Radio Romania Network*, September 17, 1999, (FBIS translation).

⁷⁶ See “Statue Row Casts Pall Over Romania-Hungary Ties,” *Reuters*, October 6, 1999; “Romanian Justice Minister Not To Attend Arad Ceremony,” *Radio Romania Network*, October 5, 1999, (FBIS translation); “Hungarian Prime Minister Arrives on Brief Visit to Arad,” *Radio Romania Network*, October 5, 1999, (FBIS translation); “Crowd Chants Anti-Hungarian Slogans During Arad Ceremony,” *Radio Romania Network*, October 6, 1999, (FBIS translation); and, “Foreign Ministry Condemns ‘Manipulation’ of Arad Ceremony,” *Radio Romania Network*, October 6, 1999, (FBIS translation).

⁷⁷ Author interview with Ambassador Moses, January 13, 2000, Washington, D.C.

⁷⁸ Barton Gellman, “The Kosovo Peace Deal: What It Means,” *The Washington Post*, June 6, 1999.

⁷⁹ As quoted in “Adrian Nastase Fears For Transylvania In Cyprus,” *Monitorul* (in English), January 11, 2000.

Of more recent vintage, in early February 2000 Radu Vasile, who President Constantinescu relieved as prime minister at the end of 1999, formed a new far-right party (Romanian People's Party (PPR)) whose tenets cut against the grain of where most Romanian political leaders hope to take the country. The PPR program focuses on "the central role of the nation and the church, authoritarianism and the rejection of multiculturalism....Suspicion of foreigners should be thought of as a natural instinct, because social cohesion can be affected by the presence of foreigners."⁸⁰ Such vitriolic commentary no doubt was written with the Magyar population in mind.

It is no exaggeration to say that the matter of ethnic discord will not be dealt with simply by the stroke of a pen on a bilateral treaty. The Romanian government admitted as much in the 1997 White Paper (or White Book) it prepared to bolster its case for NATO admission: "History bears proof that, whenever Romania and Hungary were included in the same security arrangement, their relationship, though most of the time uneasy, was at least non-conflictual. When that was not the case, tension and mistrust prevailed."⁸¹ The implication is clear. While Bucharest has firmly secured the lid atop the ethnic brew in Transylvania, the unremitting interaction of Magyar and Romanian nationalism still retains a subdued volatility that has the potential to periodically upset the national stomach. Janusz Bugajski, who has long followed developments in Romania, says that "Although few politicians outside of the nationalist circles attack the government on ethnic grounds, if political or social instability intensified, the ethnic card could be increasingly played by elements of the opposition."⁸²

In spite of the complexities inherent whenever a country deals seriously with questions attendant to a sizeable national minority, Romania has made unmistakable progress. Much remains to be done, but the proper direction is set. In the opinion of Laszlo Borbelyi, "It lies in the power of Romanian decision-makers to turn this pattern [reduced ethnic tensions] into a perceivable reality which would be an impetus to Romania's integration into European and Euro-Atlantic structures."⁸³

Run-up to the 2000 Elections: No Easy Answers

In surveying his country's state of affairs the venerable and respected former King of Romania, Michael (known in Romania as Mihai), whom the Soviets forced to abdicate on December 31, 1947, observed that those desiring entry into NATO must conform to a set of minimum standards as regards the political and economic milieu. In Romania's case, he lamented, the situation markedly deteriorated in the roughly two-year period following the Madrid Summit, most especially in the areas of stagnated privatization, unresolved questions regarding dossiers of the communist-era Securitate, and political instability. More to the point, without a retooling of the economy, the country's chances of ever joining the Alliance would slowly slip away, he said.⁸⁴ The country's former Foreign Minister, Dr. Adrian Severin, also targeted the unpredictable foreign policy for criticism, intoning that "because of its inconsistent foreign policy, Romania is no longer considered a significant political factor in the [Balkan] region."⁸⁵

⁸⁰ "New Far-Right Party In Romania," *Agence France Presse*, February 4, 2000.

⁸¹ "White Book on Romania and NATO," The Ministry of Foreign Affairs of Romania, 1997.

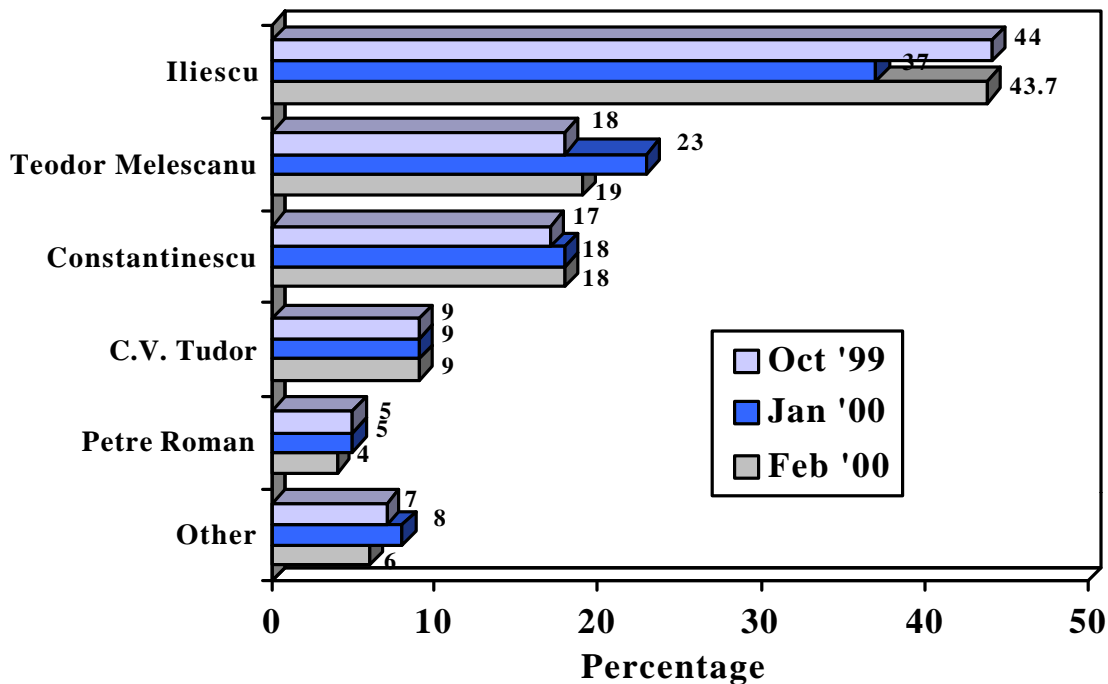
⁸² Janusz Bugajski, Director, East European Studies, Center for International Studies, "Key Elements of Romania's Security Strategy," *Euro-Atlantic Integration*, p. 52.

⁸³ Laszlo Borbelyi, Secretary of State, Romanian Ministry of Public Works, "National Security and Ethnic Relations," *Euro-Atlantic Integration*, p. 191.

⁸⁴ Liviu Valenas interview with Romania's former King Michael, "La noi a lipsit o decizie politica," *Lumea Libera*, nr. 547, March 27, 1999.

⁸⁵ Interview with former Romanian Foreign Minister Adrian Severin, *Invest Romania*, July 1999. Internet.

Figure 1: Popular Preferences for President



Source: “Munca este prost platita, greu de gasit, neorganizata si grea,” *Monitorul*, November 19, 1999; “Cotitura in sondaje,” *Monitorul*, February 1, 2000; and, “Ion Iliescu urca din nou in sondaje,” *Monitorul*, February 15, 2000.

In large measure, the 2000 parliamentary and presidential elections will clarify the degree to which Romania has institutionalized democratic traditions and jumped the hurdle of authoritarian rule. Initial indications, however, suggest a major segment of voters increasingly entertain the notion that Ion Iliescu’s neo-communist PDSR holds the tonic to cure the country’s chronic economic ills, having lost, to a substantial degree, faith in the current administration’s elixir. An October 1999 and February 2000 poll dramatized the popular disillusionment, showing the PDSR held a commanding lead over President Constantinescu’s CDR (see table 1). Moreover, in the presidential sweepstakes, a February 2000 sounding showed Iliescu garnering 43.7 percent of respondents, as compared to but 19 percent for Alliance for Romania (ApR) chairman Teodor Melescanu. Constantinescu ran a distant third with 18 percent of the tally, less than half of Iliescu’s total (see figure 1). Compounding Constantinescu’s dilemma of how to press ahead on reforms while positioning himself and his party for the upcoming election, 61 percent of respondents in the October 1999 poll indicated they fared better under Ceausescu than Constantinescu; shockingly, 22 percent even selected the former communist dictator as the country’s top leader in the last century. Over two-thirds of Romanians further felt the country was careening in a direction opposite of where it needed to go, while at the same time pledging continued allegiance to a market economy.⁸⁶ Equally surprising, a separate end-of-January 2000 poll found Iliescu was viewed as

⁸⁶ The 1999 polling was conducted October 14-27 of 2,019 adults. The margin of error was plus or minus 2.2 percent. “Munca este prost platita, greu de gasit, neorganizata si grea,” *Monitorul*, November 19, 1999. For selected English-language reporting on the poll results, see “Romania Says Life Was Better Under Ceausescu,” *Reuters*, November 19, 1999. No further information was provided concerning how the January 2000 IMAS poll was conducted. “Cotitura in sondaje,” *Monitorul*, February 1, 2000. The February 2000 poll was conducted by INSOMAR during the period February 8-10 of 1,225 individuals over 18 years of age. The margin of error was plus or minus 2.9 percent. “Ion Iliescu urca din nou in sondaje,” *Monitorul*, February 15, 2000. One Romanian specialist with whom the author spoke believed the polls reflect more of a sentiment against Constantinescu and his

caring more for the problems of the average citizen than Constantinescu by a wide margin (36.3 percent vs. 14.8 percent). This despite the fact that 31.7 percent of respondents identified the current president more closely with efforts to instill democracy in the country than Iliescu, who pulled in 21.9% of the total.⁸⁷

Beyond the polling data, as the PDSR's elder statesman and party nominee for the 2000 presidential elections, Iliescu retains a major influence over political developments and must be taken seriously.⁸⁸ In early-April 1999 comments to reporters, the opposition leader voiced strong disagreement with NATO actions in Kosovo. "We have disapproved and openly disapprove," he said, "NATO's military action, which contradicts both its statute and the international law." When pressed on the potential for NATO troops to operate within Romania, he replied:

We are categorically against it....We also have a juridical commitment – the treaty with Yugoslavia. This forbids any of the two countries from granting assistance to a third party that attacks either Romania or Yugoslavia. Thus, I believe that both ethical, juridical obligations, and our fundamental political interest force us to adopt this stance. It is neither an anti-West or anti-NATO stance, nor a pro-Russian one....It is a diversion that is trying to grant a monopoly on Western values only to some political forces. Through all their actions, they show a servile docility which everybody in the world disregards.⁸⁹

Table 1: Party Preferences (Oct 99/Feb 00)

PDSR - 46%	43%
CDR - 17%	12%
ApR - 13%	20%
PRM - 8%	4%
PD - 6%	9%
UDMR - 5%	5%
UFD - 2%	Not Given
Other - 3%	Not Given

Source: "Munca este prost platita, greu de gasit, neorganizata si grea," *Monitorul*, November 19, 1999; and, "Ion Iliescu urca din nou in sondaje," *Monitorul*, February 15, 2000.

Iliescu seems to have a knack for living up to the reputation he enjoys in some circles as the "last Mohican communist" in East Europe.⁹⁰

policies rather than a true vote of support for Iliescu and the PDSR. In this individual's opinion, Iliescu's numbers will plummet as the November 2000 election nears and that he will not regain his former office. Author interview, January 12, 2000, Washington, D.C. Alternatively, a U.S. Government official disputed this assessment, stating the consistency of the poll numbers do speak to an identifiable, significant block of support for Iliescu and the PDSR. Author interview, January 12, 2000, Washington, D.C.

⁸⁷ The Bureau for Social Research (BCS) conducted the opinion poll January 24-31, 2000. It questioned a total of 1,486 individuals of voting age and had a margin of error of plus or minus 2.7 percent. "Constantinescu trece testul," *Monitorul*, February 10, 2000.

⁸⁸ In the first part of October 1999, the PDSR elected Iliescu to be the party's candidate for president. "Romania's Former President Iliescu To Run Again In 2000," *Agence France Presse*, October 10, 1999.

⁸⁹ "PDSR President Opposes NATO Troops on Romanian Territory," *Adevarul*, April 20, 1999, (FBIS translation). One wonders where Iliescu truly comes down on the NATO question. In a May 1999 editorial in *The Washington Post* he unequivocally urged the U.S. to keep the Russians as far away from the Danube as possible because "I don't trust the Russian agenda in our region." He pleaded with Americans not to "give the Russians a way to return to southeastern Europe....Russia looks weak today from the vantage point of the United States. But we're much closer....Tomorrow's Russia will be hostile to us as we continue to express interest in another round of NATO and European Union enlargement." Iliescu's determined opposition to the stationing of Alliance troops on Romanian soil is curious as this would seemingly serve as the best deterrent possible to hold the Russian bear at bay. Even if the presence were only temporary, it would send a powerful signal to Moscow. Ion Iliescu, "Keep Russia Away From the Danube," *The Washington Post*, May 23, 1999. Interestingly, the year before Iliescu's editorial appeared, Russia's ambassador to Romania, Valery Kenyeikin, said "it is apparent that Romania's intention to seek NATO membership is not because of a threat from Russia." As quoted in Ron Popeski, "Russian ambassador to Romania warns against NATO expansion," *Reuters*, June 30, 1998.

⁹⁰ Romanian Democratic Union of Hungarians in Romania (UDMR) Senator Gyogy Frunda, vice president of the Justice Commission at the Council of Europe, said Iliescu had a "negative reputation" at the Council of Europe

Romania's political future appeared to slide deeper into uncertainty when Prime Minister Vasile hosted a June 1999 meeting with the PDSR leadership to identify potential areas of mutual agreement. Not unexpectedly, as an editorial by Roxana Iordache pointed out, rather than compromise the PDSR representatives made it known "that, once in office, they will cancel all the steps taken by the current ruling coalition." Such comments call into question the hoped for drive toward "Euro-Atlantic integration." "The PDSR's attitude," she says, "tells the international community that it cannot count on the continuation of the economic and institutional reform process, and on Romania's foreign policy." Reportedly, threatened abrogation of new property laws, disavowal of agreements concluded with the IMF and World Bank, a renewal of the state's role in the economy, a reorientation from the transfixed focus on the West, along with other like-minded propositions, represented the PDSR's strategy to retake the Cotroceni presidential palace.⁹¹

Ambassador Funderburk would seem to support this assessment. In his opinion, Iliescu's election would send the wrong signal to the West and be a major obstacle to Romania's NATO hopes. The return of neo-communists to top positions, concomitant with little or no further cleansing of the intelligence services of Securitate holdovers, would put in place leaders with "a mentality of the governments of the past...they would not be very sympathetic at all with NATO's objectives." Ambassador Funderburk underscored the importance he would attach to Iliescu's return to power by stating: "I would be opposed to the United States supporting NATO inclusion for Romania under an Iliescu government...the preferences and the druthers of those of the people around him aren't really the same shared values that NATO has." He did, however, leave open the possibility that over a several year period an Iliescu administration could demonstrate it was steering the country in a proper direction, which might argue for a reevaluation at that distant date. The time line required to adequately gauge Iliescu's actions would not fall within the expected NATO enlargement relook in 2002.⁹²

The changing political currents call into question whether macro policies can be expected to carry over from one administration to the next. Against this panorama one might consider the phase-shift in the Romanian government's attitudes toward "friendly" use of national airspace and land areas that has occurred under the Constantinescu administration.⁹³ During the Kosovo conflict Bucharest willingly allowed NATO activities to occasionally make use of national territory and airspace.⁹⁴ This sort of cooperation ran through Constantinescu's entire approach to drawing ever closer to NATO. For example, in early March 1998, Parliament overwhelmingly voted in favor of a presidential request for the period March-December 1998 to allow:

where he was known as the "last Mohican Communist in the zone." Interview with Senator Frunda, "La Consiliul Europei, Iliescu est cunoscut ca ultimul mohican communist," *Monitorul*, November 27, 1999.

⁹¹ Editorial by Roxana Iordache: "Daily Foresees Dangers if PDSR Wins Back Office," *Romania Libera*, June 19-20, 1999, (FBIS translation).

⁹² Author interview with Ambassador Funderburk, January 10, 2000, Washington, D.C.

⁹³ According to a Metro Media Transylvania poll conducted in May at the time of NATO operations in Serbia and Kosovo, the vast majority of citizens opposed the basing of NATO troops in Romania (78 percent opposed, 13 percent approved). On the question of NATO's use of Romanian airspace for the duration of operations in Yugoslavia, 69 percent rejected the notion compared to 22 percent who favored it. No specifics as to the number of individuals polled or error rate were provided. "Sondaj Metromedia," *Lumea Libera*, nr. 558, June 12, 1999.

⁹⁴ A salient point was raised by military sources that told reporters "NATO aircraft cannot consider taking off from Romanian airports to carry out combat missions in Yugoslavia" because of the absence of specialized equipment to load/unload Alliance munitions. Romanian facilities also lacked requisite fuel-handling systems. "Romanian Airports Unfit for NATO Actions," *Ziua*, May 4, 1999, (FBIS translation). On the other hand, NATO troops arrived at Craiova to install a mobile radar for better coordination/control of NATO flights through Romanian airspace. "100 NATO Soldiers Install Mobile Radar at Craiova Airport," *Rompres* (in English), June 1, 1999, (FBIS transcription). A NATO team composed of U.S. and British personnel reportedly also operated out of Timisoara, using Romanian-generated air surveillance information to monitor Balkan operations. "NATO Air Surveillance Team's Stay in Timisoara Unlimited," *Radio Romania Network*, June 17, 1999, (FBIS translation).

...the entrance, stationing, and crossing of Romania's national territory and its territorial sea, of foreign troops and military units, with personnel and land, air, and sea military technique, in order to participate in the multinational drills and exercises under NATO Partnership for Peace and other joint military training of the Romanian Armed Forces."⁹⁵

From a strictly historical perspective, this represents a stellar about-face. Besides refraining from participation in joint exercises with other Warsaw Pact nations, Romania's eclectic communist leader Nicolae Ceausescu adamantly rebuffed Soviet entreaties to hold Pact exercises on Romanian soil.⁹⁶ One wonders if a PDSR-led government would adhere to Iliescu's implied rhetoric of withholding approval for the stationing of foreign troops under any circumstance or instead allow easy access to the heartland as a tactical move to garner a toehold in NATO before retracting the welcome mat.

Romania's Ambassador to the U.S., Mircea Geoana, makes a convincing argument that there can be no question but that future governments, regardless of the individuals or parties involved, would not take decisions detrimental to the Alliance. No matter the governmental make-up, Romania would prove to be a worthy and reliable ally, he told the author.⁹⁷

Whatever problems may be associated with actually getting to the causeway leading to NATO membership, the armed forces have largely been immune to criticisms for the current state of affairs.⁹⁸ Interestingly, and perhaps not so surprisingly, only the Orthodox Church generates more trust as an institution than does the military. In a tumultuous period of uncertainty, the church and armed forces no doubt represent historical pillars of stability that as a minimum offer a recognizable landmark against which to judge the ever-evolving political and social backdrop. Politicians and their institutions, on the other hand, are generally held in low esteem and engender little public trust, reflecting a frustration with the lack of meaningful improvement in people's lives. This perhaps accounts for the wide mood swings in popular attitudes toward government policies. Wages continue to melt away under the heat of inflation, living standards plummet as politicians increase their rhetoric, all the while the government seems unable to find the key that will unlock the door to national prosperity.⁹⁹

⁹⁵ "Parliament Approves NATO Military Exercises," *Rompres* (in English), March 5, 1998, (FBIS transcription).

⁹⁶ See Andrzej Korbonski, chapter in *The Warsaw Pact Political Purpose & Military Means*, ed. Robert W. Clawson and Lawrence S. Kaplan (Wilmington, Delaware: Scholarly Resources Inc., 1982), p. 11; Stephen Fischer-Galati, *20th Century Rumania*, (New York: Columbia University Press, 1991), p. 186; and, Roger Kirk and Mircea Raceanu, *Romania versus the United States: Diplomacy of the Absurd, 1985-1989*, (New York: St. Martin's Press, 1994), p. 4.

⁹⁷ Author interview with Ambassador Geoana, January 11, 2000, Washington, D.C. Discussions with various other knowledgeable individuals both in and out of the U.S. Government reflected a similar sentiment. Of related interest, during conversations with the Romanian defense attaché and his assistant, the author asked how an Iliescu-led Romania would have reacted/voted to the question of NATO bombing in Serbia and Kosovo had it been an Alliance member at the time of the decision. The response was that Iliescu and the PDSR had in effect already cast a vote under circumstances similar to the hypothetical situation I posed. Specifically, on the issue of NATO use of Romanian airspace and national territory to support Yugoslavia-related operations, during the parliamentary debate the PDSR abstained rather than cast an outright "no" vote against the government request to accommodate NATO forces. As a result, the PDSR was able to show its disagreement with Constantinescu's policy without interfering with its actual implementation. Author interview with Major General Balan, January 11, 2000, Washington, D.C.

⁹⁸ As Ambassador Geoana pointed out to the author, despite the hardships, national turmoil, and austere defense budgets since the '89 revolution, there has never been a hint that the military ever considered taking any form of unilateral action to attempt to rectify matters on its own or to operate along anything but democratic principles. This is further evidence that democracy has taken hold in the country and that the military is under firm civilian control. Author interview with Ambassador Geoana, January 11, 2000, Washington, D.C.

⁹⁹ According to a May 1999 poll conducted by Metro Media Transylvania (referenced earlier in the paper), Romanians ranked their faith/belief in public institutions as follows: (1) church (88 percent); (2) military (75 percent); (3) police (49 percent); (4) local government (46 percent); (5) president (40 percent); (6) Romanian Intelligence Service (SRI) (33 percent); and, (7) trade unions and justice system (each 30 percent). No specifics as to the number of individuals polled or error rate were provided. "Sondaj Metromedia," *Lumea Libera*, nr. 558, June

As alluded to earlier, in a demonstration of exactly the type of behavior political leaders fear most, the latent, pent-up popular frustration gave vent in early November 1999 to clashes with police in the Transylvanian city of Brasov where 8,000 truck plant workers gathered to clamor for higher pay and job security. Several months prior to this they had been promised a substantial wage hike, which failed to materialize due to sluggish truck orders. At the same time, upwards of 3,000 students came together in the capital to insist on more money for education grants.¹⁰⁰ Further compounding the domestic unrest, 1,000 railroad employees shut down the Nord Station in Bucharest at mid-month, demanding higher wages – even though they had benefited from wage hikes of 44 percent since October 1998. By early December, railroad workers nationwide were not only stifling rail traffic as leverage to gain a 70-percent wage hike, but insisting upon a Christmas bonus as well.¹⁰¹ Elsewhere, 1,500 workers at a steel pipe firm impeded traffic in another Romanian city to object to the sale of 70 percent of the company to a foreign enterprise. The deal entailed handing out pink slips to half the manufacturer’s 3,000 employees.¹⁰² On November 18, in the major Black Sea port city of Constanta, 2,000 workers protested against government programs, while thousands of additional laborers came together in cities such as Ploiesti, Turnu Severin, and Timisoara in labor union-organized rallies. Many of the protestors chanted anti-government slogans and some even carried portraits of Ceausescu.¹⁰³

In the face of such popular unease over the lack of tangible rewards subsequent to a decade of hardship and privation, Romanian leaders feel pressed upon more than ever to deliver on the lofty promises of the past. And yet the painful, tortoise-like progress to improve societal conditions shows no signs of stepping up the pace. President Constantinescu gave voice to the disaffection, admitting that “Popular discontent and its release through protests is justified. What is wrong is not the direction we are going, but the slow pace of reforms.” In airing his judgment, Constantinescu laid a good share of the blame at the feet of his predecessor, specifically citing Iliescu’s oversight of a foreign debt that ballooned from \$200 million when he took office in 1990 to \$7.5 billion when he departed six years later. “Romania was seven years late in starting market change,” Constantinescu said.¹⁰⁴ In a further revelation of the obvious, on October 29, 1999, he admitted that after three years in office, no meaningful solutions had taken root that would assist the development of small- and medium-sized private enterprises.¹⁰⁵

Spurred to action by the inability of his latest prime minister to exorcise the economic and social evils bedeviling the government, President Constantinescu sacked Radu Vasile in mid-December, propelling the country into a fresh round of uncertainty. The primary charge levied against Vasile, who had been prime minister since March 1998, was his inability to effectively quarterback the long-overdue economic reform. Contributing to what one commentator referred to as “a typical Romanian circus,” was the ambiguity surrounding the prime minister’s dismissal. According to media reports, the majority party in the ruling coalition, the Christian Democrats, precipitated the crisis by withdrawing its support, which included the resignation of the entire cadre of Christian Democratic ministers (seven). Three Liberal

12, 1999. An early January 2000 poll by the Institute of Sociology and Public Opinion validated the earlier numbers, though at somewhat lower percentages. It showed that 66.99 percent of respondents expressed trust in the Orthodox Church, while 47.14 percent felt similarly about the armed forces. The SRI followed at 23.25 percent along with 21.17 percent for the police. On the other extreme, those institutions in which Romanians had the least trust included Parliament at 55.72 percent, government at 51.67 percent, political parties at 50.48 percent, and the presidency at 42.86 percent. The poll was conducted January 2-8, 2000, of 2,000 individuals in 84 locations across the country. The margin of error was plus or minus 3 percent. “Survey Examines Population’s Political Preferences,” *Rompres* (in English), February 7, 2000, (FBIS transcription).

¹⁰⁰ See “Romanian Workers and Students Protest,” *Reuters*, November 5, 1999; and, “Five Police Officers Hurt In Clashes With Angry Workers in Romania,” *Agence France Presse*, November 5, 1999.

¹⁰¹ See “Railway workers put Nord Station on deadlock,” *Monitorul* (in English), November 12, 1999; and, “Romanian Railworkers Launch Strike,” *Agence France Presse*, December 6, 1999.

¹⁰² “Romanian Steel Workers Protest Privatization,” *RFE/RL*, November 16, 1999.

¹⁰³ “Romanian Workers March In Anti-Government Protests,” *Reuters*, November 19, 1999.

¹⁰⁴ As quoted in “Romanian Leader Says 1999 ‘Make-or-Break’ For Reform,” *Reuters*, November 17, 1999.

¹⁰⁵ “Dupa trei ani,” *Lumea Libera*, nr. 579, November 6, 1999.

ministers followed suit. Constantinescu held firm to the position that under the circumstances it was within his presidential powers to relieve the prime minister and name a replacement. Many questioned this view, including one of the key drafters of Romania's 1991 constitution, Antonie Iorgovan, who maintained the president exceeded his authority.¹⁰⁶ Within this country, Ambassador Funderburk expressed the opinion that Constantinescu's action was not a major break down in the democratic process and that the president's move was a minor blip on the political landscape.¹⁰⁷ Ambassador Moses voiced the opinion that the situation could have turned into a more significant event than it eventually became had Vasile chosen to stay and fight for his position.¹⁰⁸

Despite the controversy, including Ion Iliescu's charge that "All the laws passed by this government will be unconstitutional," President Constantinescu nominated Central Bank Governor Mugur Isarescu to be the new head of government. The 50-year-old apolitical technocrat, who had been a central bank governor since 1990, came to the job with a PhD in economics – an appropriate grounding for the tough job of clearing the underbrush impeding the nation's fiscal development.¹⁰⁹ Luckily, heated words all around did not stoke the embers of inter-party discord to the point of a true crisis, and the moment passed without undue consequence. Still, Romanian specialist Michael Shafir believes "Romania's rulers could hardly have designed a more effective way to damage their country's political image if they had intentionally sought one."¹¹⁰

The new prime minister sought to quickly dispel any thoughts that the under-stocked fiscal reservoir would miraculously be filled and the floodgates opened. In keeping with the spirit of the season, he said "The government is no Santa Claus and we have no presents to make. We revised the [1999 state] budget, but that revision was not a very generous one." Earmarking economic reform as the touchstone of the government's program for 2000, he identified a 3-percent budget deficit, 25-30 percent inflation rate, and economic growth rate of 1.3 percent or better as goals for the upcoming year.¹¹¹ Apparently cognizant of the limited time available in which to take any meaningful action, the government quickly unveiled plans to cut the tax on corporate profits by 13 percent (going from 38 to 25 percent) and establish a consistent rate for the value added tax of 19 percent, which varied between 11 and 22 percent based on product.¹¹² Like a swimmer struggling against a strong undercurrent, Isarescu must overcome the very real impediment of a waning government's ability to effect change in an election year – a negative force that could easily derail even well-intentioned reforms.

¹⁰⁶ For a summary of events behind Vasile's dismissal, see "Romanian President Threatens To Dismiss Prime Minister," *Agence France Presse*, December 13, 1999; "Politics Brings Down Romanian PM," *Reuters*, December 14, 1999; "Romanian President Dismisses PM Vasile," *Reuters*, December 14, 1999; and, "Romania's Christian Democrats Meet To Choose PM," *Reuters*, December 14, 1999. Many critics charged that while the constitution provides for the president to choose a prime minister, it makes no specific provision for him to dismiss one. Article 85 allows the president to "designate a candidate to the office of Prime Minister and appoint the Government on the vote of confidence of Parliament." Likewise, Article 102 states that the president "shall designate a candidate to the office of Prime Minister, as a result of his consultation with the party which has obtained absolute majority in Parliament, or – unless such majority exists – with the parties represented in Parliament." Finally, Article 106 stipulates that "If the Prime Minister finds himself in one of the situations provided for under Article 105 [Membership of the Government shall cease upon resignation, dismissal, disenfranchisement, incompatibility, death, or in any other cases provided by law], or in case of his inability to exercise his powers, the President of Romania shall designate another member of the Government as interim Prime Minister, to discharge the powers of a Prime Minister until formation of the new Government..." Romanian Constitution, adopted December 8, 1991.

¹⁰⁷ Author interview with Ambassador Funderburk, January 10, 2000, Washington, D.C.

¹⁰⁸ Author interview with Ambassador Moses, January 13, 2000, Washington, D.C.

¹⁰⁹ "Romania Names New Prime Minister," *AP*, December 17, 1999; and, "Romanian Central Bank Governor Isarescu Nominated New Premier," *Bloomberg News*, December 16, 1999.

¹¹⁰ Michael Shafir, "Romania: Governmental Crisis Damages Country's Reputation Abroad," *RFE/RL*, December 16, 1999.

¹¹¹ "New Romanian PM says he's no Santa Claus," *Reuters*, December 24, 1999; and, "Isarescu Details New Romanian Government's Priorities," *Rompres* (in English), December 21, 1999, (FBIS transcription).

¹¹² "Romania Moves on With Radical Fiscal Reform," *Reuters*, December 31, 1999.

Summary

Romanian scholar Daniel Nelson feels the West should seize the prospect for hope presented by the change in government to assist the beleaguered country. “A society, “ he says, “can hold on only so long in the grip of misery and isolation. We have the opportunity to offer money and support while there is still a democracy to protect and stability to preserve.” While acknowledging that the U.S. and others have provided some assistance, “it is far from enough,” he said. Among the proposals Nelson feels would bolster Romania’s future include an “unequivocal endorsement of Romania’s entry into NATO in the next round” and an influx of additional monetary aid.¹¹³

Asked whether he thought Mr. Nelson was on the right track, Ambassador Moses rejected the notion that additional aid money should be shuttled to Romania in this manner. In his view, the amounts would be insignificant relative to the problem and would in any event not be utilized for the intended purpose.¹¹⁴ Ambassador Funderburk suggested that the above proposition is untenable as long as Romanian’s fail to understand the underlying mechanics of a free market system. Foreign investments and outside money will only begin to flow once policies are put in place that encourage, rather than discourage, businessmen to spend the time and effort required to eventually see a reasonable return on their money. Until such time as a consistent investment policy/legal framework is constructed and incentives are hard wired into the system, few investors will be willing to mark time in Romania when they can make money elsewhere. “The track record is one that deters and discourages Americans [businesses] from wanting to go over there,” Funderburk added.¹¹⁵

Precisely because of the pathetic domestic conditions Mr. Nelson laments, Iliescu and his party stand poised to take advantage of the unfolding situation and will no doubt play to the public’s fears in the run-up to the November 2000 parliamentary and presidential elections. Iliescu’s bare-knuckles, scorched-earth campaign style will also likely attempt to deflect attention from his less-than-stellar accomplishments while president. Such was seemingly the case at the end of February 2000 when he sent a letter to Constantinescu, charging that the president’s close associates were plotting to kill him. The information apparently derived from an unnamed source who did not wish to come forward. In a statement released by the PDSR, it claimed “a plan for [Iliescu’s] physical elimination has been drawn up by the current president’s entourage.” It went on to state that \$1 million had been set aside for the operation, which called for Iliescu to be infected “with various viruses, administering lethal substances or organizing a shooting or bomb attack.” The apparent rationale for the alleged action would be to take Iliescu out of the presidential election mix. A “stupefied” presidential spokesman denied the accusation and said “Iliescu has an obligation to immediately inform the state prosecutor of the identify of the source so an investigation can be opened.”¹¹⁶

In spite of such theatrics, the country has proven its resilience, weathering the latest political storm over the unresolved constitutional questions surrounding Prime Minister Vasile’s ouster, although they will ultimately have to be ironed out. Political fractures occurred, however the democratic process continued to work as advertised. That is good news indeed. Still, given the uneven record it would seem more time must pass before the Romanian political system has progressed to the point where it can be given a clean bill of health. Mr. Nelson’s suggestion to support economic development might seem reasonable, but is untenable at this juncture absent further reforms; support for NATO membership would also seem to be premature.

Closely tied to the political power structure and the elites who man it is the precarious economic house of cards that they have built. As will be seen in the section that follows, the record book of

¹¹³ Daniel N. Nelson, “Ten Years On, Romania Has Earned Our Help,” *The Washington Post*, December 26, 1999.

¹¹⁴ Author interview with Ambassador Moses, January 13, 2000, Washington, D.C.

¹¹⁵ Author interview with Ambassador Funderburk, January 10, 2000, Washington, D.C.

¹¹⁶ See “Former Romanian Leader Accuses Presidential Aides of Assassination Plot,” *Agence France Presse*, March 1, 2000; and, “Echipa electorala a lui Iliescu a luat-o razna,” *Monitorul*, March 1, 2000.

accomplishments contains precious few entries and offers only moderate reason to be optimistic about future corrective action and positive developments.

SECTION IV—THE ECONOMIC COMPONENT

*Every Romanian, and every friend of Romania, knows that today this country needs one thing more than anything else. And it's not joining NATO, as important as that goal is. It's a growing economy, one that raises the standard of living of the average Romanian..*¹¹⁷

James Rosapepe, U.S. Ambassador to Romania

Romania's failure to be admitted in the first wave of NATO integration is the result of economic factors alone.

General Constantine Degeratu, then-Romanian Army Chief of the General Staff¹¹⁸

I know there are some discussions which are not favorable for Romania regarding the economic situation. From my point of view, these comments are strange...NATO is a military and political organization. If we discuss NATO enlargement, then we have to take into consideration only the political and military criteria.

Victor Babiuc, Former Romanian Defense Minister¹¹⁹

Romanian national vaults are more empty than full and simply do not contain sufficient assets to properly subsidize the armed forces as is, let alone pay for military-related initiatives tied to NATO integration as well as contributions to its three common-funded budgets (civil, military, infrastructure). Regrettably this state of affairs is unlikely to materially change over the near term without a massive injection of cortisone in the key arms of government to rejuvenate the reform process and counteract the lethargy that seems to have taken hold of the economy; the chances are slim in any event that a turnaround will occur anytime soon.

Romanian government's over the past decade have made only modest progress in their drive to transform the economy and turn the tide on the full slate of negative fiscal indicators that have continued to frustrate the country. Two trends lead one to conclude that conditions will worsen or at best stagnate before improvements can take hold. First, over the past few years the key indicators of economic performance have careened in the opposite direction of that desired, with no hint that a major reversal is in the offing, although modest positive corrections are possible. As will be seen, the gross domestic product (GDP) has struggled without success to attain positive growth, inflation refuses to loosen its hold, and popular discontent grows more vocal. The second trend is the inability of government bureaucrats to put in place (and enforce) policies that would provide fertile ground for economic expansion. An excessive number of state-owned enterprises continue to populate the government portfolio and state subsidies to stagnant enterprises still draw precious funds from treasury coffers that already lack an adequate revenue stream, to name but several of the problems.

In the paragraphs that follow, I begin by identifying the anticipated costs of NATO integration the economy will be called upon to support should Romania be singled out for admission. I then describe the economic trends since 1995 to gain a better understanding of where the country is headed and to more fully appreciate whether government programs are on track or have derailed. The third area covered describes efforts by organizations outside Romania to assist in reform implementation at the macro level. I end the section by characterizing the military's response to the current lack of funding.

¹¹⁷ U.S. Ambassador to Romania James Rosapepe, "Why it's a good time to Invest in Romania," (speech, undated but presented in 1999), Bucharest, Romania. Internet.

¹¹⁸ General Constantin Degeratu, Chief of the Romanian General Staff, "The Interoperability of Romania's Armed Forces," *Euro-Atlantic Integration*, p. 153.

¹¹⁹ As quoted in Julie Moffett, "Lithuania and Romania Ready to Join Alliance," *RFE/RL*, March 5, 1999.

NATO Integration: What Will It Cost?

In a June 1997 statement, Romanian Defense Minister Victor Babiuc estimated the price tag of NATO integration at \$3 billion, a figure Romanians themselves, he said, could manage to pay.¹²⁰ At roughly the same time, in its most detailed public accounting to that point, the government White Paper mentioned earlier reported a Defense Ministry study had pegged the cost at \$3.8 billion over the years 1997-2000 [sic] (see footnote). Specific expenditures:

- \$0.8 billion for implementing a new command, control and communication system compatible with NATO systems;
- \$1.6 billion for upgrading equipment or acquiring modern equipment for the forces earmarked for NATO missions;
- \$1.2 billion for improving the military infrastructure, including the modernization of airfields, sea and river naval bases and harbors; and,
- \$0.2 billion for achieving operational interoperability of the Romanian units assigned to carry out NATO missions.¹²¹

Near simultaneously the Romanian Embassy in Washington released a summary cost estimate of \$3.817 billion for the 13-year period 1997-2009, or just under \$295 million per year. Under this scheme, specific expenditures were earmarked as follows:

- upgrading military structure and command systems: \$850 million;
- building operational interoperability and command procedures: \$167 million;
- modernization of defense equipment and acquisition of new equipments: \$1600 million;
- upgrading the military infrastructure so that to enable full interoperability: \$1200.¹²²

This would seem to imply that the defense minister was just as confused by the numbers as outside observers when he earmarked the price tag at \$3 billion.

Two years after the above flurry, the Ministry of Defense projected \$272 million a year would be required to meet the aspiration of NATO membership, \$108 million of which would be direct costs.¹²³ At

¹²⁰ "Bucharest Calculates NATO Admission Cost at \$3 Billion," *RFE/RL*, June 19, 1997. Although Babiuc did not cite a time frame for the expenditure, according to a Congressional Research Service report, "In summer 1997, Romania estimated that it would need to allocate over \$3 billion between 1997-2009 to cover costs associated with integration into NATO." *NATO Enlargement: Military Capabilities and Modernization Plans of Potential Follow-on Candidates*, by Christopher Bell, CRS Report for Congress, May 15, 1998, order number 98-469 F, p. 10. Reportedly, a Ministry of Defense study concluded in 1997 that the country would need to allocate 10-15 percent of the defense budget for direct NATO-related expenditures over 10 years were it to be admitted to the Alliance. Janusz Bugajski, Director, East European Studies, CSIS, "Key Elements of Romania's Security Strategy," *Euro-Atlantic Integration*, p. 62

¹²¹ "White Book on Romania and NATO," The Ministry of Foreign Affairs of Romania, 1997. Given that the White Paper and Romanian Embassy totals (cited next in the above text) are generally equivalent, and since a \$1 billion a year cost is not realistic under any circumstances, the most likely explanation for the discrepancy would seem to be that the time frame reflected in the White Paper was in error and should have matched the Embassy's 1997-2009.

¹²² "Costs of NATO Membership for Romania," *Romania Today*, Romanian Embassy in Washington, D.C., nr. 11, July 1997 (a date of June 1997 is also reflected on the web page in question). Internet.

¹²³ Ministry of National Defense cost projections reflected at the Ministry of Foreign Affairs of Romania Home Page. Internet. Further obscuring the true cost of NATO integration, "According to General Gavril Ghitas, Romania's military representative at NATO headquarters in Brussels, by 2005-2010 the costs for setting up operative structures similar to those existing in NATO-member countries will amount to \$231 million." No clarification was given as to exactly what the general had in mind, i.e., whether he intended to imply this would be a

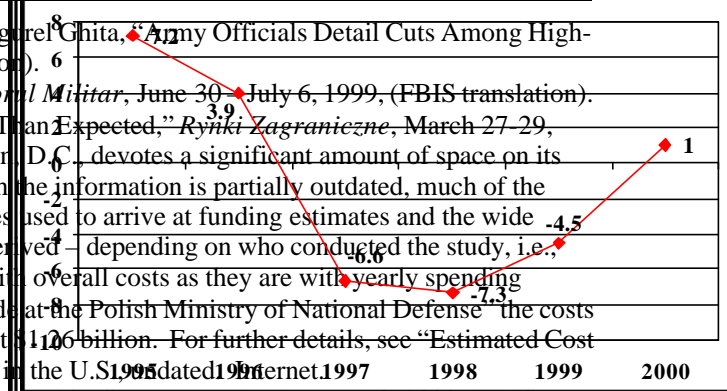
the same time, a military weekly reported the operational costs associated with the drive towards NATO standards would total \$231 million per year, starting with the 2000 budget.¹²⁴ The cacophony of disparate costs and timelines only served to further shroud the government's anticipated price of admission. Given the complexity of the cost workups and relative inexperience of government accountants in the world of long-term market-economy military planning, it is little wonder that the projections seem to take on the appearance of a scatter pattern.

Although diverse, these projected costs are not tremendously out of line with outlays forecast by a recent NATO entrant, Poland. According to figures cited in the Polish press, the projected amount Warsaw will be required to allocate for NATO integration in the 1998-2012 time frame equates to just under \$3.5 billion. "Under the methodology adopted by Polish experts for estimating the costs of the integration, the outlays on the 15-year program for modernizing the armed forces are not included." Although Poland plans to come up with the required cash to fund its military requirements, the defense's slice of the national GDP pie is expected to plunge below 1.8 percent early in the new century.¹²⁵

It is also perhaps of interest to note the public airing by Deputy Defense Minister Romuald Szeremietiew on January 8, 2000, concerning the dearth of political support for Polish defense-related spending. Seemingly thumping an accusatory finger in the chest of politicians unwilling to step up to the task, Szeremietiew remarked that: "We've become a NATO member, we have friends around us, hence there is no impulse for defense spending. And when there are farmers, miners, steelworkers or health service employees, it turns out that they are more important."¹²⁶ It remains to be seen to what extent Warsaw will be able to fund its mid-to-long-term military obligations.

As was the case with Poland and the other two new members of the Alliance from the class of '99, one of the central questions confronting NATO is simply this: Can Bucharest realistically be expected to pay its own way to meet potential NATO-related expenditures? Or, is this merely wishful thinking, which fails to accept the reality of the economic crisis that has faced and continues to confront the country? A key factor in future deliberations on Alliance enlargement, and Romania's entry in particular, will of course be who foots the bill for required equipment upgrades, infrastructure enhancements, and integration. Other member nations, like France, seem unwilling to spend their defense dividend from the Cold War's end on Alliance growth. During the heady days of mid-year 1997, President Jacques Chirac said "France does not intend to raise its contribution to NATO because of the cost of enlargement." Germany's then-Chancellor, Helmut Kohl, agreed, stating "It is completely absurd to link NATO enlargement with cost factors as if the aim is to rearm large areas of Europe to the teeth."¹²⁷

Figure 2: Real GDP (% Change)



yearly cost or a total sum for the time period in question. Mugurel Ghita, "Army Officials Detail Cuts Among High-Ranking Officers," *Adevarul*, July 12, 1999, (FBIS translation).
¹²⁴ "Plan for Modernization of Romanian Army," *Observatorul Militar*, June 30-July 6, 1999, (FBIS translation).
¹²⁵ Marek Andrzej Krason, "NATO Costs for Poland Lower Than Expected," *Rynki Zagraniczne*, March 27-29, 1999, (FBIS translation). The Polish Embassy in Washington D.C. devotes a significant amount of space on its web page to the issue of NATO enlargement costs. Although the information is partially outdated, much of the discussion focuses on the diverse methodological approaches used to arrive at funding estimates and the wide disparity in assumptions upon which the calculations were derived, depending on who conducted the study, i.e., RAND, CBO, OSD. Polish officials are not so concerned with overall costs as they are with yearly spending requirements. Still, "according to preliminary estimates made at the Polish Ministry of National Defense" the costs directly tied to NATO membership are said to equate to about \$1.166 billion. For further details, see "Estimated Cost of NATO Enlargement," Embassy of the Republic of Poland in the U.S., 1995 dated 1997 internet.

1997 1998 1999 2000

¹²⁶ Zielona Gora, "Polish Minister Criticizes Lack of Defense Lobby," *Warsaw PAP*, January 8, 2000, (FBIS translation).

¹²⁷ These two quotes are cited in "The Cost of NATO Enlargement: Who Pays?," Council on a Responsible World Education Fund, undated web page but apparently prepared in the summer of 1997. Internet. Also see "Clinton and NATO Chiefs Now Face the Legislatures," *The New York Times*, July 10, 1997; and, Paul Taylor, "Allies debate price of expansion: Germany, France insist, 'zero cost' for NATO, U.S. predicts billions," *Reuters*, July 10, 1997.

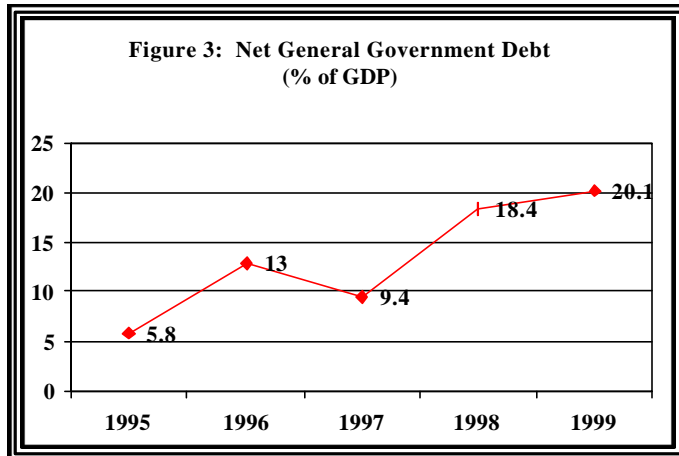
The Economy: Where are the Trend Lines Headed?

Romania is years away from realizing the level of economic prosperity and development required to sustain a NATO-compatible military force on its own.

The ghosts of irresponsible communist economic stewardship, which first began in the period following the end of World War II, still haunt the Romanian landscape. Their vestige left the country ill-prepared to meet the needs of a modern economy and to take advantage of those areas where a competitive advantage existed. Mistakes of the past were compounded by lackluster attempts at reform in the first years after the revolution; methodical, purposeful restructuring never had a chance as a gradual approach to reform was thought to be the surest way to prevent social backlash.¹²⁸

The U.S. Embassy in Bucharest best captured the problems faced:

Romania’s transition to a market economy has been protracted and painful. The legacy of the communist regime, extreme centralization, a high degree of bureaucracy, and no experience of partial reforms such as those undertaken in other Central European economies during the 1980s left Romania with one of the longest paths towards a market economy.¹²⁹



Source: "Analysis of Romania (Republic of)," Standard & Poors Sovereign Ratings Service, August 1999. Note: 1998 figure is preliminary, 1999 is forecast.

The difficulty with this strategy of incremental reform became evident in 1995 as a flurry of indicators pointed to structural inefficiencies. Heavy industry continued its unrequited appetite for inordinate amounts of imported raw materials and energy supplies but could not maintain previous export levels. In order to provide the grist for inefficient, outmoded mills, official policies fed these dinosaurs at the expense of other sectors. Compounding the government’s dilemma, the year-end near-record winter freeze forced consumers to compete for scare energy deliveries. The downturn gained steam with a loss of popular faith in the national currency, the leu, which led to a major drop in the

official exchange rate.¹³⁰

A look at the macro economic picture since mid-decade crystallizes the depth of the problem and demonstrates the mammoth challenges facing government financial planners. Perhaps the most telling statistic is the percentage change of real gross domestic product, or GDP, over the last five years, as depicted in figure 2. As can be seen, since 1995, the percentage change in GDP has not been favorable.

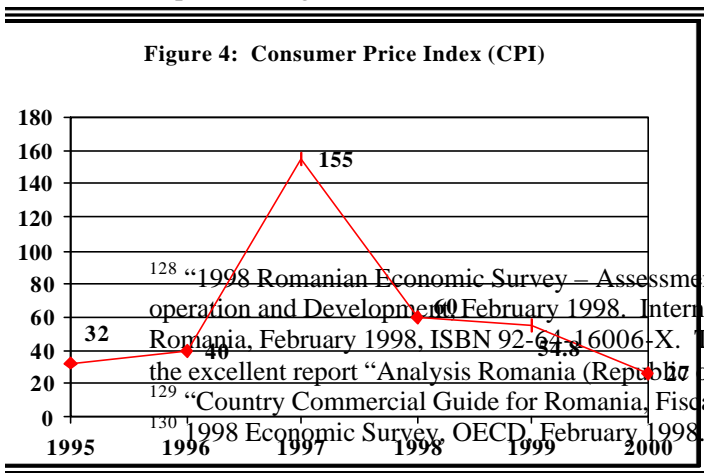


Figure 4: Consumer Price Index (CPI)

The disastrous single-year slippage in 1998 stemmed from two major areas: diminished industrial and agricultural output, with industry falling by over 17 percent compared to the previous year and agriculture taking an 8-percent dip. The forecast for 1999 continued the trend of a contracting economy – though

¹²⁸ "1998 Romanian Economic Survey – Assessment and Recommendations," Organization for Economic Co-operation and Development, February 1998. Internet. The full report is entitled OECD Economic Surveys: Romania, February 1998. ISBN 92-64-16006-X. The economic section of the current paper also relies heavily on the excellent report "Analysis Romania (Republic of)," Standard & Poors, August 1999.

¹²⁹ "Country Commercial Guide for Romania, Fiscal Year 1998," American Embassy Bucharest, 1997, p. 5.

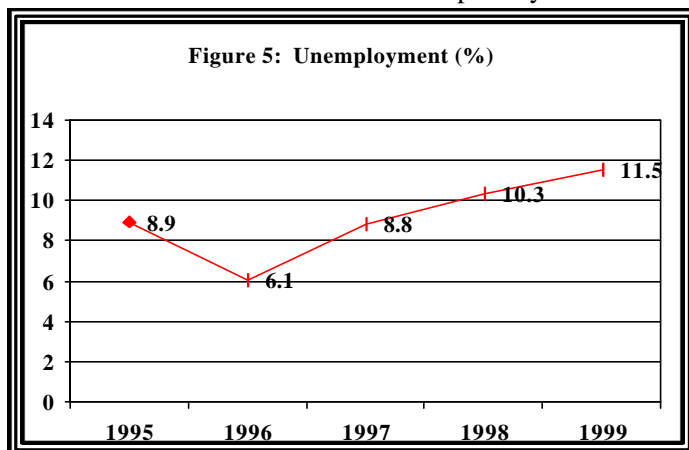
¹³⁰ 1998 Economic Survey, OECD, February 1998.

Source: "Analysis of Romania (Republic of)," Standard & Poors Sovereign Ratings Service, August 1999; and, "Economic Trends," Invest Romania, 23 Mar 00. Internet. Note: 1998 figure is preliminary, 1999 is estimated, and 2000 is forecasted.

not to the degree of the two previous years. At this paper's writing, official figures had yet to be released, but some analysts predicted GDP for the year could have dropped as much as 5 percent or more.¹³¹ Remarkably, at the very same time that the official economy was experiencing a virtual freefall, the unofficial, underground economy was bursting at the seams, witnessing an estimated 400-percent increase in the period 1993-1998.¹³²

In 1996, the general government debt more than doubled as compared to the previous year, rising to 13 percent of the GDP. As can be seen in figure 3, the debt has continued to accumulate at a steady pace, save for the modest drop in 1997. The estimated net general government debt was expected to top 20 percent for 1999. Equally disconcerting was the unrelenting grip of inflation, as represented by the consumer price index (CPI) (see figure 4), which nearly quadrupled from 40 percent in 1996 to 155 percent the following year. Subsequent drops, while no doubt welcomed, still reflected an economic ship that had failed to right itself. The International Monetary Fund (IMF) and World Bank registered their lack of confidence that a turnaround was possible under standing policies by pulling in the oars on further assistance.¹³³ The Romanian people likewise demonstrated their loss of faith in the Iliescu administration's ability to avert the economic tsunami by electing a new captain and crew in the person of Emil Constantinescu and his coalition government.

The slow retooling of the economy has meant 10 years of missed opportunities and rising unemployment (see figure 5). Rather than laying the groundwork for a thriving market-based economy, the government's ineffectual, ill-conceived policies (under both Iliescu and Constantinescu) resulted in half-measures that today see 17 percent of the population living on \$1 a day; meanwhile, 70 percent scrape by on less than \$2 a day.¹³⁴ It should come as no surprise that in 1995, 59 percent of the roughly 22-million Romanians lived in a state of poverty. What is noteworthy, however, is that only 6 percent



Source: "Analysis of Romania (Republic of)," Standard & Poors Sovereign Ratings Service, August 1999. Note: 1998 figure is preliminary. 1999 is end-of-year figure supplied by Romania's National Employment and Professional Training Agency (ANFP). "Over 1 Million People Unemployed at end-1999 in Romania," *Rompres* (in English), January 28, 2000, (FBIS transcription).

were so categorized in 1988.¹³⁵ As so frequently happens in situations like this, those least able to protest bear an unequal share of the burden. An early October 1999 report, for instance, quoted health authorities as indicating it would no longer be possible to dispense free medication to the roughly 8,700 children and 1,300 adults infected with the HIV virus due to budget cuts, which saw the AIDS program sliced by \$10 million.¹³⁶

As will be seen, the determination of the government elected in 1996 to institute needed reforms, like the selling off of government-owned enterprises and revamping the banking institution, has not been equaled by quantifiable results.

¹³¹ "Romania Weekly Updates, January 01-07 [2000]," World Bank Office, Romania. Internet.

¹³² Romanian Minister of Justice Valeriu Stoica cited the 400-percent figure, sourcing it to a U.S. Department of Treasury report. "Combaterea coruptiei s-a dovedit o iluzie," *Monitorul*, September 20, 1999.

¹³³ 1998 Economic Survey, OECD, February 1998.

¹³⁴ "17% din populatia Romaniei traieste cu mai putin den un dolar pe zi," *Monitorul*, September 21, 1999. The Romanian press quotes these figures from an annual World Bank report, according to which Romania ranks lower than Russia in many categories relating to standard of living. For example, only 3 percent of the children in Russia are malnourished, while in Romania 6 percent are so categorized.

¹³⁵ Kevin Cullen, "You can't just blow up communism - Change slow in Central, East Europe countries," *The Boston Globe*, December 19, 1999, sources these figures to a recent European Bank for Reconstruction and Development report.

¹³⁶ "Romania To Stop Medication For 10,000 HIV Patients," *Reuters*, October 4, 1999.

Nevertheless, the apparent second chance Constantinescu's election offered sparked initial popular support for aggressive restructuring.

Hoping to take advantage of the political capital gained by the election, the new government struck early, proposing scores of laws to right the economy in the first part of 1997. Loosening controls over state-controlled enterprises, letting market forces determine the exchange rate, and lowering import tariffs were an important focus, along with attracting an infusion of foreign investment. A major action involved the decrease in monetary support to industry and agriculture. The reorientation from a command-driven to free-market economy has not been easy in those nations that have undertaken the switch; Romania proved no exception to the rule. Dislocations, lay offs, lost income, and privation strained the social fabric. To ease the pain, modest adjustments were made, for example allotting additional funding for programs to help children.¹³⁷

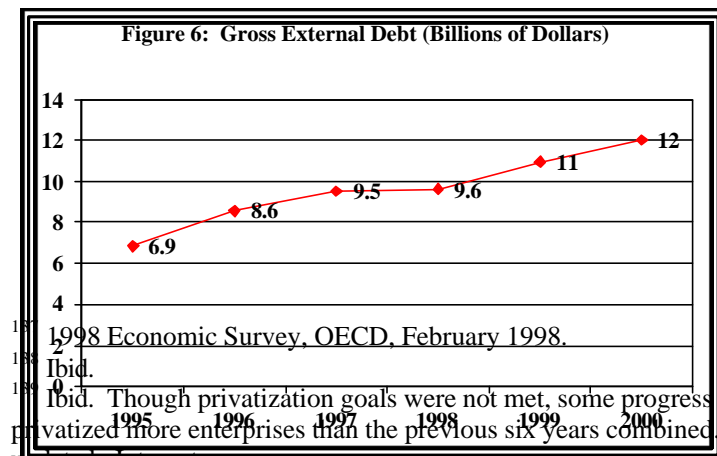
The banking sector offered no safe harbor. Of the 40-odd banks, four state-owned institutions dominated the landscape, as did their high debt burdens. Indeed, barely six months after Constantinescu's victory, a majority of all bank loans were thought to be unrecoverable, a legacy of forced government loans at bargain-basement rates to agricultural and energy enterprises prior to 1997. The resulting high interest rates and tightened money lending affected all of society.¹³⁸

At virtually every turn, laudable, well-intentioned macroeconomic targets fell prey to the vicissitudes of the Romanian pathos. Programs to sell off state-owned enterprises in 1997 started with lofty goals to privatize some 2,700 companies, but action could not match the rhetoric. By year's end, roughly half the companies remained in government hands.¹³⁹ Eager to gird Romania's reform agenda, the United States employed various avenues to provide assistance. USAID, for instance, buttressed privatization by creating a registry to document share ownership. To list and trade shares of these new companies, it also helped found the RASDAQ stock exchange (over-the-counter market), a Romanian version of the NASDAQ inaugurated on October 25, 1996.¹⁴⁰ As of January 2000, the organization charged with implementing privatization, the State Ownership Fund (FOS), still retained 3,150 companies in its portfolio but pledged to put the government's stake in all of them on sale during the year. One thousand seven hundred and seventy-two state-run firms were privatized in 1999. When the FOS first opened its doors in 1993 it held stake in about 9,000 companies.¹⁴¹

Government's 1999 Program

- Limit inflation to 40%
- Hold GDP decline to 3.5%
- Reduce deficit to 3.9% of GDP
- Minimize depreciation of the leu (national currency)
- Accelerate privatization & restructuring

Source: "IMF signed the loan agreement with Romania," *Monitorul* (in English), August 10, 1999.



Former Prime Minister Theodor Stolojan lamented the lost opportunities in an early 1999 speech, especially the foot dragging on privatization. In his mind, the preeminent concern, the heart of Romania's economic reform, should be the issue of property. As long as lower-tier assets ("workshops and commercial spaces") remained under

1998 Economic Survey, OECD, February 1998.

Ibid.

Ibid. Though privatization goals were not met, some progress was made. During 1997, the government privatized more enterprises than the previous six years combined.¹⁴⁰ "Romania – Donor Programs," The World Bank, undated. Internet.

140 Source: "IMF Approves Stand-By Credit for Romania," IMF press release no. 99/38, August 5, 1999. Internet. Note: 1998 figure is estimate, 1999 figure is Internet.

141 According to USAID, in 1997, 1,350 Romanian companies were privatized. Of note, Romania was not the sole recipient of USAID assistance. Under its support for East European democracy program, USAID spent almost \$33 million in the region during FY 1997.

141 "Romania FPS To Put On Sale All Firms In Portfolio," *Reuters*, January 26, 2000.

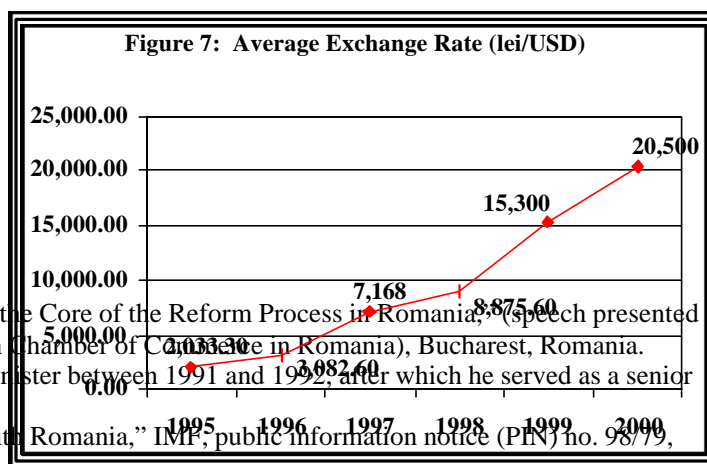
government stewardship, their ability to stimulate growth would be constrained. Only private ownership could unleash this as-yet unrealized potential to help pull the economy out of its long-term slump.¹⁴²

The reform drive began to derail in the fall of 1997. A cabinet reshuffle in December failed to instill the needed institutional rejuvenation, and in March 1998 Radu Vasile took Victor Ciorbea's place at the helm as prime minister.

In September 1998, the IMF's Executive Board held consultations with Romanian officials to review the economic situation. The snapshot that developed from the talks was indeed negative and probably received more exposure than government officials would have liked. It certainly did not instill confidence, either in investors or the public. Tight money supplies, high interest rates, declining output, falling GDP, still largely unreformed state-owned enterprises/banks, and other equally dire indicators such as rising foreign debt (see figure 6) put the spotlight on failed reforms. Compared to the previous year, IMF Executive Directors reported little progress had been made. Of note, "some Directors also urged the authorities to curtail some planned military expenditures."¹⁴³

Since the revolution, Romania has struggled to meet IMF-directed targets in order to qualify for favorable loans. In April of 1997, for instance, the IMF allocated \$430 million, of which \$86.2 million of the stand-by agreement was dispersed. Four additional installments were to be handed over, provided the economy met certain performance criteria. Not surprisingly, such was not the case.¹⁴⁴ Following protracted negotiations, on August 5, 1999, the IMF finally agreed to grant Romania a \$547-million loan – to be supplied in four installments to bolster reforms and restructuring. An initial sum of \$73 million was immediately transferred. The bulk of the agreement, however, rested on several stipulations, one of which was the government endeavor to obtain additional private financing, a near-impossible task.¹⁴⁵ Foreign investors have been wary of undertaking projects in Romania until such time as true economic housecleaning has taken place.¹⁴⁶ It should come as no surprise, then, that in the period from December 1990 through December 1999 foreign investment only accrued to a constricted \$4.36 billion, according to official government figures. The total for 1999 came to \$256.2 million, \$28 million less than in 1998. This downward shift was also reflected in the number of firms that rely to some extent on foreign capital, which contracted by a sizeable 1,300 companies between 1998 and 1999 (i.e., 9,152 in 1998, 7,851 in 1999).¹⁴⁷

Many of the impediments to a structurally sound economic system remain entrenched. According to comments by the governor of the National Bank of Romania, delayed reforms, debt (both domestic and foreign), inflation, and currency



¹⁴² Theodor Stolojan, "The Issue of Property is the Core of the Reform Process in Romania," (speech presented February 25, 1999, to members of the American Chamber of Commerce in Romania), Bucharest, Romania. Internet. Mr. Stolojan was Romania's prime minister between 1991 and 1992, after which he served as a senior economist with the World Bank.

¹⁴³ "IMF Concludes Article IV Consultations with Romania," IMF, public information notice (PIN) no. 98/79, October 6, 1998. Internet.

¹⁴⁴ U.S. Department of Commerce, "National Trade Data Bank," February 19, 1999. Internet. Source: "Romania: Struggle with insolvency drags on," Bank Austria Creditanstalt, December 1999. Internet.

¹⁴⁵ "IMF signed the loan agreement with Romania," *Monitorul* (in English), August 10, 1999. Also see "IMF Approves Stand-By Credit for Romania," IMF, press release no. 99/38, August 5, 1999. Internet.

¹⁴⁶ Indicative of the foreign investor's mindset are comments by the director of a money management enterprise, Martin Taylor: "If you were a German car manufacturer, where would you invest, Hungary or Romania? In Hungary, you get a high literacy, a seven-year tax break, no tariffs and very clear commercial law. In Romania, you have corruption, lower literacy, law that makes it hard to prove ownership, tariffs, poor infrastructure, and it's far away. Besides, you'd want a domestic market, and 10 million rich Hungarians will buy more cars than 20 million poor Romanians." As quoted in Donald G. McNeil, Jr., *The New York Times*, December 22, 1999.

¹⁴⁷ "Investitiile straine din 1999 au reprezentat o treime din capitalul investit in 1994," *Monitorul*, January 25, 2000.

depreciation (see figure 7) threaten to be the friction that retards future positive economic development.¹⁴⁸ In the first 11 months of 1999, for instance, the value of the leu experienced a 60-percent drop in real terms relative to the dollar.¹⁴⁹ To this list of maladies, President of the European Bank for Reconstruction and Development (EBRD) Horst Kohler added corruption, which he said “is acknowledged as one of Romania’s major weaknesses.”¹⁵⁰ An October-November 1995 survey of 50 Western businessmen with extensive ground-truth experience in Romania lends credence to Kohler’s charge. A key finding was that bribery pervades most aspects of commercial interaction. “All services ranging from a reservation for a soccer match to the signature of a huge contract, attach gifts as part of the procedure....It seems that bribery is highly visible in Romania and that nothing works without it.”¹⁵¹

Some rays of reform, however, offer hope that the tedious pace may be moving from a slow shuffle to a modest-gated walk. For the first time in roughly 66 years, the government instituted a universal personal income tax to capture non-wage salaries that was to take effect on January 1, 2000,¹⁵² and newly installed Prime Minister Isarescu appears determined to press ahead with needed corrective policies as reflected in his government program (see table 3 for selected components). Whether his motivational and leadership skills will be enough to overcome bureaucratic foot dragging and popular skepticism will play a major role in solidifying the direction of Romania’s near-term economic future.

As alluded to previously, social disaffection, or fears of it, seem in part responsible for the less-than-enthusiastic push for anything approaching application of shock treatment to jumpstart the economy. The early 1999 confrontations with striking miners from the Jiu Valley drew attention to the complexities – and possible dangers – of restructuring money-losing enterprises. Under the direction of their leader, Miron Cozma, 10,000 angry miners set out for Bucharest in an occasionally violent protest march to dramatize their dissatisfaction over pay and government plans to close unprofitable, inefficient mines. The miners’ checkered past,

Table 4: What Should the Government’s Priorities Be? (Late January 2000 Opinion Poll)

1. Rising living standards (62.7%)
2. Creating new jobs (54.8%)
3. Social security (44.1%)
4. Economic reform (41.4%)
5. European Union (EU) accession (23%)

Source: “Poll Shows Over 38% of Subjects Want Iliescu for President.” *Rompres* (in

English), February 08, 2000. (FBIS transcription)

¹⁴⁸ “Challenges of 1999,” *Invest Romania Magazine*, (spring/summer 1999). Internet.

¹⁴⁹ “Romania: Struggle with insolvency drags on,” Bank Austria Creditanstalt, December 1999. Internet.

¹⁵⁰ As quoted in “EBRD President Sees Corruption as Main Economic Weakness,” *Adevarul*, September 18, 1999. Kohler made the referenced comments during a September 16, 1999, visit to Bucharest. Extracting from a September 30, 1999, AP report, RFE/RL stated there has been a “sharp increase” in assaults against Romanian reporters looking into corruption cases. “Increase In Attacks On Romanian Journalists,” *RFE/RL*, October 4, 1999. The results of Transparency International’s annual Corruption Perceptions Index (CPI) for 1999 seconds Kohler’s observations. Of 99 countries assessed, Romania came in number 67, garnering a score of 3.3 on a scale of 0 to 10, with 0 meaning highly corrupt and 10 equating to highly clean. The “CPI score relates to perceptions of the degree of corruption as seen by business people, risk analysts and the general public.” Even Mexico eased out the Romanians, coming in as it did at number 61. “1999 Corruption Perceptions Index,” Transparency International, undated. Internet.

¹⁵¹ Zhan Su and Andre Richelieu, “Western managers working in Romania: Perception and attitude regarding business ethics,” *Journal of Business Ethics*, vol. 20, issue 2, June 1999, pp. 133-146.

¹⁵² A system to tax monthly wages already existed. “Romania Approves 1st Universal Income Tax System Since 1933,” *Bloomberg News*, August 24, 1999.

Table 3: Romanian Government’s 2000 Program

- 25-30% inflation rate
- 1.3%+ GDP growth rate
- 3% budget deficit
- Complete privatization by year’s end
- Institute tax reform
- 25% cut in mine subsidies

Source: “Isarescu Details New Romanian Government’s Priorities,” *Rompres* (in English), December 21, 1999, (FBIS transcription); and, “Romania Weekly Updates, January 01-07 [2000],” World Bank Office, Romania. Internet.

plus the fact that their pay was already more than double the national average, ensured minimal sympathy for their cause from other segments of society. Bowing to political realities the government reacted quickly to cut its losses, in the end agreeing to support 35-percent salary increases and continued operations at two money-losing mines.¹⁵³ Facing similar challenges one-year later, newly installed Prime Minister Isarescu cracked open the Romanian fiscal fortune cookie in late January 2000 to warn potential strikers that “By intensifying social pressure one does nothing but ask the government to spend money irresponsibly. Protest can’t bring in extra revenue.”¹⁵⁴

Outsiders Offer Support

A diverse range of novel, engineered mechanisms have been formulated to help guide Bucharest out from under the nightmarish state of affairs in which it finds itself. One of the most visible – and most recent – has been the U.S.-Romania Action Commission. The Commission is a joint effort, with the Center for Strategic and International Studies (CSIS) administering the U.S. side and the Romanian Foundation for Democracy doing likewise for Romania. The co-chairmen are well-known, successful leaders from both countries: former Secretary of Defense Dr. William Perry for the U.S. and former Foreign Minister Dr. Adrian Severin for Romania. The overarching purpose of the Commission is to offer the Romanian government realistic solutions to the myriad challenges faced in the areas of its economic development, security, and foreign policy.¹⁵⁵

The Commission held its second plenary session in the Romanian capital in mid-July 1999, where, among other things, it briefed top government officials, including President Constantinescu, on the status of the work undertaken to date. In his opening remarks Dr. Perry acknowledged that “this transition has been slow and painful....this has been true not only in Romania, but in all of the East European countries that are going through this process now.” He pointed out, however, that when these nations have been able to draw foreign investors, their ability to step through the reform process has been much improved. That being true, the Commission considered it one of its most important tasks to entice outside investors to Romania. Perry pointedly told Constantinescu that despite the efforts of Commission working groups to analyze the problem and identify solutions, results had not been good; foreign investors still shied away. He told the president that the core of the policy recommendations offered to the Romanian Government over the past year could be boiled down to two primary points: (1) the need to craft laws/regulations that serve to draw investors in rather than hold them at arms length; and (2) a requirement to speed privatization.¹⁵⁶

The tone of President Constantinescu’s address to the Commission was decidedly defensive in nature, his words betraying the weight of the monumental task involved in reinventing the economy. After noting that the Romanian Government had already put into effect 12 of the 22 recommendations tabled since the Commission began its work, he stepped through some of the irritants confronting the country as he perceived them. While conceding that the revocation of foreign investment incentives had made businessmen leery about dealing with Romania, he laid the blame squarely at the foot of the IMF. During loan negotiations, he said, the “situation was dictated to us.” Constantinescu said he freely accepts criticisms hurled at the government for its clumsy revamping of the economy but balanced his

¹⁵³The miners flexed their political – as well as actual – muscles early, accosting leaders of the anti-communist movement in 1990 and were a major factor in Prime Minister Petre Roman’s ouster in 1991. On February 15, 1999, the Supreme Court handed miner leader Miron Cozma an 18-year prison sentence for his role in the violence that occurred in Bucharest in 1991, precipitating Roman’s fall. See Ron Synovitz, “Miners’ Strike Challenges Economic Reform Program,” *RFE/RL*, January 22, 1999; Robert Lyle, “Miners’ Pact Makes IMF Loan More Difficult,” *RFE/RL*, January 26, 1999; and, “Miners’ Leader Sentenced to 18 years in Prison,” *RFE/RL*, February 15, 1999.

¹⁵⁴ “Romanian PM Says Hardships Unavoidable On Way To EU,” *Reuters*, January 26, 2000.

¹⁵⁵ “U.S.-Romania Action Commission,” Center for Strategic and International Studies (CSIS), undated. Internet.

¹⁵⁶ “Mobilizing Private Sector Support for Romanian Reform and Growth – Report of the Second Plenary Session of the U.S.-Romania Action Commission,” CSIS, July 1999, Bucharest, Romania, pp. 1-6. In his opening remarks, Dr. Adrian Severin observed that the Commission began operations in February 1998.

assessment by declaring: “I find the Western treatment of Romania in comparison to other East European countries discriminatory.” His pique was directed at the bountiful economic assistance afforded to Poland, Hungary, and the Czech Republic while Romania was left in a lurch during the summer when it desperately needed funds: “nobody moved a finger for Romania.”¹⁵⁷

Also contained within the president’s dialogue was obvious irritation over the fact that Romania time and again “walks the walk” yet remains outside the brotherhood of NATO countries, an elite group that sits behind a sealed door to which Romanians just can’t break the code.

Every day a personality from NATO, or EU comes to Bucharest to congratulate us for the way Romania behaved during and after the [Kosovo] conflict, as if it were a NATO or EU member country. Sometimes we are told we behaved even more firmly and decisively than some new NATO member countries. At the same time, nobody mentions that Romania did and continues to do so without any security guarantees and advantages of NATO countries.¹⁵⁸

Various caucuses convened during the Commission’s stay in Bucharest and delivered reports covering the gamut of pressing issues: economic competitiveness and business conditions; banking and capital formation; agriculture; transportation; and, telecommunications and information technology. A roundtable was also convened to discuss security and stability in Southeast Europe. Of importance in the context of this paper’s focus on Romania’s ability to fund NATO military-related expenses, the caucus on economic competitiveness again highlighted the now-familiar litany of maelstroms nipping at the heels of government bureaucrats. Interestingly, the caucus concluded its written summary by finding that in terms of an economic roadmap to the future, “Romania lacks such a statement of vision, with priorities and goals articulated.”¹⁵⁹ Absent a strategy that charts a realistic course to economic well-being, avoiding the shoals of negative growth and sidestepping the tidal wave of ever-cheapened money brought on by persistent inflation (to single out but two problems faced), it seems improbable that funding can be found to pay NATO’s price of admission.

In seeming anticipation of the “vision” broadside, the Romanian Government had already been in contact with the World Bank to join, along with other countries, in its pilot Comprehensive Development Framework (CDF) project. The purpose of the CDF is to provide “a holistic approach to the challenges of development that attempts to integrate the macroeconomic and financial aspects of development with the structural, social, and human side.” Romania’s “Shared Vision” initiative involves a three-step process:

- 1st: Identify “development priorities” out to 2010.
- 2nd: Lay out “specific objectives” to get from here to there.
- 3rd: Come to a general agreement on the road map to meet the objectives.

In order to press ahead with this scheme, over a three-week period the World Bank gathered baseline information by talking with a diverse range of community, civic, business, and government leaders about their notion of what Romania 2010 should look like.¹⁶⁰

The results of this mid-year 1999 exercise could not have given the government much comfort. As is evident, the economic picture was bleak and headed for an uncertain future. After 10 years of nibbling at the edges, only a rather modest 20 percent of state-owned enterprises had been sold to private concerns. Perhaps of more immediate interest to the average citizen, since 1988 the standard of living had nose-dived 2.9 percent a year in real terms. Added to the persistent evils of scarce foreign investment, plummeting GDP, steady inflation, etc., optimism was apparently a word not often heard. In

¹⁵⁷ Ibid., pp. 7-11.

¹⁵⁸ Ibid., p. 9.

¹⁵⁹ Ibid., p. 18.

¹⁶⁰ “Building a ‘Shared Vision’ for Sustainable Development in Romania,” The World Bank Resident Mission in Romania, May 28, 1999. Internet.

conducting its survey, the World Bank posed a number of questions that allowed participants to answer with one of three choices: agree, neutral, disagree. Several of the more telling results are presented below:

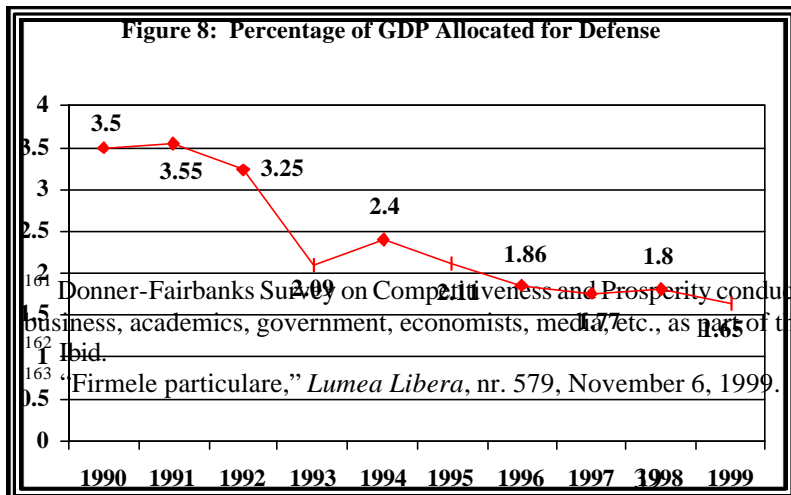
- Corruption is the main impediment to economic prosperity in my country: 71 percent agreed with this statement.
- The Romanian Government has the necessary skills to do its part to increase the prosperity of the country: 56 percent disagreed with this statement.
- The Romanian government should treat domestic and foreign companies equally: 84 percent agreed with this statement.
- Liberalization is the right path for Romania right now: 52 percent disagreed with this statement.
- Between its business leaders, academics and government officials, my country has the macroeconomic knowledge necessary to build its prosperity: 55 percent disagreed with this statement.
- EU accession is critical to Romania’s future prosperity: 86 percent agreed with this statement.
- Romania does not have the luxury of thinking about the economic long term; we need immediate results: 77 percent agreed with this statement.
- In five years, the majority of my country’s businesses will be much more competitive in the world market than they are now: 66 percent agreed with this statement.¹⁶¹

Quite understandably, the views expressed in the survey signal a largely negative outlook. Somewhat encouraging, however, is the fact that two-thirds of respondents expect Romanian business ventures to appreciably improve by 2005, indicating that faith in the entrepreneurial spirit still lingers in spite of current difficulties.¹⁶² This is even more amazing when one considers that in 1998 roughly 200,000 firms failed to turn a profit or actually lost money.¹⁶³

The preliminary field work conducted by the World Bank represents only the initial thrust at articulating Romania’s mid- to long-term economic goals and charting a course for the future. If this spade work is to have any impact, government leaders and officials throughout the various ministries must build on these findings, setting in place a forward-looking, reasonable blueprint and then stick to it rather than responding repeatedly to the day’s latest unpleasant economic news.

Too Little Money: The Military Voices Its Dissatisfaction

Anecdotal information reveals the difficulty of obtaining funds for the military within the context of a non-performing economy and highlights the near-impossibility of the task should significant NATO-related upgrades and reforms be added anytime soon. The 300-man 2nd Calugareni Infantry Battalion is an elite unit specializing in



peacekeeping operations. On September 22, 1999, in frustration, a majority of the unit’s personnel protested the smaller-than-expected wages received by refusing to process their pay. It seems officials failed to account for the recent return of 120 of

¹⁶¹ Donner-Fairbanks Survey on Competitiveness and Prosperity conducted May-June 1999 of 294 respondents from business, academics, government, economists, media, etc., as part of the World Bank’s consultative process.
¹⁶² Ibid.
¹⁶³ “Firmele particulare,” *Lumea Libera*, nr. 579, November 6, 1999.

the battalion's soldiers from Angola, meaning they "were not included in the [month's] financial-accounting documents." The difference between the amount received and owed represented the food entitlement, which, according to the troops, has been left out of their salaries before. Officials denied the charge, however. The commander of the 1st Army Corps, 1st Army, Colonel Ioan Sorin, claimed this to be an "isolated incident" and not a case of "mutiny in the Romanian Army."¹⁶⁴

Given the decidedly inauspicious macroeconomic tableau to date, such revelations should be of little surprise to outside observers. The Defense Ministry's funding problems are not new and should be a flag to those contemplating Romanian membership in NATO. Romanian intentions may be headed in the right direction, unfortunately most economic indicators are not.

An intriguing development occurred toward the end of 1998 that perhaps uniquely portrays the current dilemma that the snail-paced drive to reform has inflicted upon the Romanian nation as it attempts to integrate more fully with the West. Stoically, the military institution has tried to live from year to year with the subsistence-level budgets dealt it. But the limit to its lack of complaint had been reached. Cost cutting, inadequate equipment, and out-of-reach resources no doubt finally compelled the Defense Ministry (MApN) to lay its cards face up. The communiqué it issued was a cathartic plea, a high-stakes call for help that reflected an unvarnished degree of honesty not frequently seen in other countries:

Statistics show that the inadequate defense budgets over the last few years have resulted in a lack of necessary combat means, their degradation, and their becoming obsolete. At the same time, it is no longer possible to provide the necessary combat training for all troops and command units because of the dramatic reduction in financial resources allocated for this purpose. All these material limits have obvious and serious consequences in terms of morale. The members of the military are finding it increasingly difficult to identify with the institution that they have dedicated their lives to. Moreover, in assessing their prospects for development, it is becoming increasingly difficult for them to find their place in the system. The feeling of frustration is increasing and it generates a weak professional involvement. In time, this will lead to the decrease of military discipline. Thus, it will be difficult for an army to do its duty when it does not have proper equipment, and lacks the possibility to train according to current standards. It is equally difficult for it to have to ask itself, with increasing bitterness, 'what is an army's true place and role in the life of its nation.'¹⁶⁵

The wrenching fiscal conditions faced by the government did not afford it the luxury to respond as the military had hoped. Instead of receiving an increased share of the national pie, the MApN actually lost ground; its apportioned slice of the proposed outlays for 1999 was to be only 1.65 percent of the projected GDP, continuing the military's ever-shrinking wedge in an ever-smaller economy (see figure 8). Such a stringent allocation, Defense Minister Victor Babiuc argued, would pull the rug out from under the military's restructuring program while at the same time imperil training and undermine operational capabilities. He further worried that the lack of national commitment to the military by national leaders in the form of adequate funding would serve as a lightning rod for those countries not wishing to invite

¹⁶⁴ "Elite Army Unit Protests Over 'Reduced' Salaries," *Adevarul*, September 23, 1999, (FBIS translation). Similar stories can easily be found in the domestic press. For example, the same newspaper reported in 1998 on the dilapidated condition of the Mountain Corps 69th Brigade and "the soldiers' poverty and humiliation." The unit's manning should have totaled 2,000; in reality it had just over half that figure. Moreover, the troops' boots, which generally only lasted about 8 months due to the rugged training, had to be resoled and reused for up to two years. "Established in 1991 for Military Reasons – the Extremists in Harghita and Covasna Counties Consider the Mountain Corps 69 Brigade To Be an 'Occupation Army,'" *Adevarul*, September 26, 1998, (FBIS translation). While these accounts are no doubt based on factual incidents, it is likely some color has been added to further dramatize the sorry state of the armed forces.

¹⁶⁵ As quoted in "Defense Ministry Says Spending Cuts Affecting Army Morale," *Evenimentul Zilei*, November 11, 1998, (FBIS translation).

Romania into NATO. “MAPN will urgently need extra allotments of 3,687-billion lei [for 1999],” he said, “if it is to satisfy the basic defense needs of the country.”¹⁶⁶

When matched up against long-standing NATO member states, Romania’s paltry defense spending levels, while decidedly inadequate given the current state of the armed forces, take on a new light. Using 1998 as a sample year, Bucharest allotted 1.8 percent of its GDP towards defense. While admittedly small, this percentage exceeded or equaled comparable apportionments in almost half the NATO countries. Even though NATO’s stated goal is for members to spend 3 percent of GDP on defense, the 1998 NATO average came to only 2.7 percent; for the European portion of NATO, the statistic was even more bleak – 2.2 percent.¹⁶⁷ As for NATO’s newest members, according to the Government Accounting Office (GAO), in 1998 defense spending as a percentage of GDP was 2.2 percent for Poland, 1.5 percent for Hungary, and 2 percent for the Czech Republic. While these three countries “met their 1999 defense budgetary commitments, they had some difficulty in doing so as a result of lower than expected economic growth and other domestic budgetary priorities.” The percentage of GDP allotted to defense spending out to 2003 is projected to be and large equal that witnessed in 1998, although the triumvirate has promised to match the average of NATO’s European members. U.S. officials confided to GAO inspectors they had “some concern about future defense budgets for these [three] countries.”¹⁶⁸

In a March 1999 interview, Brigadier General Vasile Corhaneanu, head of the MAPN’s Financial Directorate, sounded many of the same fears raised in the 1998 MAPN communiqué and by the defense minister’s 1999 comments:

The budget approved for the Ministry of National Defense for 1999 can be defined as a budget of maximum austerity which cannot ensure even the minimum necessary for the specific activities of the military....Both those in power and the opposition agree that the level of supplying the national defense with funds depends on the realization of the options for the integration of Romania into the Euro-Atlantic structures, but the economic power of the country does not permit the allocation of a budget that satisfies these aspirations....The gap between Romania and the neighboring states (not to mention the countries in the organization that we are aiming to join) has widened and will continue to widen each year that we have an austerity budget.¹⁶⁹

The surprisingly public airing of military dissatisfaction showed no let up. Barely two months after General Corhaneanu’s vivid description of the road ahead a fellow flag officer, General Mihai Popescu, Chief of the Ground Troops Staff, said: “We obey our orders, but they should not ask us for more than we can do. The Romanian Army receives only \$3,800-4,000 a year for a soldier’s fitting

¹⁶⁶ “Babiuc Fears Low Budget Might Hinder NATO Entry Chances,” *Rompres* (in English), January 6, 1999, (FBIS transcription). Seemingly whacked from one fiscal bumper to the next, the anemic 1999 budget had to be augmented in the later half of the year to meet unanticipated shortfalls. The MAPN found itself one of four lucky ministries to share in a 5,000-billion lei plus-up. “Poor budget rectification,” *Monitorul* (in English), September 24, 1999.

¹⁶⁷ For 1998, the following countries equaled or fell below Romania’s 1998 percentage apportionment for defense spending as a share of GDP (Note: The percentages are estimated 1998 figures.): Belgium – 1.5 percent; Denmark – 1.6 percent; Germany – 1.5 percent; Luxembourg – 0.9 percent; Netherlands – 1.8 percent; Spain – 1.3 percent; Canada – 1.2 percent. NATO, “Financial and Economic Data Relating to NATO Defence,” press release M-DPC-2(98)147, December 17, 1998. Internet. Tomas Valasek makes the same point on NATO defense spending in general in “European Defense: Slumbering No More?,” *Weekly Defense Monitor*, The Center for Defense Information, vol. 3, issue #19, May 14, 1999. Internet.

¹⁶⁸ “Implications of European Integration for Allies’ Defense Spending,” Report to the Chairman and Ranking Minority Member, Subcommittee on Defense, Committee on Appropriations, U.S. Senate, GAO, June 1999, GAO/NSIAD-99-185, pp. 10-12.

¹⁶⁹ As quoted in Stefan Diaconu interview with Brigadier General Vasile Corhaneanu, head of the MAPN Financial Directorate, *Observatorul Militar*, March 10-16, 1999, (FBIS translation).

[uniforms/equipment] and training needs. We cannot have a competitive army without at least \$10,000 a year.” He added that absent supplementary funding the military would be obliged to unsheathe the carving knife and whittle its numbers, retaining only 80,000-85,000 for the next five years.¹⁷⁰

Summary

The most recent Central European Economic Review (CEER), which is conducted annually by *The Wall Street Journal*, puts a sharper focus on Romania’s situation, providing a regional perspective that can sometimes be missed when merely evaluating economic components in isolation within a single nation. To arrive at its conclusions, the review asked well-known economists to evaluate various conditions in 27 specific countries. Scores were rendered for each country across a range of categories.¹⁷¹

At the macro level, Romania continued to solidify a spot in the top half of the states examined. Pegged at number 13 in 1998, it moved up two notches to an overall ranking of 11 in 1999, falling just below Bulgaria but ahead of number 12 Kazakstan and number 13 Russia. Turning to more specific economic indicators, the CEER ranked Romania as follows from amongst the 27 countries evaluated:

- Economic strength: 13th
- Balance of payments: 13th
- Business ethics: 11th
- Integration into world economy: 11th
- Liquidity/ease of buying stocks: 11th
- Rule of law: 11th
- Price stability: 19th
- Productivity: 11th
- Currency stability/investment climate: 12th
- Political stability: 12th

Based on the above results the panel of economists saw at least some room for optimism. AIG Europe’s chief investment officer for Central and Eastern Europe, Kalman Mizsei, said “I think the [Romanian] government is more realistic now.”¹⁷² The jury may still be out.

Ambassador Moses highlighted the importance of the economic variable to NATO acceptance when he observed that “economic reform is key to Romania’s ability to pay the future costs of upgrading its military to meet NATO standards.”¹⁷³ This of course presumes that Bucharest’s ability to pay its own way or not will in some way effect future deliberations within NATO corridors on the question of its candidacy. If it indeed carries weight in the decision-making process, it would seem Romanians will have their work cut out for them at the anticipated second round of enlargement talks in trying to convince NATO members that they too should wear the team jersey.

Given the reality faced, perhaps U.S. Ambassador to Romania James Rosapepe offered the best advice when he suggested that “by worrying less and reforming more, you [Romanians] will hasten the day Romania joins the NATO Alliance.”¹⁷⁴ Failure to grasp the significance of the ambassador’s

¹⁷⁰ As quoted in “General Popescu Says Army To Reduce Overall Size,” *Adevarul*, May 8, 1999, (FBIS translation).

¹⁷¹ Philip Shishkin, “Growing Divisions – Experts see good times ahead for the economic leaders,” Central European Economic Review, *The Wall Street Journal*, November 29, 1999. Internet.

¹⁷² The overall ranking of countries assessed for 1999 was as follows: 1 – Hungary, 2 – Slovenia, 3 – Poland, 4 – Czech Republic, 5 – Estonia, 6 – Latvia, 7 – Lithuania, 8 – Slovakia, 9 – Croatia, 10 – Bulgaria, 11 – Romania, 12 – Kazakstan, 13 – Russia, 14 – Macedonia, 15 – Azerbaijan, 16 – Georgia, 17 – Kyrgyztan, 18 – Bosnia-Herzegovina, 19 – Ukraine, 20 – Armenia, 21 – Moldova, 22 – Uzbekistan, 23 – Turkmenistan, 24 – Albania, 25 – Tajikistan, 26 – Belarus, 27 – Yugoslavia. Ibid.

¹⁷³ Alfred H. Moses, “Romania’s NATO Bid,” *SAIS Review*, p. 139.

¹⁷⁴ Ambassador Rosapepe, “Knocking on an Open Door,” (speech, undated). Internet.

admonition while time still allows could mean that as the next enlargement decision draws closer Bucharest will find itself unable to compete on its “field of dreams.” At least some Romanians seem to have gotten the message. In a March 1998 interview with Thomas Leonard, a political counselor at the Embassy in Washington said: “Whereas the Romanian people thought that economic reforms would come with admission to NATO, they now see that reforms must come as a prerequisite for admission to NATO.”¹⁷⁵

Having looked at the political and economic realities that confront the Romanian nation and the past upon which it was built, I now turn to a fuller examination of the military component of the cost equation.

¹⁷⁵ As quoted in Thomas M. Leonard, “NATO expansion: Romania and Bulgaria within the larger context,” *East European Quarterly*, Winter 1999, pp. 517-544.

SECTION V—THE MILITARY COMPONENT

Romania's military has the will to move as fast as the country's resources will allow, but until Romania's economy picks up speed, its military will lack the resources necessary to modernize rapidly.

Alfred Moses, Former U.S. Ambassador to Romania¹⁷⁶

The units have a certain operational capacity, and are able to cope with average to low risk situations, namely to accidental situations or some provocation. If there were a major conflict in the area, with the involvement of modern armies, it would certainly be untrue to say that the Romanian Army is able to cope with average or high-level conflicts. If we were to make a correct appraisal of the operational levels, compared with NATO standards, we would have to admit that we are very far from this level.

General Constantine Degeratu, former Romanian Army Chief of the General Staff¹⁷⁷

NATO aspirants are expected to organize their armed forces to meet certain levels of interoperability and system-wide compatibility. This would include such things as a right-sized, professionally capable military force outfitted with the proper equipment; adequate levels of readiness; and, an infrastructure able to work in concert with other Alliance members. Romania's forces today fall far short of the mark. Although corrective actions are underway to bring the military establishment in line with NATO standards at a cost that is manageable within the confines of budgetary constraints, the possibility for near-term improvements is dim.

I begin this section by first identifying Romania's national security strategy as articulated by President Constantinescu and the favored path for military restructuring. Next, I turn to the issue of personnel management and restructuring, followed by a discussion of the planning surrounding equipment purchases.

National and Military Strategies Defined

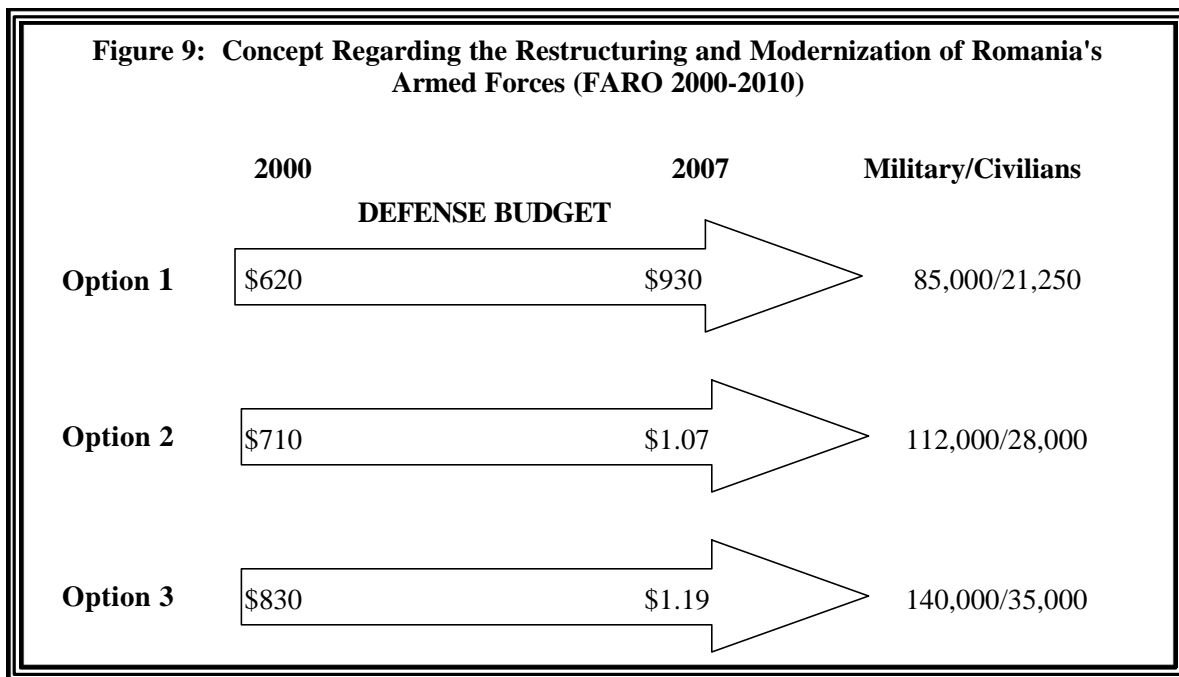
As alluded to in Section IV, the gears of the military machine have been grinding in an earsplitting rub of requirements vs. expenditures as senior officers and civilian officials lobby in public, and presumably more forcefully in private, for funding to lubricate the various components of the armed forces in a desperate race to prevent total system collapse. Not surprisingly, in the face of such a daunting task, the military and government, often in concert with foreign assistance, have only been able to suture together a handful of meaningful reforms/upgrades. Nevertheless, the government deserves credit for its efforts to craft a reasonable mid- to long-term intellectual framework to guide military restructuring.

Towards the end of June 1999, President Constantinescu delivered an address to Parliament that laid out Romania's national security strategy. Anticipated closer ties with the EU and NATO hold the strategy together like reinforcing concrete rods that fortify structures built in earthquake-prone areas. Remove the rods and the buildings remain standing until the first major shock wave strikes, sending confusion and panic. Indeed, the national security substructure rests on a further blending with the West: "Integration into the North-Atlantic alliance, development of bilateral relations, privileged relations with NATO and EU member-countries, and the Strategic Partnership with the United States." Internally, the president identified the need to remold the armed forces, dropping the numbers to a manageable size and providing them with the proper tools to accomplish their mission – a portion of which will involve out-of-country operations focused on crisis management and conflict resolution under the guise of NATO or other international organization direction. Particular areas of concentration to enhance national capabilities, the president said, include advanced educational training for military staffs and maximization

¹⁷⁶ Alfred H. Moses, "Romania's NATO Bid," *SAIS Review*, p. 151.

¹⁷⁷ General Degeratu's comments followed a visit to units in western Romania (Timisoara and Arad). As quoted in "Army COS Expresses 'Hidden Discontent' at Restructuring," *Adevarul*, May 17, 1999, (FBIS translation).

of interoperability with NATO forces “in the field of staff training, troop drills, C4I (command, control, communications, computers, and information) systems, management and airspace defense, logistics, and infrastructure.” Despite the fact that relevant committees within Parliament had previously decided their sanction was not required to authorize the strategy, President Constantinescu felt it important to present the way ahead agreed to by the Supreme Defense Council of the Country (CSAT), a structure much like the American National Security Council (NSC), and to obtain legislative buy-in.¹⁷⁸



Source: “Defense Council Considering Army Restructuring Concept,” *Ziua*, June 2, 1999, (FBIS translation).

Several weeks prior to the strategy’s release, the MAPN had set the cornerstone by forwarding a draft proposal to the CSAT for a makeover of the nation’s military. This “Concept Regarding the Restructuring and Modernization of Romania’s Armed Forces,” known also as FARO 2000-2010, offered three alternative options (see figure 9) for sharpening the incontestably blunt military spear. Without a doubt the personnel rolls had been shaved in drastic fashion over time, going from 320,000 (military/civilian) in 1989 to 180,000 (military/civilian) in 1999.¹⁷⁹ Still, the national treasury could not cope with the needs of such a large remaining force given the dilapidated economic situation.

¹⁷⁸ “‘Text’ of National Security Strategy,” *Ziua*, June 23, 1999, (FBIS translation). In line with the flurry of mid-summer activity, on June 29, 1999, U.S. Defense Secretary Cohen handed over an assessment that the DoD and U.S. European Command had prepared on the Romanian military. Secretary Cohen said “That assessment...recommends that Romania concentrate on essential reforms. And these include downsizing, restructuring, and improvements in training, logistics, and command and control. This assessment provides a road map to guide the United States and Romanian militaries as we continue to work together.” No doubt earlier drafts of the report were coordinated with Romanian officials, allowing major conceptual components to be included in then-ongoing Romanian defense program planning. Cohen, DoD news briefing, June 29, 1999. Internet.

¹⁷⁹ In 1999, the armed forces consisted of 144,000 troops and 36,000 civilians. “Defense Council Considering Army Restructuring Concept,” *Ziua*, June 2, 1999, (FBIS translation). Not distinguishing between troops and civilians within the Defense Ministry, Babiuc offered slightly different figures in one source, showing the armed forces comprised 250,000 in 1990 and 178,000 in 1998. The purpose of the compression, he said was to “transform the Romanian military from a mass army designed for mass confrontations to a professional military able to participate efficiently in a large range of missions within both the national and multinational framework.” Dr. Victor Babiuc, Romanian Minister of National Defense, “Reform of the Romanian Armed Forces: Modernization and Interoperability,” *Euro-Atlantic Integration*, p. 124.

For its part, the MAPN put forward a medley of options, composed under the helpful guidance of American and British specialists, with the underlying premise that Romania would be integrated into NATO, thus obviating the need for even more robust capabilities than those presented. Each option assumed a projected funding level available for the defense budget in 2000 and a growth factor leading up to the year 2007 budget figure. To illustrate, under the most aggressive model, option three, the defense budget would start out at \$830 million in 2000, rising to \$1.19 billion in 2007. The manpower (military/civilian) each revenue line would be intended to support is also reflected at the right of the chart. Again, using option three, a defense budget of almost \$1.2 billion in 2007 buys a base force of 140,000 soldiers and 35,000 civilians.¹⁸⁰

Following extensive internal discussions, the CSAT opted to split the difference, selecting the middle option, judging it to be the most practical given the political, economic, and military realities. To General Degeratu, this represented “not only the only possible option, but also a realistic stability element, which makes the standard action program sound.” He added that a subsidiary reform designed to further enhance the chances of success involved employment of a new budgeting process. Whereas in the past defense planning had relied on a familiar, unsophisticated approach to number crunching that had been adequate for a centrally planned economy, henceforth a multi-annual planning cycle would be used to allow for a more practical, developed methodology and better results, making it possible to more accurately calculate actual and anticipated military-related expenditures.¹⁸¹

Although details are spotty, the new defense direction was apparently canonized in the “White Book of the Government – Romania’s Army 2010 Reform and Euro-Atlantic Integration,” which a joint session of Parliament approved on November 24, 1999. The document reportedly lays out the means and methods to be employed to ensure Romanian security needs are met. The armed forces will use the White Book to conceptualize and articulate the military component of the national strategy.¹⁸² It further specifies that the focal point around which the armed forces will build is the country’s Rapid Reaction Force, which was established in March 1997.¹⁸³

Personnel Management and Restructuring

In an apparent first step in the long march toward option two, Defense Minister Victor Babiuc announced in mid-October 1999 that the armed forces would be pared by 68,000 personnel over the next three years, taking the active force to 112,000. A key driver in the manpower pruning was the need to line up more closely with NATO standards and to correct a disjointed officer/NCO imbalance, i.e., a 14,000 excess in officers and an arrears of 20,500 NCOs. Babiuc telegraphed his move roughly seven months earlier when he indicated Romania’s eight Army corps (two brigades each) would be halved starting in the fall. Besides conforming more closely with NATO, he hoped the move would begin to correct the problem of too many men and not enough serviceable equipment. According to the military’s calculus, personnel reform would occupy center stage through 2003, with hardware modernization receiving the focus of attention in the 2004-2007 time frame.¹⁸⁴ The defense minister best summed up his

¹⁸⁰ “Defense Council Considering Army Restructuring Concept,” *Ziua*, June 2, 1999, (FBIS translation).

¹⁸¹ As quoted in “Army Undergoes Restructuring, Modernization Processes,” *Ziua*, June 23, 1999, (FBIS translation).

¹⁸² “Parliament Adopts Government-Army Reform Plan,” *Rompres* (in English), November 24, 1999, (FBIS transcription).

¹⁸³ “Romania, Israel To Boost Military Cooperation,” *RFE/RL*, January 10, 2000. The Rapid Reaction Force (RRF) is envisioned to be key to the national defense structure and in support to out-of-country peace-keeping operations. The core of the RRF includes “4 battalions; 1 engineer battalion; 1 signals battalion; 1 air transport detachment with 4 C-130 aircraft; and other structures.” Babiuc, “Reform of the Armed Forces,” *Euro-Atlantic Integration*, p. 122.

¹⁸⁴ *Ibid.*; “Romania to cut strength of armed forces,” *Reuters*, October 13, 1999; and, “Romanian Defense Minister to Halve Number of Army Corps,” *Ziua*, March 22, 1999, (FBIS translation). As of 1999, the Army’s eight corps were located in Bucharest, Craiova, Brailia, Iasi, Timisoara, Targu-Mures, Dej, and Constanta. “Lack of Funds Seen Endangering Army Reform Process,” *Ziua*, March 24, 1999, (FBIS translation).

quandary in an early June 1999 interview when he said: “Today, it is not the size of an army that is important but its training and in that respect we are not up to the mark.”¹⁸⁵

One of the keys to effective training is the building of a solid, professional NCO corps to serve as the backbone of a reformed military structure. Awed by the capabilities of the larger-than-life Marine non-commissioned officers he witnessed while on a 1998 visit to a U.S. Marine base, Babiuc inquired about the possibility of the USMC helping shape and mold Romanian NCOs into a professional cadre. In the event, eight Marines were dispatched to the Romanian NCO school to begin a two-year program to instill the desired qualities in 25 Romanian instructors, who in turn are to pass along the knowledge learned to future students of the school. “Small unit leadership is at the heart of the three-month course Marine instructors devised for the Romanians.” The bulk of the Marines’ stay will involve monitoring the program, assisting the newly minted instructors, and offering advice. Assuming the program progresses as planned, 750 NCOs will annually pass through the school house doors.¹⁸⁶

As may be inferred, MAPN’s civilian workforce has not been forgotten. At mid-year 1999, roughly 15-20 percent of the Defense Ministry’s employees were civilian. By year end, Babiuc anticipated this to expand to 28 percent, with the motivation again being a desire to mimic Western institutions.¹⁸⁷ Nevertheless, pure manning increases will not quickly translate into a professional workforce; rather, “it will take years for Romania to train an adequate number of civilians to staff its Ministry of Defense.”¹⁸⁸ Of noteworthy merit, however, is the fact that civilian control of the ministry has been a reality since 1993.

	<u>1999</u>	<u>NATO Standard</u>
Maj	25%	20%
Lt Col	18%	14%
Col	7.5%	6%

Source: “Military Reform Plagued by Lack of Funds,” *Azi*, January 28, 1999, (FBIS translation)

As mentioned, 2000-2003 will spotlight personnel and structural issues. This emphasis is designed to: (1) bring the force into at least minimal compliance with interoperability goals agreed to between Romania and NATO in the Planning and Review Partnership Process (PARP)¹⁸⁹, and (2) ensure a force capable of handling national defense responsibilities. This will not be easy. The Defense Ministry weekly *Observatorul Militar* put its literary finger on the problem when it noted the up-front under funding of the defense budget: \$217 million in 2000, \$163 million in 2001, \$117 million in 2002, and \$18 million in 2003. No as yet unseen cavalry pay wagon is waiting around the next fiscal bend to save the day, as the weekly points out. “Completely balancing the defense budget for the main types of expenses, according to NATO procedures, is expected to be achieved by 2006.”¹⁹⁰

One of the key ingredients of the 2000-2003 stress on personnel will be to better align the rank structure more closely to that employed by NATO countries and to mold the officer/NCO ratio to a more

¹⁸⁵ Interview with Defense Minister Babiuc by Ileana Lucaciu, “Defense Minister Views Army Reform, Prospects,” *Romania Libera*, June 5, 1999, (FBIS translation).

¹⁸⁶ “U.S. Marines Help Build Romanian NCO Corps,” Armed Forces Information Service, November 30, 1999. Internet.

¹⁸⁷ “Romanian Army will have soon Women Fighters,” *Monitorul* (in English), August 27, 1999. The above source cites Babiuc as placing the percentage of civilians in the Defense Ministry at 15 percent. However, in a June 1999 interview he pegged the figure at about 20 percent. Interview with Defense Minister Babiuc, *Romania Libera*, June 5, 1999.

¹⁸⁸ Alfred H. Moses, “Romania’s NATO Bid,” *SAIS Review*, p. 149.

¹⁸⁹ Romania worked toward 19 interoperability objectives in PARP-I (1995-96); during PARP-II (1997-1999), it attempted to fulfill 44. *Ibid.*, p. 127. Successful attainment of “these objectives would ensure the conceptual, operational, and technical capability of the Romanian Armed Forces to cooperate with NATO military structures and forces....The objectives adopted during this cycle [PARP-I] were accomplished only partially; the shortcoming was due entirely to insufficient funding.” General Constantine Degeratu, Chief of the Romanian General Staff, “The Interoperability of Romania’s Armed Forces,” *Euro-Atlantic Integration*, p. 145.

¹⁹⁰ “Plan for Modernization of Romanian Army,” *Observatorul Militar*, June 30 – July 6, 1999, (FBIS translation).

balanced one officer for every three NCOs. As reflected in table 5, while the percentages of field grade officers are higher than NATO standards, they are not overly so. Imbedded in the process is a desire to craft a more pyramid-shaped officer corps by expanding the relative number of junior officers (lieutenants and captains), going from the 50 percent of the force that they now represent to 60 percent (see table 6).¹⁹¹

Speaking at a July 10, 1999, seminar in Brasov on military restructuring, then-Chief of the Human Resources Management Directorate, Division General Neculai Balan, pinpointed the underlying challenges inherent in downsizing a bloated military force, saying that “military careers will soon become a merchandise that must be sold under the circumstances of [a] market economy.” General Balan added that unless manning levels are trimmed, military leaders would be faced with a “personnel bomb,” his primary reference being to the excess of senior officers and the disjointed mix of one officer for every NCO – a legacy of Romania’s communist past. On the opposite end of the spectrum, methods have to be found to attract youth to the benefits of a military career. And in comments reminiscent of a similar situation faced by the U.S. military several years ago, he observed that “the Army is interested in seeing to it that those who leave the military system find new jobs, so that we would not have enemies in civilian society, and so that the recruiting system does not collapse.” American counterparts could well sympathize with these sentiments.¹⁹²

Table 6: Rank Structure (By Number)

	<u>1999</u>	<u>By 2003</u>
2 nd Lt	2,218	2,400
Lt	3,051	3,750
Capt	9,908	4,050
Maj	7,800	2,200
Lt Col	5,618	1,800
Col	2,300	630
Gen	101	120

Source: “Army Officials Detail Cuts Among High-Ranking Officers,” *Adevarul*, July 12, 1999, (FBIS translation).

Equipment and Infrastructure

Forces will be brought up to full capability in stages so as not to exhaust the defense budget before the race has even begun. Operating from this framework, “It is felt that by 2005 Romania will have available a compact structure of forces that is interoperational with the similar NATO structures, one that performs, is efficient, flexible, and less costly.” The Romanians believe this is “a realistic plan of action for joining NATO.”¹⁹³

Splitting the difference between costs tied directly to NATO integration and those borne of the normal expenditures inherent in armed forces modernization and the downsizing process complicate the job of saying with certainty what the ramp up to NATO membership would mean in terms of hard dollars (or lei). This was evident in the various NATO-related spending figures touched upon at the beginning of Section IV. Often it is impossible to tie a certain expense to one category or another; frequently they overlap. Due to the lack of available detailed information on Romanian budget planning, it has also proven near impossible to determine the genesis of certain cost figures and the assumptions that underlie

¹⁹¹ “Military Reform Plagued by Lack of Funds,” *Azi*, January 28, 1999, (FBIS translation).

¹⁹² As quoted in “Army Officials Detail Cuts Among High-Ranking Officers,” *Adevarul*, July 12, 1999, (FBIS translation). As indicated previously, General Balan was subsequently reassigned as the military attaché at the Romanian Embassy in Washington, D.C. Current planning, according to Ion Plangu, seeks to field a force that by 2010 has at least half of its ranks composed of professionals. Ion Mircea Plangu, Secretary of State and Head of the Department for Defense Policy, Romanian Ministry of Defense, “Defense Planning for 2010,” *Euro-Atlantic Integration*, p. 137. Perhaps reflecting some of the confusion inherent in such a massive recasting of the force, General Ioan Ghitas says up to 50 percent of the armed forces will be made up of professional, contract personnel five years earlier, i.e., by 2005. In order to downsize the force to a more manageable size (145,000), General Ghitas estimates personnel compensation costs will approximate \$120 million. General Ioan Gavril Ghitas, Deputy Chief of the Romanian General Staff, “The Costs of the Reform of the Romanian Armed Forces,” *Euro-Atlantic Integration*, pp. 161-162.

¹⁹³ “Plan for Modernization of Romanian Army,” *Observatorul Militar*, June 30 – July 6, 1999, (FBIS translation).

their generation. Though the following numbers differ from those presented in Section IV, it may nevertheless be instructive to recount a possible general funding picture laid out in 1999 by General Ioan Ghitas, then-Deputy Chief of the General Staff, in which he described the anticipated costs associated with “modernizing procurement” – if for no other reason than it demonstrates the depth of the potential problems/costs faced. Monies spent in this area would cover such things as elimination of no-longer-needed equipment/ammunition, modernization of remaining systems to NATO standards, attainment of capabilities compatible with other PfP nations, completion of C3I (command, control, communications, and intelligence) upgrades, etc. According to General Ghitas, the outlays associated with these programs have been calculated at \$3.981 billion over the period 1998-2005. A more detailed expense scorecard follows in table 7. Note that under this scheme, the Air Force reaps the bulk of the funds.

Table 7: Armed Forces Modernization/Procurement Costs, 1998-2005
(in millions of dollars)

DESTINATION	1998	1999	2000	2001-2005	TOTAL
Army	7	48	56	457	568
Air Force	97	171	192	1,270	1,730
Navy	4	22	36	222	284
Rapid Reaction Force	16	41	50	287	394
PfP	42	80	75	420	617
C3I System	7	52	48	281	388
TOTAL	173	414	457	2,937	3,981

Source: General Ioan Gavril Ghitas, Deputy Chief of the Romanian General Staff, “The Costs of the Reform of the Romanian Armed Forces,” *Euro-Atlantic Integration*, p. 166.

Taking into account all of the factors fundamental to the reform program, the general arrives at an all-inclusive cost of \$4.687 billion for the years 1998-2005, broken out as shown in table 8 below:

Table 8: Total Armed Forces Reform Costs, 1998-2005 (in millions of dollars)

EXPENSES FOR:	NECESSARY FUNDS
Military Restructuring	300
Personnel Training	88
Upgrading the Military Education System	64
Modernizing Procurement	3,981
Modernizing the Infrastructure	254
Total	4,687

Source: General Ioan Gavril Ghitas, Deputy Chief of the Romanian General Staff, “The Costs of the Reform of the Romanian Armed Forces,” *Euro-Atlantic Integration*, p. 169.

Obviously funding will not materialize in time to accomplish the general’s goals, mandating further evaluation, revision, and fine-tuning. Information supplied the author by Major General Balan suggests just such activity is underway. At the heart of the armed forces recapitalization program, which focuses now on the years 2005 to 2015, the Army garners the bulk of the money allotted for modernization, with the Air Force a distant second, and the Navy trailing the pack by a wide margin. Planning assessments rest on the optimistic assumption that future economic performance will defy recent history, plowing ahead at a 2-percent annual rate. Under this scenario, the Army would experience enlarged equipment spending beginning in 2005, with the bulk of expenditures spiking sharply between 2007 and 2012. In 2010, the anticipated period of highest budget growth, close to \$190 million would be directed to Army programs. Typical ground force recapitalization would include spending on upgraded communications equipment, wheeled infantry fighting vehicles, trucks, tanks, TOWs (tube-launched, optically tracked, wire-guided missiles), and shoulder-fired surface-to-air missiles. The Air Force glide

slope is more gradual, with no significant spikes – although a modest hike occurs in 2009 to the count of roughly \$90 million. The year of maximum recapitalization spending arrives in the final year of the projection, 2015, peaking at about \$200 million. Utility helicopters, C-130 transports, MiG-29 fighters, and Western fighter aircraft populate the hoped-for upgrades. The Navy faces the bleakest prospects under this scenario, forcing Romanian admirals to resign themselves to minimum modernization budgets until at least 2010, at which point some money begins flowing in their direction, rising to a peak of only about \$135 million in 2013. When funds do become available, improvements in the areas of naval helicopters, riverine vessels, corvettes, etc., will be undertaken. Lumping these outlay levels together, along with C4ISR (command, control, communications, and computers/intelligence, surveillance, and reconnaissance), munitions, and unprogrammed expenditures, the Romanian recapitalization budget for the armed forces will begin to rise dramatically in 2007. Between sometime in late 2007 and 2015 overall spending in these areas will fall in a range of \$320-\$360 million per year.¹⁹⁴

In terms of Romania's ability to morph its military into the NATO mold, Bucharest feels there is at least one area where the past could positively influence the future, specifically as concerns military technology. In keeping with its maverick image during the 60s, 70s, and 80s, Romania refrained from reliance on Soviet or other East European communist country martial hardware to a notable degree, choosing instead to largely produce what it needed in country (roughly 80 percent of military equipment requirements) or to procure selected items from the West. The same held true for the training of officers, who stopped attending Soviet military institutions early on. This lack of structural reliance on Soviet-style equipment and training, Romanians have argued, should simplify integration with NATO.¹⁹⁵ On the other hand, limitations in the areas of interoperable communications, incompatible fuel grades, and paucity of English speakers have been readily admitted in the past.¹⁹⁶ Notwithstanding these hurdles, identifiable progress has been demonstrated. In terms of officers conversant in English, for example, General Balan estimated that as a minimum over 1,000 such personnel have attained at least a passable capability. He added that English language training is now a requirement at Romanian military academies, with many other officers choosing to tackle English on their own initiative.¹⁹⁷

¹⁹⁴ Author interview with Major General Balan, January 11, 2000, Washington, D.C.

¹⁹⁵ See Constantin Ene, Romania's Ambassador to the EU and Liaison Ambassador to NATO and WEU, "Romania sets its sights on NATO membership," *NATO Review*, Web edition, no. 6, vol. 45, November-December 1997, Internet; "Prime Minister Makes Case For NATO Membership," *RFE/RL*, April 29, 1997; and, interview with Victor Babiuc, Romania's Defense Minister, "Defence Weekly Interview," *Jane's*, vol. 31, no. 3, January 20, 1999, Internet. The degree of local military equipment production was underscored in October 1999 when Romania held its "first-ever arms trade fair." Roughly two-thirds of the companies at the arms fair were Romanian (67 Romanian companies, 40 foreign companies). "International Arms Fair Opens In Bucharest," *Agence France Presse*, October 27, 1999. Local production, however, doesn't always translate into sales. At the end of 1999, nine out of 10 Romanian arms producers had "orders covering only 5-15% of their production capacity." "Collapse in Romanian defense industry," *Invest Romania*, November 19, 1999, Internet.

¹⁹⁶ Interview with Colonel General Ioan Dumitru Cioflina, Chief of the General Staff, "Defence Weekly Interview," *Jane's*, vol. 24, no. 6, August 12, 1995, Internet. The necessity to ensure a robust number of English speakers was reaffirmed by Division General Mihail Popescu, Chief of the Land Troops' General Staff, in 1999 when he observed that Romanian personnel deployed to Bosnia in support of the Stabilization Force (SFOR) required a basic understanding of English. "Romanian Military To Improve Training, Equipment," *Azi*, May 11, 1999, (FBIS translation).

¹⁹⁷ The general underscored that about \$2 million in U.S. foreign military funding has been directed to language training initiatives, to include equipment and materials. All language training takes place in Romania. Officers are only sent abroad to attend professional courses, in the U.S., for example, after having first mastered English. Author interview with Major General Balan, January 11, 2000, Washington, D.C. General Ghitas has noted that more than 1,430 military personnel of all ranks successfully completed foreign language training at military institutions from 1990 to 1998. English and French were the two most frequently studied. General Ghitas, "The Costs of the Reform," *Euro-Atlantic Integration*, p. 163. The armed forces had sent upwards of 800 officers to attend courses in other countries as of 1998. Babiuc, "Reform of the Armed Forces," *Euro-Atlantic Integration*, p. 125.

In many respects, the challenges confronting Romania's armed forces are not all that different from those facing other former Soviet satellite states – even the recently admitted triumvirate of Poland, Hungary, and the Czech Republic – and in this respect should not be looked at in isolation or out of context to demonstrate Romania's supposed military inferiority. As late as the summer of 1998, all three of NATO's newest members battled the problem of inadequate numbers of military personnel conversant in English. In particular, Prague and Budapest purportedly had barely enough English-capable officers to staff NATO headquarters billets (200-300). In terms of hardware, the chocking grip of aging equipment, coupled with inadequate resources with which to procure modern replacements, reminds one of Romania's predicament. "A NATO source estimated that bringing Czech war supplies up to Alliance standards would cost two years of that country's total defence budget." And in 1997, a "secret Czech Ministry of Defence report stated that, 'For reasons of limited availability of resources, over 50 percent of this technology [Air Force aircraft] is currently incapable of flying.'" Polish fliers fared no better, according to Air Force Commanding General Kazimirz Dziok, who lamented in early 1998 that "If we fail to commission new machines to fill this gap [aging aircraft], there will be nothing to restructure in the Polish Air Forces." Moreover, Polish fighter pilots averaged only 40-60 hours flight time in 1997. Even with the planned increase by 2002 to 80 cockpit hours a year, Poland's pilot corps would still be grossly shortchanged in training hours by NATO standards.¹⁹⁸ And even more recently, on January 21, 2000, Defense Minister Janusz Onyszkiewicz told the Sejm that the anticipated upgrade of military airfields to NATO standards had not been accomplished the previous year as hoped. "It proved a much more demanding task than we were told it would be," the defense minister confessed.¹⁹⁹

Under the chosen course, Romania's year 2000 defense budget would comprise 1.8 percent of GDP – with a growth rate pegged at 0.05 percent per year – attaining 2.2 percent of GDP in 2007. Assuming current and future governments can learn to become more dexterous than past experience would suggest, aligning the key variables contained within the military Rubik's Cube in the manner predicted, the force structure of 2007 will look as depicted in table 9. However, General Degeratu himself raised the caution flag to ensure all parties understood the gravity of the uphill push to realign the armed forces. By way of example, he held up the case of Romania's MiG-29 fighters; out of 18 aircraft, only five or six met NATO requirements. Only a dozen or less, he said, "can fly at any time on simple missions." He added that the costs associated with maintaining these platforms at an operational level exceeded the ability of the government to fund.²⁰⁰ In a separate interview, the general revealed that MiG-29 pilots are only able to eek out 120 hours of flying time annually.²⁰¹

¹⁹⁸ Jorgen Dragsdahl, "NATO Resists Pressures to Militarise Central Europe," BASIC, paper nr. 28, July 1998. Internet.

¹⁹⁹ "Poland's Military Airfields Unsited For NATO," *Warsaw PAP* (in English), January 21, 2000, (FBIS transcription).

²⁰⁰ "Army Undergoes Restructuring, Modernization Processes," *Ziua*, June 23, 1999, (FBIS translation).

²⁰¹ Press conference with General Constantin Degeratu reported in article by Colonel Alexandru Bodea, "Degeratu on Plan for Army Restructuring," *Observatorul Militar*, June 30-July 6, 1999, (FBIS translation).

Table 9: Planned Romanian 2007 Force Structure

	<u>Army</u>	<u>Air Force</u>	<u>Navy</u>
¹ Manpower	62,000	20,000	10,000
Major Elements	8x combat bdes 4x spt bdes 2x logistics spt bdes	5x air bases 2x anti-acft defense bdes 11x combat squadrons	2x sea bases 1x river base
Equipment	720 artillery pieces 480 tanks 940 armored vehicles	84x combat acft (Mainly MiG-21/MiG-29) 48x combat helos 36x spt helos 12x carrier acft	6x combat ships 12x mining/de-mining ships 23x spt ships 24x patrol ships Sole sub retired
² Reserves	11x combat bdes 5x spt bdes 2x logistics spt bdes	2x air bases	1x reserve unit

Notes: ¹ 5,700 NCOs and 15,300 other military personnel to be hired on contract basis.
² Active reserve totals 17,600 military personnel (15,000 officers, 2,600 enlisted).
³ The Army plans to fill the ranks with half conscripts, half contract soldiers in 2005.

Source: "Army Undergoes Restructuring, Modernization Processes," *Ziua*, June 23, 1999, (FBIS translation).

Despite sometimes harsh self-criticisms, Romania's military professionals seek to improve where possible, when possible, although reality dictates that progress will not be measured in quantum leaps but rather by incremental steps, much in keeping with the wisdom of a Romanian proverb that says: *Incet, incet, departe ajungi* (We'll get there a little at a time, or, slowly but surely).

Several ongoing reform efforts showcase the military leadership's determined aspiration to bring at least modest improvements in efficiency and interoperability with NATO to the armed forces. "We have a programme for 44 interoperability criteria with NATO," Defense Minister Babiuc observed at the beginning of 1999, "which we are implementing; nine or 10 of these criteria are already achieved."²⁰²

In February 1999, General Degeratu christened the nation's Air Sovereignty Operational Center (ASOC). From its location in the capital the ASOC manages five outlying three-dimensional radars manufactured by Lockheed Martin, known as the FPS-117, which started operation in mid-1998 for control of military and civilian air traffic. According to media reporting, "Each of the five devices has a 460-km active range. They can identify targets at altitudes up to 30 km and can see, during only one scanning process, more than 1,000 targets." The \$82-million system will be paid for over a 10-year period.²⁰³

A second significant ongoing program involves Romania's Aerostar company, which partnered with the Israeli company Elbit in a \$300-million enterprise to improve the avionics of Romania's aging 110 MiG-21 inventory.²⁰⁴ Ten of the aircraft are dual-seat trainers; the primary role of the remaining

²⁰² Interview with Babiuc, *Jane's*, January 20, 1999. Internet.

²⁰³ Mihai Diac, "Romania Inaugurates ASOC Center in Bucharest," *Adevarul*, February 11, 1999, (FBIS translation).

²⁰⁴ John Fricker, "Aerostar, Elbit Launch MiG-21bis Upgrade," *Aviation Week's Show News*, September, 8, 1998. Internet.

MiG-21s is the air-to-ground mission. The initial delivery of the “Lancer” aircraft took place in 1996, with final upgrades expected to be completed in 2000. Specific improvements entail a heads-up display, a hands-on-throttle and stick system, a new electronic countermeasures system, digital map of Romania, and global positioning satellite (GPS) inertial navigation system. Lancer will be able to carry Western missiles and should be able to fly until 2012-2015.²⁰⁵

The dangerous mix of older airframes, even refurbished ones, and sub-optimal training may have contributed to the mid-August 1999 crash of a modernized MiG-21 Lancer just 3 km from the military airfield at Bacau during an instruction flight. Luckily both pilots reportedly suffered only minor injuries.²⁰⁶ Ambassador Moses astutely points out that “None of the countries in the region provides adequate pilot training and fatal accidents are a common occurrence in all of them. The average flying time for pilots in Romania is less than 50 hours a year, compared to the NATO pilot standard of 180 hours.”²⁰⁷

Besides the MiG-21, Elbit has additionally worked with Romania to improve the avionics, sensors, and weapons suite on the IAR 330L/SOCAT Puma helicopter, giving the armed forces a “modern multi-mission armed helicopter. It will be capable of conducting: armed reconnaissance (transmitting real-time information via datalink to other airborne helicopters and ground stations); anti-armor operations; ground-attack (close air support) missions; and helicopter escort duties.” The \$100-million contract entails a single prototype and conversion of 24 existing Pumas. Despite the seeming progress on the IAR 330 upgrades, other items on the helicopter wish list have suffered from financial fatigue.²⁰⁸

For several years the government had tried to in some way find adequate money to fund co-production of 96 AH-1 RO Dracula attack helicopters – based on the AH-1W Supercobra – for the Romanian military and eventual export. Under terms of the agreement, Bell Helicopters Textron would have fronted \$150 million to purchase a majority 70-percent share in the Brasov-based Romanian aircraft company IAR (Intreprinderea Aeronautica Romana) Ghimbav. An obviously disappointed Prime Minister Vasile finally felt compelled to quash the \$1.5-billion deal in mid-June 1999 once it became obvious Bucharest could not come up with the proper financing.²⁰⁹ The year before, Orthodox Archbishop Pimen perhaps stated the obvious when he voiced his opinion on the matter: “There’s been talk we should buy attack helicopters....But as far as we’re concerned, we should live within our means.”²¹⁰

At the start of 1999, the Defense Ministry had a total of 21 major procurement initiatives in progress, to include the MiG-21 and Puma upgrades, manufacture of the infrared Magic 2 air-to-air missile in cooperation with the parent French company Matra, and updating of the TR 85 tank (T-72). Although lofty goals abound, the reality remains much similar to what it was in 1998 when the Ministry of Defense’s Army Procurement Department could muster but half the outlays it needed.²¹¹

²⁰⁵ Gabriela Stefan and Mihai Diac, “Defense Industry Costs,” *Adevarul*, February 17, 1999 (FBIS translation).

²⁰⁶ This was the third MiG-21 crash at Bacau since 1989. Ovidiu Pauliuc, “Un Mig 21 Lancer s-a prabusit ieri la Bacau,” *Monitorul*, August 18, 1999.

²⁰⁷ Alfred H. Moses, “Romania’s NATO Bid,” *SAIS Review*, p. 150.

²⁰⁸ Michael J. Gething, “Multi-mission Puma/SOCAT for Romania,” *Jane’s International Defense Review*, volume no. 31, July 1998, pp. 60-61.

²⁰⁹ See “Romania PM says Bell Helicopter deal off,” *The Newswire*, The Conventional Arms Transfer Project, June 18, 1999, Internet; and, Gabi Moroianu, “New Potential Market for Dracula Helicopters,” *Ziua*, January 8, 1999, (FBIS translation). Both Ambassador Funderburk and Ambassador Moses believe the Bell initiative would have been of benefit to Romania, bringing jobs, generating new technology, upgrading the military, and showing further alignment with the West. Author interviews with Ambassador Funderburk, January 10, 2000, Washington, D.C.; and, Ambassador Moses, January 13, 2000, Washington, D.C.

²¹⁰ “Romania Leaders Split Over Bell Helicopters Deal,” *The Daily Newswire*, The Conventional Arms Transfer Project, August 17, 1998, Internet, cites an August 16, 1998, *Reuters* article as its source.

²¹¹ Gabriela Stefan and Mihai Diac, “Defense Industry Costs,” *Adevarul*, February 17, 1999 (FBIS translation).

The United States has attempted to assist Romanian civilian and military leaders were possible through a wide-ranging commitment, running the gamut from advice and expertise to equipment transfers and military-related loans. In 1995, for instance, the U.S. Government handed over four used C-130 transports without charge. And on September 5, 1997, the DoD issued a military loan guarantee, its first, to gird Romania's \$16.7-million purchase of AAI Corporation's Shadow 600 unmanned aerial vehicle (UAV), "plus a short-range air defense training system, training, and technical support." The Defense Export Loan Guarantee (DELG), which acts to insure Bucharest repays the funds, supports 85 percent of the contract with AAI, leaving Romania to pick up the remainder of the five-year loan and an "approximately \$3.4-million exposure fee, assessed by DoD."²¹²

A willing recipient of American largess, the MAPN also accepted a U.S. lending hand to upgrade computer systems at the Defense Ministry headquarters. The computer network is ultimately designed to link with various armed forces' headquarters throughout Romania as well as NATO countries.²¹³ With the help and assistance of the Defense Resources Management Institute located at the Naval Postgraduate School in Monterey, California, Romania was to undertake development of a center (Regional Center for the Management of Defense Resources (RCDRM)) to better manage its scarce defense resources. Its intent was to provide a locus to train Romanian and perhaps other nation's personnel in the finer points of managing military equipment and logistical systems. Unfortunately, the initiative seems to have languished with Bucharest's inability to come up with the requisite staffing, though Romanian officials continue to tout the Center and its eventual contributions.²¹⁴

Other outside assistance has also been gladly accepted. For example, working with the British Ministry of Defense, a regional training center was inaugurated in 1997 to foster brigade-level training in conformity with Western norms; some 200 officers had passed through its doors as of early 1999.²¹⁵ Moreover, Romanian and French officers met in mid-December 1999 to discuss their ongoing cooperation. A tangible result of the talks was agreement for Romania to send 60 officers to France for training and France to provide Romania with a number of officers "who will perform counseling activity for several years."²¹⁶

No doubt in an effort to elicit better public understanding of the armed forces at a time of diminishing resources, a select number of journalists and civilian opinion leaders have been granted an unusual degree of access to various military institutions.²¹⁷ In one such case, Bogdan Chirieac produced an editorial that captured his reflections after spending six months at the National Defense College. Immediately clear is the high regard in which he holds the personnel serving in the nation's armed forces, an esteemed body "for whom honor and patriotism mean almost everything." Chirieac bemoans the indignities foisted upon them, such as inadequate food and equipment. With regard to the latter, he cites the Russian attempt to overfly Romanian territory with personnel/supplies intended for the beleaguered

²¹² David Ruppe, "U.S. Guarantees Export Loan For UAVs To Romania," *Defense Week*, September 15, 1997, p. 8.

²¹³ "U.S. Experts Help Establish Romanian Army Computer System," *Azi*, February 12, 1999, (FBIS translation).

²¹⁴ "Military Reform Plagued by Lack of Funds," *Azi*, January 28, 1999, (FBIS translation); and, Defense Resources Management Institute, Naval Postgraduate School, Monterey, CA, e-mail to author, November 15, 1999. Planning was for the center to open its doors in the second quarter of 1999 at the Academy of Aviation and Defense in Brasov. The curriculum was designed to entail two annual 11-14 week courses for practitioners and a more condensed 5-6 week course given once or twice a year for those needing less-detailed information. George Ciamba, Romanian Ambassador to Turkey and Former Head of North American Division, Romanian Ministry of Foreign Affairs, and General Mihail E. Ionescu, Head of the NATO/WEU Integration Division, Romanian Ministry of Defense, "The Stages and Perspectives of the Strategic Partnership between Romania and the United States," *Euro-Atlantic Integration*, p. 178.

²¹⁵ "Military Reform Plagued by Lack of Funds," *Azi*, January 28, 1999, (FBIS translation).

²¹⁶ "Romanian-French Military Commission Ends Bucharest Talks," *Rompres* (in English), December 17, 1999, (FBIS transcription).

²¹⁷ During 1997-98, of the 87 attendees at the National Defense College, over half (48) came from the civilian world, to include three media representatives and 22 members from various political parties. "Military Reform Plagued by Lack of Funds," *Azi*, January 28, 1999, (FBIS translation).

Russian unit at Pristina following the NATO conflict in Kosovo. Why, he rhetorically asks, did the Romanian Air Force react by sending interceptors aloft from three airfields vice only one? The answer, he says, is “Because none of the three airfields had more than one fighter able to take off.” In equally dire shape is the Danube River fleet, which sits idle most of the time for want of fuel. The Navy and Army fare no better, in his view. Beyond an inadequate materiel base, the Romanian military suffers from the same contagion that has infected the U.S. force posture: a youth population that seems little motivated to choose the military as a profession. Even officers suffer from substandard housing and paltry wages. “In the six months I attended the Defense College,” he declared, “I realized that the Romanian Army is valid during peace time only, but not during war.”²¹⁸

Although Romania faces major hurdles in cobbling together a military force that approaches, let alone matches, NATO requirements, in fairness it should be noted that even current members frequently fall far short of the desired mark. This was no more evident than during the Kosovo crisis when serious deficiencies in interoperability showcased the degree to which some of the countries had allowed their armed forces to deteriorate. Until early May 1999, German General Klaus Naumann chaired NATO’s Military Committee. In this position for three years, he was ideally placed to judge the overall effectiveness of Alliance capabilities. Prior to the end of operations against Yugoslavia, the general ticked off several problem areas that he felt required attention: too few officers with an English-speaking capability; failure to follow prescribed NATO procedures; command, control, and communications shortcomings; non-compatible field equipment; too little airlift; not enough aerial refueling tankers; and electronic warfare shortages. As a group, Naumann charged that member states were “very generous in giving themselves a peace dividend....That has to stop. I believe we are at a turning point.”²¹⁹ Should the trend continue, NATO would face the prospect of fielding two mutually exclusive forces in the future: one technologically superior (U.S.), the other technologically inferior (European Allies).²²⁰ Naumann expanded on his thoughts on November 3, 1999, when he told the Senate Armed Services Committee that “As a European, I am ashamed we have to ask for American help to deal with something as small as Kosovo.” He added that “There is a totally unacceptable imbalance of military capabilities between the United States of America and its allies, notably the Europeans.”²²¹

Even Canada has purportedly failed to keep pace with its NATO commitments. With a defense budget next to last in the Alliance as measured in terms of the percentage of GDP, “a recent internal review found that the Canadian military could fulfill only half its NATO-assigned tasks in the case of an all-out war.”²²²

Besides the imbalance of military capabilities and commitments, the security of NATO secrets held by member states is less than one might expect. Returning once again to Kosovo, during House military readiness subcommittee hearings, General John Jumper, then-Commander, U.S. Air Force Europe, told the congressmen of his worries that operational plans were improperly safeguarded. Specifically:

We were concerned about the compromise of target lists and even the air tasking order in some cases. I could not tell you if that was the result of the targeting process [conducted with non-U.S. NATO officers] or the result of leaks somewhere in the operational and tactical level systems.

²¹⁸ Editorial by Bogdan Chiriac, “About the Army with Sorrow and Honor,” *Adevarul*, July 9, 1999, (FBIS translation).

²¹⁹ As quoted in John D. Morrocco, “Kosovo Reveals NATO Interoperability Woes,” *Aviation Week & Space Technology*, August 9, 1999, p. 32.

²²⁰ Barton Gellman and William Drozdiak, “Conflict Halts Momentum for Broader Agenda,” *The Washington Post*, June 6, 1999.

²²¹ As quoted in Rick Maze, “NATO official: ‘I’m ashamed’ we needed American help,” *Air Force Times*, November 15, 1999, p. 29.

²²² Steven Pearlstein, “Military Budget Puts Constraints On Canadians,” *The Washington Post*, September 26, 1999.

But, yes, it was a significant concern to all of us, and in some cases I was convinced that [the Yugoslavs] had that information [about targets ahead of time].”²²³

Secretary of Defense Cohen amplified the overall problem in a frank speech given at the Bundeswehr Commander’s Conference in Hamburg, also bemoaning the inequities in allied capabilities during the Kosovo operation. “A great Alliance,” he said, “cannot have only one member, the United States, conducting virtually two-thirds of all the support sorties and half of all the combat missions.” Cohen further drove home the point, saying some members of Congress are mystified at the underfunding of defense budgets in Europe simultaneous with his efforts to obtain increased spending for the U.S. military.²²⁴

Summary

As can be seen from the preceding discussion, Romania is not alone in the no-holds-bared battle it faces to remold its military into a coherent, capable force – one that could meaningfully contribute to NATO’s collective security needs. Yet precisely because the rest of Europe is finding it so hard to finance desperately required enhancements to their own individual armed forces, it will be near impossible for Romania to expect or see any further expansion of funding assistance in support of its NATO bid. Any improvements will by necessity have to be shouldered in large part by the Romanian people themselves. And this prospect does not appear feasible until such time as the political elite can muster the courage to envelope the economic juggernaut, turning it into an engine for growth rather than an anchor that slows the nation’s development. Nevertheless, a way must be found to solve the riddle of fiscal insolvency. As General Degeratu has suggested: “...economic conditions in Romania and in some other states in the region present a source for potential instability. This could delay the positive effects of regional evolution and stress the negative tendencies.”²²⁵

²²³ As quoted in “Security Leaks and the Unknown Bedeviled Kosovo Commanders,” *Aviation Week & Space Technology*, November 1, 1999, p. 33.

²²⁴ Secretary of Defense William Cohen, remarks delivered at the Bundeswehr Commanders’ Conference (speech presented December 1, 1999), Hamburg Congress Center, Hamburg, Germany.

²²⁵ As quoted in Constantin Degeratu, “FARO 2005-2010: The path ahead for the Romanian armed forces,” *Military Technology*, vol. 23, issue 10, October 1999, pp. 52-60.

SECTION VI—CONCLUSION

History proves to us that every time Romania tried to be neutral it did not succeed. The danger as a neutral of waking up in an uncomfortable position is too great to be considered again.

Victor Babiuc, former Romanian Minister of Defense²²⁶

I am convinced that many of the problems Romania is facing today (lack of foreign investments, for instance) are due to our non NATO status which has in fact created a new kind of economic iron curtain, dividing the haves (Hungary, Poland, Czech Republic) and have nots (Romania, Bulgaria, Albania, etc.).

Professor Radu Florescu, Romanian Honorary Consul General, Boston, MA²²⁷

“...for 50 years people [Romanians] were taught that NATO members were ‘the bad guys’....that [communist] propaganda did not work. Not only the great majority could not be persuaded that NATO was something bad, on the contrary, almost everybody ended up worshipping NATO as a utopia of salvation....It is somehow uncomfortable that this time we are the ones who are considered if not ‘bad guys,’ at least ‘the guys who are not good enough.’

Andrei Plesu, Former Romanian Minister of Foreign Affairs²²⁸

Not admitting Romania to NATO in the first round drove a stake near to but not quite through the collective Balkan nation’s heart, leaving room for some hope that the country could again rise to face the Alliance tribunal and satisfy its craving to be aligned with the West. In late October 1999, then-Prime Minister Radu Vasile predicted that Romania’s entry into the coveted NATO Alliance would be a realizable possibility around 2003-2004.²²⁹ Whether Vasile’s prognostication is more hope than a true vision of the future is impossible to divine; nevertheless, it underscores the unwavering adherence to this number one foreign policy goal.

In an article by Frank Schimmelfennig, a professor at the Darmstadt University of Technology, it is argued that a constructivist approach is the conceptual model that most closely accounts for NATO behavior relative to the question of Alliance enlargement. I see this as a useful departure point for summarizing the paper’s main themes and encapsulating Romania’s current predicament as regards its future vis-à-vis NATO.

Constructivists, according to Schimmelfennig, see the addition of new members to international organizations “as a process of international socialization” in which organizations like NATO “contribute to shaping actors’ identities, values and interests.” Simply put, the parent international organization molds the character and domestic behavior of member states such that common norms and belief patterns are infused throughout the organization community. By extension, this applies equally to nations (read Romania) that may wish to cast their lot with the group.

In international socialization, an international community and its organizations ‘teach’ their constitutive norms and values to states and societies....The relationship of states with the community and its organizations depends on the degree to which they base their identity and their interests on the community values and norms. In order to become members, they have to learn the lessons taught by the community’s organizations, that is, to internalize their values, norms, and practices. They also have to pass a probationary period during which the community assesses whether the applicants are internalizing its identity or simply adapting to it superficially. Full

²²⁶ Interview with Babiuc, *Jane’s*, January 20, 1999. Internet.

²²⁷ E-mail to author, November 27, 1999.

²²⁸ The quote is excerpted from an address given at the RUSI “NATO at 50” Conference in London during March 1999. “Preparing for the NATO Summit,” The Romanian Embassy in the U.S., *Embassy Newsletter*, vol. 1, #1, April 1999. Internet.

²²⁹ “Integrarea Romaniei in NATO, in 2003-2004,” *Monitorul*, October 26, 1999.

membership is granted when socialization has sufficiently progressed and the community regards the applicant state as ‘one of us.’²³⁰

Under this construct, “A state is accepted as a member by an international organization if it reliably shares the community values and norms. The faster it internalizes them, the earlier it becomes a member.”²³¹ This takes us to the heart of the matter with regard to Romania’s failed bid to climb on board the Alliance life raft. NATO’s “gang of three” (i.e., Poland, Hungary, and the Czech Republic) received a unanimous thumbs up, in part, precisely because of the expedited progress they had made in taking on the organization’s norms and value system²³²; conversely, Romania was afforded a thumbs down largely on the basis of its malformed political and economic development, which continues unabated. The off-kilter political and economic centers of gravity, in turn, have upset the nation’s military balance, effectively rendering it unable to handle all but the most basic national defense-related functions.

If Ion Iliescu, as the polls suggest he might, retakes the presidential sash in the 2000 elections, Romania’s prospect of casting off its PFP training wheels and formally joining ranks with NATO’s 19 member states during the 2002 Alliance review would probably be quantitatively much harder to achieve, although the pressure on the U.S. to actively back Romania’s inclusion will be intense given the Clinton administration’s public barrage of support. How this would play in the U.S. Senate remains another question mark.

It goes without saying that Bucharest will receive a fair evaluation of its progress towards integration and internal reform, but in the end the failed opportunities and gross missteps (political and economic), which Iliescu’s reelection would perpetuate in fact if not perception, have the potential to ensure Romania remains sidelined throughout at least the early part of the new millennium.²³³ The ongoing inability to harness and reshape the economy will hamper whichever party or coalition assumes power and act as a drag on the prize: NATO membership. No easy answers presented themselves in the past, and certainly none looms within effortless grasp on the rough-hewn horizon. With each passing year, the inability of executive and legislative decision makers to press for and implement economic and infrastructural reforms means the job will only become that much harder in the future. And until such time as the financial quagmire can be brought under control, the military establishment will find itself on a starvation diet, unable to meet its most basic requirements – let alone those associated with NATO integration. Without a strong, vibrant economic base, adequate funding for the armed forces will be a chimera that is both unattainable and elusive, calling into question the likelihood that the military can accomplish its modernization plans as advertised.

Within the confines of a constrained budget the Romanian armed forces have covered significant ground. But the journey from communist-regime tool to democratic-style institution is long and arduous. Bucharest’s aggressive participation in the PFP and small but important contributions to peacekeeping operations leave no doubt as to the inherent capabilities residing within the military structure. These activities, however, have helped to focus attention on the armed force’s significant shortfalls in training, manning, infrastructure, and modernization. Indeed, without the important flow of NATO aid and assistance, much of it from the U.S., Romania’s military would be even more dilapidated than it is today.

²³⁰ Frank Schimmelfennig, “NATO Enlargement: A Constructionist Explanation,” *Security Studies*, vol. 8, nrs. 2/3 (winter 1998/spring 1999), pp. 198-212.

²³¹ *Ibid.*, p. 213.

²³² *Ibid.*, p. 199.

²³³ This assumes no changes in the criteria used to judge Romania’s (and other candidate’s) suitability for membership. Several individuals interviewed for this paper opined that there was a possibility (however unlikely) that the political climate could change whereby potential benefits of Romania’s admission could be seen to counterbalance any current difficulties, allowing it to gain entry into the NATO camp. Author’s interviews with various U.S. Government and non-government Romania experts, January 10-14, 2000, Washington, D.C.

Cognizant of the need for reform, officials have formulated plans to tackle the more egregious aspects of the military machine, both in terms of manpower and equipment. The solutions, while evident, are also expensive. Although the exact figures vary depending on the source, it will most likely cost in the neighborhood of \$4 billion over the next 10 to 15 years to bring Romanian forces in line with those in NATO. Naturally, some of the expense would be incurred with or without the drive to integrate with NATO and match its standards of operation. Given the state of the force, the government would have no choice but to undertake certain upgrades and equipment purchases. In addition, under any scenario, manpower cuts would necessarily have to be made and the command structure streamlined.

The reality is, however, that the robust economic base required to underwrite the military revitalization simply does not exist. Based on the available evidence, military authorities will require annual funding on the order of several hundred million dollars just to attain NATO-related enhancements. At present, all the defense budget can do is meet the most-pressing institutional needs; there is no reason to suspect the situation will improve to any significant degree any time soon – and certainly not by the next NATO enlargement decision expected in 2002. That said, it bears noting that of the government structures and institutions, the military seems far better prepared to tackle the way ahead than its counterparts in the political and economic realm.

The bottom-line importance of whether Romania can shoulder the political, economic, and military costs of NATO admission are several. First, on one level politicians and others in Bucharest have lobbied long and hard for the privilege of adding the Romanian flag to those of other NATO member states and have made significant progress in meeting admission requirements. Unhappily, this spade work, while admirable, has not yet had time to permeate societal/governmental thought processes and be turned into concrete, sustainable policies for change. In blunt terms, the seven lost years of the Iliescu administration resulted in half measures and missed opportunities that checked all meaningful forward momentum. Granted, the obstacles to overcome were many and massive; they were made more so by ill-advised policies and inept governance. Emil Constantinescu has battled to overcome his predecessor's failings. But, like a determined individual attempting to navigate the perils of an ice-covered sidewalk following a winter freeze, he has been unable to gain his footing on the problems faced, losing traction on many key issues and taking numerous spills along the way. Until such time as Romanians accept that it is they – not Western governments, multinational corporations, or foreign investors – who control the nation's fate and refrain from blaming others for the current state of affairs, prospects for positive change are remote. With the potential for Iliescu's resurrection in the next elections, what little ground has been gained in the rough-and-tumble years since late 1996 is subject to loss. It would appear more time is required for the political system to make evident that it has matured such that NATO can feel comfortable in the leadership's ability to commit to, stand behind, and follow through on its democratic responsibilities.

On the second and related issue of the economy, the track record is abysmal. As has already been discussed, due to the government's pattern of fiscal missteps many average Romanians nostalgically long for the lives they remember under the late dictator, which in the cloudy mist of time seem head and shoulders better than today's meager existence. Falling wages, rising expectations, continuing inflation, almost without exception all indicators point to hard times ahead. Growing disaffection and labor/student unrest will bring unbearable pressure on the government to answer social demands with new spending programs. Under the realities of the day, defense must invariably become a second- or third-tier issue. Based on trends of the past decade, funds allocated to the military will quite probably be inadequate, meaning the armed forces will walk away from future budget skirmishes with an unsatisfied rumbling in their stomachs. Without requisite funding, the armed forces will continue to slowly degenerate, necessitating even larger sums down the road to bring the services in line with national security requirements. Should, as it appears likely, Bucharest prove unable to bear the load of defense spending over the foreseeable future, non-Romanian partners will most assuredly be lobbied to assist at ever greater levels if/when Romania is invited to join the Alliance. This likelihood should be made known to NATO decision makers as they deliberate the Alliance's future makeup and factor into their planning as to the positives/negatives of Romanian admission. Several NATO members, such as France, have already gone

on record as refusing to increase payments to bolster new accessions. If the NATO hand is extended to Romania, one of the most important questions outside observers will ask is: Who pays? It is of course possible the answer will be simply to let Romanian wallets foot the bills they can afford to pay and to accept shortfalls in those areas where even Romanian change purses are nonexistent.

The final major area considered by this paper was that of the military's ability to carry its share of the burden under the eventuality of Romania being called to the fore as a NATO co-equal. Within Romania, the military is a valued institution that is seen in favorable light. When provided with the resources needed to get the job done, it operates in a professional, determined manner. When given less-than-adequate tools, it strives to do the best it can under the conditions. When stripped to the bare essentials, it strains to achieve reasonable goals but makes no bones about letting politicians know of the shortfalls in readiness, procurement, and training. Today's armed forces are straining, and the outlook does not bode well for any quick fixes that would allow Romania to become a NATO security source as opposed to a security black hole. Only sustained development and serious restructuring over the next 5-10 years can solve the short- and long-term hurdles now weighing heavily on the military leadership.

Trends of the past predict the unlikelihood of Bucharest being in a position to offer itself, unfettered, to the Alliance during the planned 2002 reevaluation. Indeed, Ambassador Moses, for one, does not believe Romania will be admitted at that time.²³⁴ Based solely on the proposition of whether Romania can, on its own, handle the burden (political, economic, and military) of NATO membership if/when the offer is made, it is my judgment that in all three categories the answer one is invariably driven to is that it cannot. Rather, it is my view that any progress will be unlikely to materialize in a recognizable, sustained form until the 2005-2010 time frame, with the actual date probably falling closer to 2010 than 2005. By this future date, Romania will have had time to demonstrate whether it has overcome the political trauma of the 1989 revolution and moved beyond the torment of the '90s, which promised much but delivered little. If the economy can manage to right itself, visible signs and tangible results should be evident by then as well. Should this pan out, the armed forces will be able to garner their fair share of the fiscal allocation, allowing the most critical areas to be plused-up and perhaps not-so-precarious needs to be addressed as well. In the event these potentially positive trends prove elusive, with setbacks continuing to mount unabated, NATO leaders will then be positioned to make appropriate judgments. But of course the end-game may not rest as much on proven track record as intangible political considerations, making the final outcome all but impossible to forecast with any degree of precision.²³⁵

Is this an unfair approach to take? I think not. Some realism must by necessity blend with the constructivist notion of Romania's qualifying to accede to NATO by virtue of simply accepting its norms and patterns of behavior. Defense spending in most NATO countries is not headed on a path that permits monies to flow in the direction of new members' accession-related costs. Indeed, current members will find themselves hard pressed to come up with the crucial funds to support their own defense programs. These pressures will only increase over time. The fact of the matter is that in the future countries unable to pay their own way will find it much harder to be invited to join the fraternity. Has the bar for NATO membership been raised? Although the paper did not set out to consider this question, the obvious answer is a most definite yes. Ten years after the Cold War's end, states are reevaluating their defense strategies and grappling with internal and external uncertainty. In a world with apparently fewer threats to counter, social issues seem to clamor the loudest for policy-maker attention, demanding their share of the ongoing peace dividend. Under such conditions closer scrutiny will be placed on future applicants

²³⁴ Author interview with Ambassador Moses, January 13, 2000, Washington, D.C.

²³⁵ The Romanians are well aware of the political aspects surrounding enlargement deliberation, as demonstrated by Petre Roman's observation that "The decision to extend invitations to the first three countries in 1997 was ultimately a political decision." Petre Roman, President of the Romanian Senate, "Building a Government-Opposition Consensus in the Field of Security Policy," *Euro-Atlantic Integration*, p. 89. Roman was a former prime minister under President Ilescu and tapped to be the new foreign minister in President Constantinescu's December 1999 government shake-up.

and tighter controls will probably be employed to minimize any cash outflows from sitting members. A detailed evaluation of how well, or not, the latest three new members transitioned into the Alliance adds an additional layer of considerations that will be examined with regard to Romania's membership bid.²³⁶ Such is the reality of the new millennium into which Romania has sailed.

I conclude with comments President Constantinescu made in Alba Iulia on December 1, 1999, where he had arrived to commemorate Romania's National Day as they capture the essence of the challenges and attendant frustrations confronting the nation and Romanian people in the way ahead. Speaking after a small, unruly element had sought to throw a damper on the celebrations, he said:

In 1918, the Romanians trusted their representatives....Now, 81 years later, we have nothing to be proud about the way 1 December was celebrated today. We have proved that we are mastered by passion, we are divided, and in the place of union we put separation and even hatred. It is incomprehensible how we find the national day to let out our passions in a country where we can say anything at any time....How do you expect others to respect you, if you do not respect yourselves?²³⁷

²³⁶ This notion was also thought to be a valid observation by one U.S. Government official interviewed. The problem will be compounded by the fact that U.S. senators, who may once again be called upon for their "advice and consent," will have a heavy dose of information regarding costs associated with the accession of Poland, Hungary, and the Czech Republic and how well these countries have performed inside the Alliance. As a result, the objective look this time around will no doubt be more intense, making for a harder sale by pro-Romanian advocates. Author interview with U.S. Government official, January 13, 2000, Washington, D.C.

²³⁷ As quoted in "President Condemns Disturbance at National Day Ceremony," *Rompres* (in English), December 1, 1999, (FBIS transcription). Also see "Romanian Leaders Face Criticism At National Day Celebrations," *Reuters*, December 2, 1999.

APPENDIX—COST ESTIMATES

There's several reasons the cost estimates are divergent right now. One is that the cost estimates are being used...as a polemical device by some people. Some of the high-end estimates are being produced by people who want to create arguments against NATO enlargement. They are just phony numbers.

Richard Holbrooke, U.S. Ambassador²³⁸

The first round of enlargement will prove that all the countries who were invited can afford to pay their cost for being part of NATO.

Colonel Sergiu Medar, Former Defense Attaché, Embassy of Romania in the United States²³⁹

The ones [NATO aspirants] that could increase the costs if they [NATO members] decided to let other countries into NATO, particularly Romania, I think would increase the costs dramatically.

Dr. Ivan Eland, Director, Defense Policy Studies, CATO Institute²⁴⁰

Over the past three years [FY 1996-1998], the United States government has authorized over \$1.2 billion in grants and loans to support NATO expansion, a figure that is more than one-half as large as the Pentagon's estimate for the total costs of NATO expansion over the next twelve years.

William Hartung, World Policy Institute²⁴¹

Absent access to Romanian Government appraisals and closely held NATO projections, it is impossible to know with any degree of certainty what Romania's addition to the Alliance would entail in terms of new costs. At the aggregate level, several governmental and NATO studies were undertaken to arrive at a consolidated price tag prior to the addition of Poland, Hungary, and the Czech Republic. Given the range of assumptions upon which projected expansion-related costs were divined, each of these studies met with a great deal of criticism and was received with much skepticism. Non-governmental organizations similarly delved into the arcane world of defense budgeting to dredge up what in their view represented the true financial picture. In the end the projections offered something for everyone and meaning for no one. Those wanting the review process to cede low costs could easily find them; those wary of the high expense could also pull forth figures to add substance to their case. Although useful exercises, these efforts seemed to add more pollutants to the debate than not, making it difficult to arrive at a clear understanding of the cost factors.

Rather than wade through an exhaustive review of the literature, the purpose of this appendix is simply to offer a quick, summarized look at some of the major contributors to this particular aspect of the discussion. The underlying assumptions and specific new member nations considered in the estimates varied.²⁴²

²³⁸ Transcript of video taping, "The Costs of NATO Expansion," program no. 1108, Center for Defense Information, initial broadcast, November 2, 1997.

²³⁹ Ibid.

²⁴⁰ Ibid.

²⁴¹ William D. Hartung, "Welfare for Weapons Dealers 1998: The Hidden Costs of NATO Expansion," A Special Report by the Arms Trade Resource Center, World Policy Institute at the New School, March 1998. Internet.

²⁴² For a more detailed breakdown of the many cost estimates available as of early 1997, see Kathryn Schultz, "Cost of NATO Expansion According to Existing Studies," Center for Defense Information, April 1997. Internet. For additional specifics on the administration cost estimate, as well as those done by CBO and RAND, see Congress, Senate. Committee on Foreign Relations, *The Debate on NATO Enlargement: Hearings Before the Committee on Foreign Relations*, 105th Cong., 1st sess., October 7, 9, 22, 28, 30, and November 5, 1997, pp. 493-495.

Rand Corporation (1995):²⁴³

- Estimate using Poland, Hungary, the Czech Republic, and Slovakia as notional new members.
- Assumes low-threat environment.
- Time frame: 1995-2010.
- Total enlargement costs: \$10-110 billion.

Congressional Budget Office (CBO) (1996):²⁴⁴

- Estimate using Poland, Hungary, the Czech Republic, and Slovakia as notional new members.
- Assumes resurgent Russia.
- Time frame: 1996-2010.
- Total enlargement costs: \$61-125 billion.

Department of State Report to Congress (February 1997):²⁴⁵

- DoD estimate based on notional addition of new members (unspecified numbers/countries).
- Assumes low-threat environment.
- Time frame: 1997-2009.
- Total enlargement costs: \$27-35 billion.

Allies (October 1997):²⁴⁶

- “America’s firmest NATO allies, like the British, say they regard current American estimates of \$27 billion to \$35 billion through 2009 as too high by about 40 percent.”

Cato Institute (October 1997):²⁴⁷

- Questions administration assumptions, e.g., lack of threat, no need to station NATO troops in new member states, and cost category selection.
- Time frame: 1997-2009.
- Total enlargement costs: about \$70 billion. This figure “could increase to between \$125 billion and \$167 billion if the administration’s dubious assumptions fail to hold.”

²⁴³ Testimony by Henry Hinton, GAO Assistant Comptroller General, before the Senate Appropriations Committee, transcript provided at “General Accounting Office on Costs of NATO Enlargement,” USIS Washington File, October 23, 1997. Internet.

²⁴⁴ Ibid.; and, CBO, “The Costs of Expanding the NATO Alliance,” March 1996.

²⁴⁵ U.S. Department of State, *Report to the Congress On the Enlargement of NATO: Rationale, Benefits, Costs and Implications*, February 1997.

²⁴⁶ Steven Erlanger, “Debate Raging Over Cost of NATO Expansion,” *The New York Times*, October 13, 1997. Although no specifics as to time frame, assumptions, etc., are provided, Carl Conetta attributes a figure of \$18-20 billion to the British Ministry of Defense with regard to expansion costs. Carl Conetta, “NATO Expansion: Costs and Implications,” presentation to the International Network of Engineers and Scientists for Global Responsibility, (Cambridge, MA), July 23, 1998. Internet.

²⁴⁷ Ivan Eland, “The High Cost of NATO Expansion – Clearing the Administration’s Smoke Screen,” The Cato Institute, policy analysis no. 286, October 29, 1997. Internet.

NATO (December 1997):²⁴⁸

- Considered cost of common fund only, to which all NATO members contribute.
- Time frame: 10 years.
- Total enlargement costs: \$1.5 billion.

World Policy Institute (April 1999):²⁴⁹

- Used different cost components than DoD.
- Time frame: 1997-2009 (inferred).
- Total enlargement costs: “If NATO went on to add as many as a dozen new members rather than just the three nations added in the first round of enlargement, the top end CBO estimate of \$125 billion for three to four members could quadruple to as much as \$500 billion over a thirteen year period.”

²⁴⁸ As cited in Tomas Valasek, “Pentagon’s Dubious NATO Estimates,” Center for Defense Information, position brief, March 2, 1998. Internet.

²⁴⁹ William D. Hartung, “Costs of NATO Expansion Revisited: From the Costs of Modernization to the Costs of War,” World Policy Institute, issue brief, April 21, 1999. Internet.