

Crisis Management in Transitional Societies: The Romanian Experience



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**Editors:
Julian Chifu and Britta Ramberg**



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Table of Contents

Foreword	
<i>Britta Ramberg and Iulian Chifu</i>	7
List of Acronyms	9
I. Introduction	11
Chapter 1 – Introduction	
<i>Britta Ramberg and Iulian Chifu</i>	13
Chapter 2 – The Political and Institutional Context of Crisis Management in Romania	
<i>Ionut Apahideanu</i>	41
II. Creeping Crises	71
Chapter 3 – Coping with a Creeping Crisis: The Government’s Management of Increased Drug Trafficking and Consumption in Romania	
<i>Lelia-Elena Vasilescu</i>	73
Chapter 4 – The Romanian Healthcare Crisis, 2003	
<i>Oana Popescu</i>	115
III. Acute Domestic Crises	151
Chapter 5 – Bribery in the Government	
<i>Ionut Apahideanu and Bianca Jinga</i>	153

Table of Contents

Chapter 6 – The Jean Monet Bombing <i>Delia Amalia Pocan</i>	191
Chapter 7 – The 1998–1999 Miners’ Crisis <i>Cornelia Gavril</i>	215
Chapter 8 – The National Fund for Investments <i>Andreea Guidea</i>	253
IV. International Diplomatic Crises	281
Chapter 9 – The Ingredients for a Diplomatic Conflict at the Border: Romania and the Republic of Moldova <i>Iulian Chifu</i>	283
Chapter 10 – Romania’s Decision Regarding the US and the International Criminal Court <i>Cristina Ivan and Eugen Cobanel</i>	323
V. Conclusions	363
Chapter 11 – Romanian Crisis Management: A Comparative Analysis and Conclusions <i>Britta Ramberg and Iulian Chifu</i>	365
About the Contributors	385

Foreword

In 2002, CRISMART and the Crisis Research Center at Leiden University in Holland were assigned to assess the existing crisis management capacities in three South Eastern European countries (Albania, Bulgaria, and Romania). The results of this joint project were presented in January 2003 at a UNDP regional conference in Bratislava called “Building Transnational Crisis Management Capacity: An Exploration of Viable Ways to Improve Civil Security in South Eastern Europe.” The reports from this conference inspired CRISMART to continue bilateral cooperation, strengthen its contacts with leading academics and practitioners in Romania, and put together a volume on Romanian crisis management experiences. This was made possible by generous funding from the Swedish Ministry of Foreign Affairs, the Swedish Emergency Management Agency, the United Nations Development Programme, and the Swedish National Defence College. Several of the contributors to this volume are experts in crisis management issues and a few have even directly participated as policy/decision makers in the Romanian government. Engaging practitioners with valuable insights on the management of recent crises is an important element of the CM Europe Program. Collaboration between the Conflict Prevention and Early Warning Center in Romania and CRISMART were encouraged and stimulated by the late Swedish Minister of Foreign Affairs, Anna Lindh.

We would like to express our gratitude to the many people that made this book on crisis management in Romania possible. First and foremost, we owe many thanks to all of the people who kindly shared their experiences of various crises and put their time at our disposal. Gelu Calacean’s contribution from Uppsala University cannot be measured in words or money. His great enthusiasm and deep knowledge about social and political life in Romania has been most useful, as well as his remarks. Greg Simons has not only made the work on

this book more fun, he has also made sure the contents and language were up to standards. For that he deserves our gratitude. Paul 't Hart of Utrecht University also deserves a special thanks for his valuable feedback on different drafts over the years. Our good colleagues at CRISMART (not the least CRISMART's former and current directors: Bengt Sundelius and Eric Stern) helped keep us on track and provided much inspiration, which we greatly appreciate. Lastly, we would like to thank Stephanie Young who copy edited the entire volume.

Britta Ramberg and Iulian Chifu

List of Acronyms

AVAB	Banking Credits Recovery Authority
BCR	Romanian Commercial Bank
BOP	Public Opinion Barometer (biannual)
CEC	National Savings House
CNVM	National Stock Commission
CPC	Civil Protection Command
DaD	Defense against Disasters
DNSF	Democratic National Salvation Front
DP	Democrat Party
DUHR	Democratic Union of Hungarians in Romania
EADRCC	Euro-Atlantic Disaster Relief Coordination Center
EAPC	Euro-Atlantic Partnership Council
EC	European Commission
EJC	European Journalism Centre
GCDD	Government Commission for Defense against Disasters
G.E.O.	Government Emergency Ordinance
GIES	General Inspectorate for Emergency Situations
HP	Humanist Party
IBR	International Bank of Religions
ICDO	International Civil Defense Directory
IPI	International Press Institute
MAI	Ministry of Administration and Interior
MMA	Media Monitoring Agency “Academia Cațavencu”
MoD	Ministry of National Defense
MoI	Ministry of Interior
MoPI	Ministry of Public Information
NAPO	National Anti-corruption Prosecution Office
NBR	National Bank of Romania
NLP	National Liberal Party
NSESM	National System for Emergency Situations Management
NSF	National Salvation Front
OSF	Open Society Foundation
PCSES	Public Communitarian Service for Emergency Situations
PNL	The National Liberal Party
RG	Romanian Government
RP	Romanian Parliament

RVA SA	Reorganizing and Winding Up Joint Stock Company (<i>Reconversie și Valorificare SA</i>)
SAR	Romanian Academic Society
SCND	Supreme Council of National Defense
SDP	Social Democrat Party
SGG	General Secretariat of the Government
SIE	Foreign Intelligence Service
SRI	Romanian Intelligence Service
UNOPC	National Union of Investment Trust Companies Organizations

PART I
INTRODUCTION

Chapter 1

Introduction

Britta Ramberg and Iulian Chifu

Long isolated behind the iron curtain, Romania has now rejoined the European fold with membership in both the EU and NATO. The EU and NATO accession will provide Romania with a stronger voice and increased influence, thus marking Romania's re-entry into the European mainstream. Romania has clearly arrived, but the journey there was turbulent at times.

With the end of the Cold War, the dissolution of the Soviet Union and the expansion of NATO and the EU, the constellations of European politics have altered dramatically. Concerns about risk, safety and security are high on the public agenda and the ability to cope with a crisis constitutes a major challenge to the capacity to govern (t Hart, Stern, and Sundelius, 1998; Eriksson 2001; Bovens et. al. 2001; Guzzini and Jung 2004). Societies in transition are for systemic reasons especially prone to experience crises (Stern et. al., 2002: 527-532). Fundamental changes in the political, economic and social systems give rise to vulnerabilities and social unrest that are unlikely to otherwise exist, or at least have equally severe effects, in more settled polities (Elster, Offe and Preuss, 1998). In addition, governments in transitional states have not accumulated a capital of credibility among the public, to the same extent as a consolidated democracy with largely tested and tried institutions. Although transitional societies arguably do not have a higher frequency of crisis situations than western democracies, previous studies in the *Crisis Management Europe* series have

shown that the conditions under which crisis management takes place represent a particular set of challenges, which threaten to intensify the crisis itself.

When the Soviet Union fell and Communism was dismantled, all Eastern and Central European countries went through profound changes. The changes in Romania in many respects coincide with its neighbors; new democratic structures for democracy and market economic institutions were to be built from scratch and the old power elite was to be replaced by a new one. But there are also important peculiarities that make the Romanian experience unique.

Romania has experienced some particularities that have accentuated the situation of the state institutions after the revolution. First, some considered Romania having one of the most oppressive regimes and being most resistant to Gorbachev's changes. Hungary, Czechoslovakia and Poland had alternative parties, free trade unions and even a political opposition. Thus, changes to post-communism were relatively smooth in these countries. In contrast, Romania experienced a bloody revolution with thousands of deaths. The new political leadership in Romania was formed by a concoction of former historical party figures, former communist dissidents (even some former Stalinist oppositionists of Ceausescu) and re-branded communist leaders. They dominated political life and economic development in the nineties.

The lack of an organized opposition to Ceausescu and the absence of a civic society made real changes in society impossible and there were few political alternatives. Furthermore the dissident movement was weak with a rather low profile; no more than 20 of its members were known and recognized in the western media and even fewer were considered to have any significant political power. After the removal of Ceausescu, the former communist leaders took over and eventually, with great pain, accepted making changes in society. Stability, avoiding a civil war, and keeping Romania united were the main goals promoted even if there were not any direct threats present. Reform, democratization, market economy, and law and order were secondary goals for the "new" Romanian leadership for the first decade.

The second idiosyncrasy was the speed and capacity in which the former communist elite and the former Securitate officers (political police) adapted. They learned and adapted faster than the average population. Whereas, the majority of the population preferred to focus on their professional careers, the former politicians reclaimed political power. When people started to realize that real changes could only be made through politics, it was too late. The political center was already reclaimed by the former political elite and the former communist era. This significantly delayed reforms and democratic institution building.

Romania has two fundamental assets. **First**, the Latin heritage that enabled the country to preserve its non-Slavic identity and to reject Communism

as being organically linked to Slavic identity. **Second**, the country's common memory of the inter-war period (namely the pro-American and European oriented policies) has eased European and Euro-Atlantic integration and dominated Romanian public policy. The former communist politicians were pushed into contacting Western governments and institutions after the revolution and into accepting reforms and institutional changes needed for joining first the Council of Europe, then NATO, and now the EU. But the transition was long and painful for the population because there was a lack of political will and emphasis was on formal reforms rather than fundamental ones.

CRISMART and the Crisis Management Europe Research Program¹

With regard to NATO and EU expansion, effective and legitimate civilian crisis management and civil protection are becoming important items on the public policy agendas of individual nations as well as international organizations. Civilian crises can all too easily escalate into political crises or lead to the outbreak of violent domestic or international conflicts. The Crisis Management (CM) Europe program is a research project that aims to produce scientific knowledge that can be used to train practitioners to cope more effectively with national, regional and transnational crises.

Initiated in 1997 with a focus on the Baltic Sea Area, the CM Europe Program, directed by the Center for Crisis Management Research and Training (CRISMART) at the Swedish National Defense College, engages more than one hundred scholars from different parts of Europe and North America. The program systematically documents and analyzes specific cases of national and regional crises. It relies upon a contextually grounded process tracing method for case reconstruction and dissection derived from relevant literature in political science, psychology, and organizational sociology. In 2002, the Romanian research team joined this international research team and this book represents the tenth published CM Europe volume focusing on national crisis management.²

These case studies reflect an attempt to apply a scientifically informed, systematic, and "user friendly" methodology in a uniform fashion to a set of cases focused on various policy sectors and countries. In this volume, we seek to compare the challenging events documented in the following chapters in order to examine the ways in which the Romanian government and Romanian society

1 The CM Baltic research program was originally established in 1997. In July 2000, it was renamed the CM Europe program. All reports prior to July 2000 are therefore referred to as CM Baltic/Europe reports, whereas those after July 2000 are referred to as CM Europe reports.

2 In addition, volumes focusing on Poland and Ukraine are forthcoming, and one on Kaliningrad is currently in progress.

have coped with crises of the last decade. The general purpose of this type of research is to encourage scientists and researchers on the one hand and a wide circle of practitioners on the other to engage more deliberately and holistically in the field of crisis management. By way of such studies, we hope to encourage greater acceptance and more systematic use of theoretical tools and research methods in the field of crisis management in general and case studies more specifically. This, we believe, will result in the production of new and useful knowledge and will create better conditions for civil crisis planning and crisis management, both in Romania and elsewhere.

The formation of a Romanian-Swedish research group was undertaken in this spirit, with a group consisting of professionals from the spheres of academia and national security. The cross-disciplinary nature of the group helped bridge the gap between theorists and practitioners, allowing not only for the transformation of theory into practice, but equally important, the transformation of practice knowledge into theory. The Romanian research team, in particular, hoped not only to apply new crisis management research methods and insights gained during the project in future crises in Romania, but also to exchange experiences and strengthen contacts with corresponding crisis management institutions abroad, to enhance crisis management practices in Romania to the level of most developed EU and NATO countries, to create a more unified crisis management methodology for research on future crisis cases, and to develop new proposals and suggestions for national practices in the field of crisis management.

Method³

The basis for the comparative analytical approach applied in this volume, is presented in Stern et al. (2002) and Stern and Sundelius (February 2002). This method entails:

- a) Detailed reconstruction of the crisis events using available government documents and reports, mass media sources (broadcast and print), previous scholarly treatments and interviews with involved decision-makers, stakeholders, and citizens.
- b) Dissection of the case into a series of crucial occasions for decision – a series of pressing, “what do we do now?” problems that arise during the period of the crisis, challenging the coping capacity of decision-makers. The selection criteria for identifying decision occasions include:
 - The problems/dilemmas which most preoccupied decision-makers

3 This section borrows from Stern and Hansén (2000:8-9).

- Issues which were not emphasized by the crisis actors but which in retrospect had the potential to change the course of crisis development, or affect the management of the crisis
 - Problems that were recognized by decision-makers but coped with as “routine decisions”—problems that escalated at a later stage of the crisis, causing unforeseen problems
 - Episodes of particular pedagogical value – those that point to “best” or “worst” practices that are of interest beyond the particular case in question
- c) Thematic analyses of phenomena pertinent to crisis management (see the following sections on analytical themes and propositions)
- d) Comparing and contrasting findings with other cases documented in the CM Europe case bank and the international literature.

The Romanian cases will be compared with each other in order to explore the national crisis management style of the country. In addition, the Romanian findings will be juxtaposed with findings from other countries participating in the CM Europe research program. This is done in order to better illustrate the particular crisis management predicaments faced by transitional states (and new democracies) in Europe (Stern et al., 2002). With its greater focus on processes and less on structures, the CM Europe series adds to the rich literature available on transitional states (e.g. Miller, White and Heywood, 1998; Lawson, 1993; Elster, 1993; Pridham and Vanhanen, 1994). However, these volumes complement the conventional literature with examples taken from real life and extraordinary situations—when the structures are put to the test and societal hardship is a given.

A caveat of methodological character concerning the case studies in this volume should be brought up in this context. As described above, the approach provides the instruments to dissect a course of events in a very detailed way, unveiling processes on the institutional as well as individual levels. Although Romanian politics is rapidly moving towards democratic consolidation and transparency, political life in Romania is still largely closed to the public and our researchers could not always pry open the ‘black box’ of decision making. Most case studies in this volume include a limited number of interviews and much of the empirical material was derived from media sources and official documentation. Considering the media’s role in Romania, this is a shortcoming that should be kept in mind. Nevertheless, these in-depth case studies of crisis management experiences in Romania will contribute to research on developing experience based capacity building within the field.

CM Europe Analytical Themes⁴

The authors in this volume explore a number of set themes in relation to their empirical findings. The analytical themes serve as tools for the CM Europe analysts in their analysis of crisis management experiences and only a few of them will typically be applied to an individual case study. These themes have also been explored in previous CM Europe volumes focusing on national crisis management in the countries of Sweden (Sundelius, Stern and Bynander, 1997), Estonia (Stern and Nohrstedt, 2001), Latvia (Stern and Hansén, 2000), Russia (Porfiriev and Svedin, 2002), Poland (Bynander et. al. forthcoming), Slovenia (Brändström and Malesic, 2004), Bulgaria (Engelbrekt and Förberg, 2005), Lithuania (Buus et. al. 2005) and Iceland (Bernharðsdóttir and Svedin, 2004), and also in the EU (Larsson, Olsson and Ramberg, 2005). These themes are as follows:

- Crisis preparedness, prevention, and mitigation
- Leadership
- Decision units
- Problem perception and framing
- Value conflict
- Politico-bureaucratic cooperation and conflict
- Crisis communication and credibility
- Transnationalization and internationalization
- Temporal effects and crisis management
- Learning

Crisis preparedness, prevention and mitigation: This theme focuses on the extent to which crisis managers and their organizations are prepared to respond to extraordinary events. Have they experienced serious crises before? Have they cultivated an “it could happen here” attitude and prepared themselves psychologically for the rigorous demands involved in managing crises? Are there efficient and legitimate structures and plans in place for crisis management and are these easily adapted to a variety of situations? Are decision-makers able to identify potential threats and act quickly to prevent these threats from escalating? Are there windows of opportunity available in the crisis management

⁴ This section borrows from ‘CM Baltic/Europe Analytical Themes’ in Stern and Hansén (2000:9-13) and “Crisis Management Europe: An Integrated Regional Research and Training Program” by Stern and Sundelius (February 2002). This set of themes was first introduced in Sundelius, Stern and Bynander (1997).

structures and organizations studied that allow actors to limit the damage or contain the situation at lower levels?⁵

Leadership: This theme focuses on the leadership styles displayed by key actors during the given crisis situation. Leadership may be operative, in the sense of taking charge of crisis management activities and coordination. It may also be symbolic, in the sense of declaring and showing that the leading figures are participating in the crisis effort and empathizing with the victims of a crisis or those still at risk. Leadership may be concrete and personal or more abstract and distant. In deliberations, leaders may be hierarchical or collegial. Leadership should be seen as relational; as inextricably linked to those who are being “lead” and influenced by factors such as power, affect, culture, organizational structure, access to expertise, and context. Finally, leaders vary in their propensity to become involved in the details and the operative process, or to delegate and decentralize when it comes to critical decisions (see, for example, Bass, 1998; Gardner, 1995; Hermann and Hagen, 1998).

Decision units: This theme focuses on the question of how and where decisions are made in the complex institutional systems typically engaged in managing a national crisis. For example, crucial decisions may be made by a variety of decision-making groups ranging from a single individual to small groups to entire organizational networks. Decision-units can be located in different political/administrative and public/private systems and play different roles within those systems. Such units may be strategic or operative in nature and may be located at local, regional, national, or supra-national (e.g. EU or UN) levels. Decision units may also vary during a given crisis in terms of composition, mode of operation, and where they are placed, and it is not uncommon to see a certain shift of authority upwards (so called up-scaling) or downwards (down-scaling) in the escalation process (see Snyder, Bruck, and Sapin, 1963; Hermann, Hermann, and Hagen, 1987; Rosenthal, ‘t Hart, and Kouzmin, 1991; Stern, 1999). Finally, what are the criteria for determining which individuals or organizations will be included in (or excluded from) the decisional ‘loop’ and the decision unit?

Problem perception and framing: This theme focuses on the subjective and socially constructed aspects of crisis management. All actors engaged in managing a crisis will act upon a perceived picture of events, one that might not necessarily be understood and interpreted the same way by all parties involved

5 On crisis prevention and mitigation, see e.g. Ender and Kim (1988), Waugh (1988) and Lund (1996). For more skeptical examinations of the potential for risk elimination and accident prevention, see Wildavsky (1988) and Perrow (1999).

(Snyder, Bruck, and Sapin, 1963; Sylvan and Voss, 1998; Stern, 1999). While problem framing often takes place at a sub-conscious level (at least with “naive” decision makers), defining the problem entails the exertion of enormous influence on choices. In the act of identifying and framing a problem, many possible alternative interpretations and prospects of action are discarded, and the way forward is narrowed. Framing is influenced both by political considerations and cognitive processes, such as analogical (historical) and metaphorical reasoning, as well as social structures such as culture, information flows, and the organizational context (Vertzberger, 1990; Larson, 1985; Khong, 1992). There are important questions to ask when it comes to why actors frame problems in a certain way at critical junctures in a crisis.

Value conflict: This theme focuses on potential tension and conflict among different values at stake in a crisis situation. An integral part of problem framing is identifying which values are perceived to be at stake in a given situation. Identifying these values is often a demanding analytical task, and it can be difficult for decision-makers to see the range of values involved in a complex issue if they do not engage in rigorous critical analysis (see e.g. Steinbruner, 1974:16-17; Keeney, 1992). Crises, by definition, present a serious challenge to fundamental values, including the preservation of human life, national sovereignty/autonomy, economic well-being, democracy, rule of law, and so forth. More parochial values, such as the personal and political future of individuals and careers, also influence the decision making process. Good crisis performance makes careers; poor performance can “break” them. Due to the stress of balancing values that are sometimes in competition with each other, decision-makers often face painful dilemmas and tragic choices (Janis and Mann, 1977). Decision-makers may choose to ignore value conflicts or to accept them, which tends to generate unbalanced policy-making. They may choose to procrastinate and hope for better times, or they may seek to resolve the conflict and find a solution that protects those values at stake.⁶ These dynamics influence the decision-making process and eventually the crisis process itself. How do different crisis actors cope with the very real and tangible dilemmas that occur when value conflicts emerge in a crisis situation?

Political and bureaucratic cooperation and conflict: This theme focuses on the issue of patterns of convergence and divergence as well as parochialism and solidarity among actors and stakeholders during a crisis. There are a number of well-documented dynamics that tend to create and exert pressures towards cooperation and solidarity in a crisis (e.g. the “rally around the flag” effect,

6 On value conflicts, see George (1980) and Farnham (1998: 26-39).

leader attentiveness, and “groupthink”).⁷ However, there are also a number of countervailing tendencies. Crises are often perceived as threatening situations that sometimes lead actors to engage in defensive and antagonizing behaviors. Following failures or setbacks, for example, actors often engage in “blame games” to decide who is to be held accountable for a particular problem. A crisis presents not only problems but also opportunities, and actors are often likely to end up competing with one another for credit for one or more particular outcomes. Moreover, situation and contextual factors are often influenced by personal relationships and by the strength of national cultural norms opposing opportunism in critical situations (see Rosenthal, ‘t Hart, and Kouzmin, 1991; Stern and Verbeek, 1998; Allison and Zelikow, 1999).

Crisis communication and credibility: This theme focuses on the relationship between crisis managers, the media, and elite/mass publics (see e.g. Edelman, 1988; Nohrstedt and Tassew, 1993; Nordlund, 1994; Pearce, 1995; Register and Larkin, 1998; Boin et. al., 2005). In democratic polities, maintaining credibility and legitimacy with the media and the public is an essential task of successful governance in crisis and more normal situations alike. Crisis managers enter crises with varying degrees of credibility and may gain or lose over the course of the crisis. Actors vary considerably in their approach to crisis communication. Some take a defensive/closed stance, which can easily antagonize the media and cost credibility. Others take a more proactive/open stance and seek to maintain the initiative in providing information and establishing friendly relations with the mass media. Actors also vary considerably in ways in the degree to which they coordinate crisis communication and in the information strategy and tactics developed. Similarly, some actors closely monitor how their messages are being received and act to correct problems, while others – focusing on other aspects of crisis management and distracted by stress – are oblivious to growing credibility problems. There are a number of recurring credibility “traps” – the creation of a perceived gap between words and deeds, expectations and performance – that can cost crisis management dearly, as can neglecting the symbolic aspects of crisis management (Boin et. al., 2005; Hansén and Stern, 2001; Stern 1999; 201-202).

Transnationalization and internationalization: This theme focuses on the tendency of crises to spill over national boundaries in a world that is increasingly interdependent—politically, economically, socially and ecologically. While some crises may arise within a single country, many actual and potential threats do not respect national borders. Infectious diseases, natural disasters, financial disturbances, and terrorism are just a few examples of such “borderless” threats.

7 See, for example, Rosati (1981) and Janis (1982).

For this reason, coping with contemporary crises often requires transnational collaboration – ad hoc or institutionalized, bilateral or multilateral – in order to deal with these cross-border threats (’t Hart, Stern and Sundelius, 1998; Buzan, Weaver, and De Wilde, 1998; Steinbruner, 2000; Buzan, 1991). Since crises often have international repercussions, actors participating in international affairs during times of crises may also attempt to exert influence upon the decision-making processes of countries which are not their own (Cf. Zielonka and Pravda, 2001; Keohane and Milner, 1996). In turn, the international sphere may become an arena for rallying support of certain new policies and regulatory tools (Haggard, Levy, Moravcsik, and Nicolaidis, 1993).

Temporal effects: This theme focuses upon sequencing and synchronicity – temporal effects that may have a profound effect on how a crisis is managed. Sequencing refers to the path-dependent nature of crisis decision-making. Choices made early in crises tend to constrain the possibilities for later action and steer crisis management along a particular trajectory that may be difficult to change later (e.g. see Levy, 1991; Sundelius Stern, and Bynander, 1997; Billings and Hermann, 1998). Often feedback – especially negative feedback – from earlier decisions will necessitate additional decisions, which, together, form a sequence. Synchronicity, in turn, refers to the tendency of simultaneous events to influence each other via psychological and organizational mechanisms such as “availability”, opportunity cost, cumulative stress, and distraction (Snyder, Bruck and Sapin, 1963; Haney, 1997; Stern 1999). Synchronicity may appear within a single crisis (when multiple problems must be solved at the same time), between two simultaneous crises (as in the case of Hungary/Suez in 1956 and Watergate/War in the Middle East in 1973), or between a crisis and other highly prioritized coincident activities such as elections, state visits, crucial legislative negotiations, etc.

Learning: This theme focuses upon the extent to which actors are capable of analyzing their experiences and using the conclusions drawn as a basis for change. As noted above in the section on problem framing, actors may attempt to use “lessons” from past experiences (encoded as historical analogies or as experientially-based “rules of the thumb”) as a guide for current action. Similarly, actors may respond to positive or negative feedback regarding performance during a crisis, by drawing lessons and modifying beliefs and practices. Actors commonly attempt to reflect upon crisis experiences after the fact, draw lessons for the future, and formulate reform projects on the basis of interpretations of crisis experiences. Crises present considerable opportunities for learning, but post-crisis learning attempts are often undermined or even derailed by a variety of typical social and psychological dynamics that may result in distorted collective

memories of the crisis in question (Porfiriev and Svedin, 2002; Lagadec, 1997; Stern, 1997b; Levy, 1994; Breslauer and Tetlock, 1991; Lebow, 1981).

Crisis Management in Transitional Polities: Propositions⁸

In political discourse, the notion of transitional states generally refers to states in transition from authoritarianism to democracy. Of course, this development reached new dimensions after the disintegration of the Soviet Union, when many countries regained their sovereignty, or felt emboldened to sever ties with Russia and to embark on the transition from being a communist satellite state to a democratic state (McFaul and Stoner-Weiss, 2004; Pettai and Zielonka, 2003).⁹ Arguably, then, the notion of “revolution” – and with it “transition” – has since widened on popular and scientific discourse to include not only the concept of political transition, but also economic transition: from communist to a mixed economy (van Arkadie and Karlsson, 1992; Lieven, 1994; Linz and Stephan, 1996).

From a crisis management perspective, public problems are more likely to escalate into political crises in transitional states; that is, states in which old structures (norms, rules, organizations, routines, etc.) have been abolished, been compromised, or lost their cohesive power and new alternative structures are not yet in place or not yet capable of making sense of and managing the crises that occur (Stern et. al. 2002: 527). As a result, crisis management in such states tends to be a weakly institutionalized and politically delicate function, which means that transitional states are, in turn, likely to be more vulnerable to the societal repercussions of disasters, disturbances, and other critical contingencies (ibid.: 526). In an article entitled, “Crisis Management in Transitional Democracies: the Baltic Experience” (2002), Stern et al. analyze the relationship between institutional volatility and crisis development in transitional states. In the article, the authors present a synthesis of the findings of more than 20 earlier case studies on crisis episodes in Estonia, Latvia, and Lithuania between the years of 1990 and 2000.¹⁰ Using the data derived from these case studies as an empirical basis, the authors draw a set of propositions on the specific and recurring properties of crises and crisis management in transitional democracies. The propositions that follow are based on the findings of this article as well as other CM Europe volumes on crisis management in transitional democracies. These propositions will be explored to shed light on the Romanian experience.

8 This section builds upon the cumulative results of previous country volumes within the CM Europe framework.

9 In addition the satellite states of Central and Eastern Europe, which were not formally a part of the USSR, also severed their Soviet ties and formed new foreign relations.

10 These case studies have also been published as individual CM Europe country volumes.

Crises and Institutional Volatility

All societies develop regimes – institutional frameworks consisting of rules, norms, and decision-making procedures that allocate responsibility among a complex set of public and private actors (Krasner, 1983; Kegley, 1987) – in order to prevent crises and to cope with those that prove inevitable. To varying degrees, such regimes are meant to cope with or prevent crises (Wildavsky 1988; JCCM, 1996). Crisis management regimes are organized according to various principles and make use of alternative incentive structures, monitoring and compliance mechanisms, depending upon the type of political system in which the regime is embedded and features of particular political cultures. Some societies, for example, delegate considerable power to the government when it comes to crisis legislation, preparation, and crisis response. Such is the case in the new “crisis cabinets” established in some of the Baltic countries (Stern et al., 2002). Other societies rely on traditions or leave it up to the discretion of individuals or corporations to assume greater responsibility for social security. In Iceland, for example, there is an experienced and well-organized local rescue system to monitor and assess risks associated with the climate and landscape (Bernharðsdóttir and Svedin, 2004).

Crisis prevention regimes may also be affected by regional or global trends. As the volumes on crisis management in Estonia, Latvia, and Lithuania discovered, the neo-liberal wave of financial deregulation that swept across the western world in the 1980s appears to have had a major impact on the way the Baltic transitional states deregulated their own economic systems —sometimes overnight. In turn, risky economic ventures in countries like Poland and Russia (such as in the banking industry) resulted in a privatization vortex that endangered the functions of many institutions.¹¹ For example, industries previously protected under state socialism were now subject to market pressures, a shift that produced serious social and economic effects (Stern and Nohrstedt, 2001). Analyses of the Baltic experience have also revealed that capacities for crisis preparedness and prevention in these states were severely handicapped by economic setbacks in the transition period (Stern et al., 2002:528).

Crisis regimes in transitional states are likely to be ineffective in preventing and mitigating crises for several important reasons. First, there is often a period of time, sometimes prolonged, during which old mechanisms have been dismantled or eroded and new mechanisms are not yet in place, thus creating numerous kinds of vulnerabilities (Stern et al., 2002:527; Porfiriev and Svedin, 2002; Bynander et al., forthcoming). For example, newly deregulated financial markets often experience crashes and other forms of turbulence because exter-

¹¹ In Russia, the state has lost a lot of credibility due to the manner in which privatization has been conducted and this is reflected in Russian slang.

nal mechanisms are removed before the actors have learned to self-regulate or before a functioning legal and oversight system has been established. According to Deskins (1998: 90), for instance, the number of banks in Estonia declined from 46 to 14 by 1996 after a series of heavy deregulation reforms in the early 1990s – a figure illustrative of the turbulence in the sector.

Second, a rift is likely to occur when social and economic conditions change rapidly while institutional and organizational conditions do not. That is, when institutions and organizations remain rigid as well as resistant to changes and pressures around them – domestic as well as foreign ones. For example, international institutions may require significant changes in order for transitional countries to become potential members (Keohane and Milner, 1996; Zielonka and Pravda, 2001; Pettai and Zielonka, 2003). This, in turn, means that such countries must adapt structurally – and also cognitively – before they are allowed to join international institutions. Such was the case, for example, in the Ignalina power plant controversy in Lithuania, a situation in which the EU demanded as a condition for membership: that Lithuania terminate the operation of a profitable Soviet-era nuclear power plant. This demand also rested on the assumption that Lithuania would adopt to the EU's skeptical views on nuclear power (Dranseikaitė, 2005) Moreover, institutional change – major and minor – may necessitate the transfer of power and accountability from one level to another as well as a break with old traditions and local ways of managing societal challenges. As a consequence, opportunities to mitigate growing crises are likely to be missed because of coordination and accountability problems among the various sector actors, both public and private. Crisis mitigation efforts can also be hindered by “social loafing”—when no actors engage (Latane, Williams, and Harking, 1979), as well as by “bureau-politics”—multiple actors working against each other during a crisis (Rosenthal, Hart, and Kouzmin, 1991). As a result of such bureau-political processes, one may see either “self-seeking antagonism” among organizations that perceive each other as rivals or “new-group behavior.” Such behavior involves conflict avoidance and collective improvisation, allowing actors to conform to the visions and demands of emergent ad-hoc leadership (Stern, 1997).

Thirdly, many transitional states undergoing profound socio-economic transformation have experienced – and may continue to experience – severe resource constraints associated with the process. Such constraints have in turn contributed to weakening the infrastructure. The changing macro-political, social, economic, and regulatory settings make it more difficult to respond vigorously to warnings that a crisis might be at hand. Furthermore, a lack of political, judicial, and economic means to coordinate and cope with emerging problems makes pathological crisis behavior among decision-makers (denial or wishful thinking, ad-hocery, improvisation) more likely. This leads policy-

makers to underestimate risk and reinforces a sense of fatalism, and it places a high level of importance on tradition, previous routines, and local self-management.

Proposition 1: As strained transitional societies move from one crisis prevention regime to another, vulnerability to major negative events will tend to increase.

Politicization and Mediatization

In many established democracies, the political role of the media has grown significantly in the last few decades (Quarantelli, 1996; Rosenthal, Boin and Comfort, 2001; Edelman, 2001). Older and relatively deferential norms of political journalism, such as refraining from writing about the private lives of government officials, have given way to a more sensationalistic, aggressive, and investigative journalism in an increasingly diverse, competitive, commercialized, and globalized information market (Taylor, 1997). At the same time, the expectations of the public and political elites alike regarding the government's ability to prevent and cope with crises also appear to have increased significantly (Bovens and 't Hart, 1996; Blumer and Gurevitch, 1995).

Previous CM Europe research on crisis management in transitional states suggests that a similar, and in some respects, more dramatic trend is occurring in many transitional societies (Stern and Norhstedt, 1999/2001; Bynander et al., forthcoming; Stern and Hansén, 2000; Porfiriev and Svedin, 2002; Brändström and Malesic, 2004). For example, research into the Kurski training accident in Estonia, in which fourteen Estonian soldiers training for UN duty drowned, found that the Estonian defense establishment and the Government at large were not well prepared for the crisis communication challenges facing them at the time of the accident (Stern and Norhstedt, 1999/2001). In many respects, crisis management may have been easier during the Soviet era. Elites were held accountable only to other elites, and it was relatively simple to conceal shortcomings from the public and a docile, state-controlled media. In the years following independence, however, crisis managers in Estonia and in other transitional states have been forced to deal with a much more critical public, opportunistic opposition parties, and an aggressive mass media increasingly independent from state control (Vihalemm, 2002).

The changing structures and norms of transitional societies and the increase in "politicization" and "mediatization" make political crises more common. A concurrent trend is that crises today seem to cast bigger and longer shadows on the public domain once the operational action has ended, resulting in "blame games" and sometimes far-reaching changes of current policies and institutions (see Kingdon, 1995:98; Ellis, 1994; Bovens and 't Hart, 1996; Gray and 't Hart,

1998; Hood, 2002). Crises are increasingly labeled as symptoms of more comprehensive, underlying problems. The normal “excuses” are no longer accepted and accountability processes are more prominent than ever (Bovens and ‘t Hart, 1996).

The media, the public, and critics are generally no longer very receptive when national policy-makers blame a crisis on “nature,” “bad luck,” or try to pass the blame off to local governments, private enterprises, or individuals. Instead, crises are now often seen as opportunities for critics to question the status quo and the existing structures and policies, which fuel the collective sense of crisis (Boin et al., 2005). At the same time, public and political elites increasingly expect the government to prevent and cope with crises (Bovens and ‘t Hart, 1996; Blumler and Gurevitch, 1995). As a consequence, there is a growing tendency towards “up-scaling” in the western world, a situation in which “local” crises are bumped up through the system and become high politics.

When problems quickly become high politics, there is an increasing demand on policy makers to act as public caregivers—the symbols of an empathetic and responsible government. If policy makers do not seem to participate and to display a sense of responsibility and empathy, the crisis can escalate further and create irreparable credibility problems. On the other hand, if policy makers appear to perform well in a crisis, they may very well emerge as heroes rather than villains (Boin et al., 2005; Kingdon, 1995). As transitional societies (like Romania) grow closer to Western style democracies, this trend is likely to have increasing effects on crisis management processes.

Closely connected to politicization is the role of the media. In most parts of the world, democratization has resulted in greater as well as more critical media exposure of the perceived failures of the public sector. The political role of the media has therefore grown significantly in the last few decades (Rosenthal et al., 2001). Political journalism has become more sensationalistic, aggressive, and investigative in an increasingly diverse, competitive, commercialized, and globalized information market (Taylor, 1997). Whereas in the past, policy-makers could concentrate on information gathering about the actual events, they now have to focus at least as much attention on the impression that these events make. Crisis management is thus becoming “dematerialized” in the sense that it is not just the operational, technical response that matters, but increasingly also the ability to manage an “image fallout” (Boin et al., 2005).¹² As Quarantelli (1996) explains, “mediatization” does not accommodate the traditional definition of disaster and crisis particularly well in terms of objective measures of harm (number of people killed and/or amount of material damage). Instead, mediatization is far better accommodated to the category of disasters character-

12 See also Ellis, 1994; Bovens and ‘t Hart, 1996; Bovens, ‘t Hart, Dekker and Verheuveel, 1999; Gray and ‘t Hart, 1998; Hood, 2002; Brändström and Kuipers, 2003.

ized by extreme collective stress. Rosenthal, Boin, and Comfort (2001) all agree that mediatization will be one of the driving forces of future disasters and crises, and it may well develop from the sensationalism we see today to outright (albeit self-imposed) censorship.

In transitional countries, the absence of a firmly rooted culture of democratic public debate can foster political blame, information warfare, and politically manufactured crises. At the same time, because the mass media has highlighted the politics of crises and become more critical, the notion that crisis management is a competence that all governments should have has gained high political relevance. Legislators and other actors are less hesitant to ask tough questions about prevention and mitigation failures and errors of judgment in crisis response. They no longer wait until the acute crisis response phase is over and formal accountability forums are assembled. Instead, images and judgments are made instantly in interviews and broadcasts (Boin et. al., 2005). For instance, in the Latvian volume, the mediatization dynamics of crises derived to a large extent from prevailing ethnic tensions, and Russian-language newspapers and spokespersons acted as watchdogs in the interest of the Russian minority (Stern and Hansén, 2000:342)

Proposition 2: As transitional societies move towards Western style democracy and a market economy, negative events will tend to be politicized and mediatized to a greater degree.

Transitional States and Bureau-Politics

Although it is commonly held that crises are characterized by individual and collective solidarity, substantial empirical research on crises suggests that there is a close relationship between crisis and bureau-organizational politics (Vandenbroucke, 1993; Rosenthal, 't Hart, and Kouzmin, 1991; Allison, 1971). It has been argued that a clear, effective, and legitimate division of bureaucratic labor tends to reduce bureaucratic politics (Rosenthal and 't Hart, 1998). When these divisions do not exist, or barely exist, a great deal is "up for grabs," which creates a situation conducive to bureaucratic politics. There are a number of factors associated with "the transitional condition" that therefore appear particularly conducive to bureaucratic politics. In the transitional context, institutional volatility is the rule rather than the exception. Simply put, crisis management competencies are not yet firmly rooted (Stern et al., 2002). Maneuvering for authority, budget allocations, and other prerogatives are ongoing. Inter-organizational and intra-governmental relations are as yet unsettled and occur in soft, relatively malleable structures. In addition, legislation is often uneven – obsolete, nonexistent, or clearly inadequate in many areas – which further aids in

the creation of a vacuum that is later filled by competing organizational actors. When crises occur in early transitional regimes, they generate response settings that incorporate actors who are both less than certain about their own competence and unfamiliar with those of their counterparts, a situation that is likely to trigger one of two extreme patterns of inter-organizational behavior: self-seeking antagonism between organizations that perceive one another as rivals competing for dominance, or “new group” behavior.

Proposition 3: Transitional polities are likely to experience a high frequency and intensity of bureaucratic political behavior in crisis situations.

International Pressure on Transitional Countries

The Baltic case studies supported the notion that transitional democracies are less than free agents in managing their crises (Stern et. al, 2002; Stern and Hansen, 2000; Buus et. al. 2005). European integration activities during the 1990s exerted powerful pressure on candidate states to conform to basic European norms with regard to human rights and governmental practices. Domestic norms and majority opinion in the Baltic States regarding matters such as the treatment of asylum seekers/refugees, punishment of criminal offenders, and citizenship criteria came into conflict at different points with their Western European counterparts (Reinikainen, 1999; Kokk in Stern and Nohrstedt, 1999/2001; Briede, 1998).

Reforms demanded by states controlling access to NATO and the EU sometimes proved quite unpopular at home, and the Baltic pursuit for EU and NATO integration during the 1990s involved – and continues to involve – political pressures to adopt domestic policies that have sometimes proven painful as well as controversial for the Baltic countries (c.f. Arato, 1999: 242-243; Barany, 1999:104- 105). Indeed, these pressures may in fact have contributed to the creation of crises in certain cases rather than their resolution. Balancing values and needs of the domestic sphere with those of the international sphere has thus required leaders in transitional polities to play a “two-level game” (cf. Evans, Jacobson, and Putnam, 1993). On the one hand, the leaders of transitional polities have attempted to secure support as well as to maintain and even win credibility on the home front. On the other hand, these leaders have attempted to appease external pressures and regulation in order to maintain credibility in the eyes of both national and EU/NATO audiences. In this situation, national or local styles might not necessarily fit in with the expectations and demands of the international community – or vice-versa.

Proposition 4: Transitional countries seeking access to Western institutions are likely to experience tension between domestic and European/Western norms and demands.

Overview

In this volume, we present eight crises that occurred in Romania beginning in 1990. These cases will be presented in thematic order and in terms of three main themes: *creeping crises*, *acute domestic crises*, and *international diplomatic crises*. Part one, creeping crises, consists of two cases: the increased drug consumption and the health care crisis. Part two, acute domestic crises, includes four cases: the bribery crisis, the Jean Monet bombing crisis, the miners' crisis, and the FNI financial crisis. Part three, international diplomatic crises, examines two cases: the diplomatic crisis between Romania and the Republic of Moldavia, and the International Criminal Court crisis.

In the second chapter in this volume, Ionut Apahideanu provides the reader with important information on the development of the current crisis management system in Romania. The chapter focuses on contextual matters related to the realms in which Romanian decision-makers have managed crises during the post-communist transition. It depicts the evolution of Romanian crisis management capacities, and traces the evolution of institutional structures in the country. The previous CM Europe volumes on transitional countries also include a chapter on the institutional framework of each country, thus enabling cross-country comparisons of institutional designs. Apahideanu takes a broad approach and includes a general picture on the political and economic characteristics in Romania, as well as the media situation. This broad framework aims at capturing the political character of the crises studied in this book.

In chapter three of this volume, Lelia-Elena Vasilescu presents an analysis of the growing problems with drug trafficking and consumption in Romania after the fall of communism. After 1990 Romania developed into a major site for drug trafficking in Europe. The transition to more open borders, intensified international trade, and freedom of movement led to fundamental changes in Romania's national security situation. Not being able to control the country's borders or trans-border contacts was a novel experience in Romanian political life. The prospects of coping with, or even increasing the awareness of, the situation and its consequences were considerably limited. Although there are now general agreements and lines of actions on how to deal with the situation, the problem was initially underestimated by the Romanian authorities.

The next chapter, by Oana Popescu, provides us with another illustration of the institutional infrastructure for crisis management. In her analysis of the health care crisis in 2003, Popescu leads us through the process of managing an

acute crisis deriving from structural deficiencies in the Romanian health care system. In the beginning of 2003 it was discovered that pharmacies and hospitals had exceeded their budget and had accumulated \$300 million in debts. Distributors refused to deliver commodities until the previous debts were paid off. The government was confronted with the dilemma of solving the acute problem of shortages of pharmaceutical drugs and making long-term reform plans for the structural deficiencies in the sector.

In chapter five, Ionut Apahideanu and Bianca Jinga analyze the process of managing the loss of credibility following a bribery case at the highest political level. Corruption and bribery have for a long time posed a dark shadow on Romanian politics. When it was found in the very core of the national political power (the Social Democratic Party), it posed a serious threat to public authority and legitimacy. The crisis started when a top-level politician was caught receiving a US\$20,000 bribe from a Romanian businessman. But the actual trigger of the credibility crisis was when media actors got wind of the situation and unveiled an even larger scandal with suspected ramifications far beyond the political and economic elite. Overestimating the ability of the newly created Ministry of Public Relations to deal with public information, the responsible actors miscalculated the influence of the press. Following the media's strong role, the crisis immediately escalated to the highest political level where it stayed.

Delia Pocan provides us in chapter six with an analysis of the response following a grenade explosion at the Jean Monet High School in Bucharest. The school is situated in a wealthy area of Bucharest, near the residence of President Iliescu, and several students are from families representing the Romanian political and economic elite. Against this background, and in the light of previous terrorist attacks in the US and in Russia, the event was initially perceived as a terrorist attack towards the political elite in Romania. The complicated framing process and the immediate escalation to the highest political level proved to have serious effects on its management.

Domestic politics in transitional countries are often marked by colliding interests between the old and the new elite. Such conflicts are most clearly illustrated in Cornelia Gavril's analysis of the 1998-99 miners' crisis. As a part of a larger process in the transformation of the Romanian economy, the Romanian government in late 1998 decided to close a number of pits in the Jiu Valley mining district. The decision led to strong reactions among the miners, a traditionally strong political force in Romanian society. The miners soon, with support from the political opposition, managed to organize demonstrations and protest marches heading to Bucharest. The challenge for the Romanian government was to, through the use of legitimate means, prevent serious riots at the local level from escalating to a national security threat.

In chapter eight, Andreea Guidea presents an analysis of the management of one of Romania's most serious crisis within the financial field. The National Fund for Investments (FNI) was a private institution, built on public trust and political support. When rumors started to spread that the fund's situation was becoming insecure, people panicked and immediately demanded their money back. At the end of the day, many Romanians had lost their lifetime savings that they had invested in a fund (similar to a pyramid scheme). In order to avoid a total breakdown of the Romanian financial market, the government had to instill confidence in the sector and convince the investors not to withdraw their money from the national banks. At the same time, the government did not want to end up in a situation where they had to compensate the deceived investors.

While many of the cases have an international dimension, two of the cases are strongly characterized by international dynamics. In chapter nine, Iulian Chifu examines the diplomatic entanglements following nationalistic reforms in a neighboring country. In his analysis of the Romanian Moldavian diplomatic conflict, Chifu illustrates how the Romanian government was caught in a delicate political dilemma with wider implications for the country's international position. Due to Moldavia's traditional political ties to Russia and communism, the freedoms of the ethnic Romanians in Moldavia were considerably restricted. The Romanian Ministry of Foreign Affairs felt on the one hand the pressure to issue a strong protest to the Moldavian government in order to support the ethnic Romanians in the country. At the same time it felt the pressure to communicate international maturity, something that implied not interfering in a neighboring country's domestic politics.

In the analysis of the International Criminal Court (ICC) crisis, presented in chapter ten of this book, Eugen Cobanel and Cristina Ivan map out the political consequences following the decision by the Romanian Ministry of Foreign Affairs to comply with the US demands to exempt American citizens from the ICC agreement. This met harsh criticism from the EU, which explicitly stated they had expected closer coordination from an applicant country. Near the closing of negotiations on Romania's future NATO membership and in the middle of the EU accession process, Romania suddenly became part of a much larger Euro-Atlantic political game between the EU and the US. The diplomatic and highly symbolic crisis unveiled a balancing exercise for the Romanian government, finding a position in its relations with both the EU and NATO. The ICC crisis was highly symbolic since it highlighted the rhetorical struggle on whether Euro Atlantic or EU relations should be prioritized.

The concluding chapter of this volume returns to the ten case studies themselves and offers the reader a comparative analysis of key issues and themes in light of the four propositions put forth here. Based on the empirical material

presented in the case studies, this chapter assesses the relative strengths and weaknesses of these propositions and concludes with some reflections on the specific characteristics of crisis management in Romania.

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Chapter 2

The Political and Institutional Context of Crisis Management in Romania

Ionuț Apahideanu

Foreword

The aim of this chapter is to provide the reader with a general overview and understanding of the crisis management system in Romania. First, I present the country's institutional and political framework and then I will explain how the changing political and economic factors have dramatically impacted the transitional process (including the development of its crisis management system). Like in many other ex-communist countries but perhaps to a lesser extent, this adjustment has been slow and difficult.

Second, I examine the significance that the country's international integration efforts (namely, towards membership in EU and NATO) and the huge popular support for this have had on shaping domestic politics. For example, they can help explain the reforms made to the country's crisis management institutions and procedures in the new post 9/11 international security context, which have been strongly influenced by NATO's and EU's new perceptions of security risks. The shift in national and international alliances strongly signals Romanian's desire to enter into the mainstream of world politics as an actor after a forced absence of nearly five decades.

Third, I explore and analyze the changing role of the media in Romania. Prior to the overthrow of the communist regime, mass media were subservient to the will of the state. In the new realities of the post-communist world a number of competing polities exist within the sphere of the mass media. Since the media like in most other transitional countries has developed a visible capacity for influencing the public and domestic politics, Romanian decision makers have strengthened their communication with and via the media. Its new position in Romanian society is well illustrated by the fact that the media recently ranked third in a public survey on the country's most trusted institutions (see Chifu 2004: 72).

Fourth, after the country's political, economic and social context has been described, Romania's crisis management system and its evolution are presented. A number of very painful lessons have been learned by the authorities in handling crises in the 'new' Romania. When things go wrong, the effects of mismanagement are plain for all to see. The social, political and economic disruption resulting from this can have long lasting effects – physically and psychologically.

The Political Framework in Romania

The State

Romania has an area of 237,500 sq km and is located in South East Europe, at the strategic crossroads between the Balkans, Central Europe, Ukraine and Moldova. The territory is divided administratively in to 41 counties plus the municipality of the capital Bucharest. The population is dominated ethnically by Romanians (around 89.5% according to the 2002 census) and religiously by the Eastern Orthodox Church (some 86.8%). There are approximately 22,300,000 people living in Romania, but these numbers are continuously declining (CIA, 2005).

The Constitution

After intense debates, Romania's first democratic constitution since the inter-war years was adopted by the Constituent Assembly in November 1991 and came into force following the national referendum of December 8, 1991. The new fundamental law provided a democratic foundation for the post-communist state, including human rights, individual freedoms, justice, and political pluralism.

In light of the country's proximate NATO and EU accession, the constitution was revised by the Parliament and then approved by a new referendum in October 2003. The new text introduced certain institutional and functional

changes in the domestic realm, but kept the mixed presidential-parliamentary essence of the republic, which is a combination of French, Italian, and Belgian influences.

The Division of Power

Although checks and balances were not explicitly written in to the constitution until the 2003 revision, the 1991 Constitution already stipulated the state's political framework. In accordance with these principles, power is balanced between the legislative, the executive, and the judicial branches.

The Legislative

Defined in the constitution as the supreme representative body of the people and the sole legislative authority of the state, the **Romanian Parliament** consists of the Senate (with 137 seats) and the Chamber of Deputies (332 seats). The Senate and the Chamber of Deputies have separate and joint sessions, where they pass laws, resolutions and motions. All parliamentary members are elected by direct popular vote to a 4-year term, in an electoral system of proportional representation.

The Executive

Romania's executive power is divided between the President and the Government. **The President** is elected by direct popular vote every five years (prior to the 2003 Constitution, every four years), for a maximum of two terms. According to the Constitution, s/he represents the state and guarantees its independence, unity, and territorial integrity. In addition, the President is to mediate between the state and the three branches of power, and between the state and the civil society.

Aside from prerogatives concerning situations of mobilization, war, or emergencies, the President formally promulgates the laws adopted by the Parliament, designates a candidate for the Prime Minister office (who then proposes members to the government), and then appoints the entire government with the Parliament's approval. The President may dissolve the Parliament in a special situation concerning the approval of the government.¹ In addition, the President may participate in (and can even chair) government meetings concerning foreign policy, national defense, or public order, and appoint high military ranks and various important public offices with parliamentary approval.

1 For details regarding this procedure, see article 89 of both the old and the new constitutions.

The Government is headed by the Prime Minister and consists of ministers and other members as stipulated by an organic law regulating its organization and function. Once the Parliament has expressed its vote of confidence for the new member(s), the Government ensures the implementation of the country's domestic and foreign policy and exercises the general management of the public administration. It issues decisions and ordinary and emergency ordinances and is politically held responsible and directly controlled by the Parliament

The Supreme Council of National Defense (hereafter SCND) was created by Law No. 39 in 1990, and, according to the constitution adopted the following year, it unitarily organizes and coordinates the country's national defense and security. According to the modified Article 119 introduced in the 2003 Constitution, the SCND should also organize and coordinate the country's "participation in international security keeping, and in collective defense in military alliances, as well as in peacekeeping or restoring missions."²

An organic law of the Parliament No. 415/2002 (a modification of 39/1990) defines the SCND's membership. The Council includes: the President (as the council's president); the Prime Minister (as the council's vice-president); the Ministers of National Defense, (Administration and) Interior, Foreign Affairs, Justice, Industries and Resources, and Public Finances; the directors of the Romanian Intelligence Service (SRI) and Foreign Intelligence Service (SIE); the Army's General Major Staff Chief; and the Presidential Councilor on matters of national security. Consensus is required in order for the council to make a decision.

Basically, the SCND is the coordinating body for all of the state institutions directly involved in national defense and security. It has more than 31 tasks stipulated in its organization and functioning law (Article 4). Among other things, the Council shall: analyze data, information and evaluations made by the intelligence services (whose activity it organizes and coordinates) and by other structures involved in the field of national security; elaborate, advise and propose the adoption of the national security strategy, military strategy, and public order strategy; upon the President's request, analyze and propose the necessary measures related to the initiation/termination of a state of siege/emergency/mobilization/war or those measures necessary to repel an armed aggression; propose for parliamentary approval a mobilization plan for the national economy and the state budget in the first year of war and the necessary measures for defending and restoring constitutional order; submit for approval to the Armed Forces' Chief plans for using military forces in times of peace, crises, or war; and approve the country's general policy for international relations, international treaties, agreements, and projects involving national security.

2 Official English translation, available on the Deputies Chamber's site, <http://www.cdep.ro/pls/dic/site.page?id=371&cidl=2&par1=3>

The Judicial Authorities

The judicial branch is a sensitive issue in Romania. It consists of four primary judicial branches, one of which is contentious (the Constitutional Court). First, the High Court of Cassation and Justice (prior to 2003, the Supreme Court of Justice) ensures the unitary interpretation and implementation of the legislation in the other courts of law. Second, the Supreme Council of Magistracy performs the role of a disciplinary court for judges and guarantees judicial impartiality. Third, the Public Ministry is to represent society's interests, defend the legal order, and protect citizens' rights and freedoms.

The fourth major judicial institution in Romania is the Constitutional Court, but its existence is controversial. The Constitutional Court guarantees the supremacy of the constitution within the state over all other regulations and subsequently issues general mandatory decisions. Through these decisions, the court is to solve any constitutional conflict occurring between the state powers. For example, in July 2005 a governmental crisis was generated by the Constitutional Court's rejection of a justice-reform law package proposed by the government. The European Commission repeatedly expressed in its regular reports on Romania its concern over the executive branch's interference with judicial decisions and the fact that the Constitutional Court's decisions are continuously challenged.

The Political and Economic Context

The Country's Political Evolution

Romania most likely experienced the bloodiest regime change in the formerly Soviet-dominated area. Nicolae Ceaușescu's 34-year rule was one of the most oppressive dictatorships of all ex-Communist countries³. The events of December 1989, which culminated with the overthrow and execution of the Ceaușescu couple, remain to this day unclear.⁴

But what is clear is the fact that the former communists converted into "democrats" and dominated the political landscape and the government for the first 7 years after 1989. In the May 1990 general elections, the National Salvation Front (NSF) scored an amazing 66%, while its leader, Ion Iliescu,

3 Labeled by Linz and Stepan (1996) in a category distinct from those of other communist countries – the "sultanistic" type of regime, based on the cult of the leader's personality and the participation of his relatives in the country's leadership. This category includes a few other regimes, such as the ones of Kim II Sung (North Korea), Marcos (Philippines), Duvalier (Haiti), and Trujillo y Trujillo (Dominican Republic).

4 For instance the 1999 Public Opinion Barometer reported that 41% of the respondents believed there had been a genuine revolution, while some 36% thought a *coup d'état* had taken place (OSF, 2005).

obtained an overwhelming 85% of the votes cast (Gallagher 1995: 126). In 1992, in the first elections held after the adoption of the new democratic constitution, the Democratic National Salvation Front (DNSF⁵) won the elections again but with a much smaller margin. It was, however, sufficient enough to govern the country for another four years in a coalition with other nationalist and socialist parties, and Iliescu was reelected president.

In the context of a very slow political and economic reform, the 1996 parliamentary elections were won by a large center-oriented coalition between the Christian Democrat National Peasant Party, the National Liberal Party (NLP), the National Salvation Front, and the Democratic Union of Hungarians in Romania (DUHR), because they had promised quick reforms (shock therapy), rapid restructuring, and a stop to inflation. Meanwhile, the presidency was taken over by Emil Constantinescu, after an intense campaign against his rival Iliescu. The following 4 years, however, witnessed an unprecedented governmental instability with three different Prime Ministers within the mandate term. This political situation was accompanied by an interrelated severe economic setback and massive social unrest.⁶ The biannual Public Opinion Barometer⁷ measured in those years the public perceptions of the 1996-2000 regime. In May 1999, 25% of the respondents labeled the country's general situation as "bad", while the second most common answer was "chaotic," and in November of the same year, no less than 83% were moderately or totally unsatisfied with the way they were living. In May 2000, two-thirds of those interviewed believed the country was headed in the wrong direction.

In the first round of elections in 2000 the Iliescu-led Social Democrats won a foreseeable victory, but surprisingly the ultra-nationalist C.V. Tudor⁸ came in second with a shocking 28% of the votes.⁹ The possibility of Tudor becoming president created massive public opposition from those supporting democratic principles, and the EU officials made explicit warnings. As a result, Iliescu won the second round and was elected to his last presidential term.

5 In 1992, following internal party elections, the NSF split into the DNSF (led by Iliescu who lost the party's presidency) and the NSF (keeping the party's name, led by Petre Roman).

6 See, among other events, the FNI crisis and the miner's crises, which are both discussed in this volume.

7 The barometer (est. in 1994) is considered a reliable source of information, since, unlike other polls, it is not ordered by any specific political party. It is an independent poll coordinated by the Open Society Foundation, which was founded by George Soros who is a strong advocate of the civil society, democratization, liberalization, and transparency, not only in Romania, but also in other ex-communist countries. Each poll is conducted by a pollster who is randomly selected by the OSF lottery, in order to ensure its independence. Therefore, there are few political leaders or parties contesting the barometer.

8 Leader of the Greater Romania Party, which ranked second in the legislative elections.

9 For a study explaining this electoral surprise, see Apahideanu (2004).

Many achievements were made under the Social Democrat Party (SDP) government: undisputable economic stabilization and recovery, and the completion of accession talks with the EU in December 2004. Despite the fact that the SDP scored highest in the parliamentary elections held in late 2004, it was replaced by a broad and apparently unstable coalition between the NLP, the Democratic Party (DP), the Humanist Party (HP¹⁰), and the DUHR. The presidential election was surprisingly won by the DP leader, Traian Băsescu, over the SDP's candidate, Adrian Năstase, who was the country's former Foreign Minister (1992-1996) and Prime Minister (2000-2004).

Economic Developments

Similar and interrelated to the political developments, the economic transition also appeared more difficult than in other ex-communist countries. During the 1980s, huge investments were made in energy-intensive industries and the inflow of modern Western technology was discontinued due to the country's foreign debt (CIA, 2005; Isărescu and Postolache, 2000: 35). At the time of the regime change in 1989, the Romanian economy was almost entirely state-owned with an obsolete heavy industrial base and it was inappropriately suited to the country's needs, according to Mugur Isărescu (Governor of Romania's National Bank and former Prime Minister).

This difficult starting point meant that economic reform and growth in Romania in the 1990s was slow. There were two major setbacks: 1990-1992 and 1997-2000. During the first recession, the abrupt dismantling of the centralized economy right after 1989 resulted in dysfunctions and structural imbalances. In this context, the GDP in 1992 was about 13% lower than in 1989 with a decrease in the industrial output by more than 20%. The rise in nominal prices had reached 345%, while nominal salaries had decreased by 20%, and the National Bank's reserves fell to US\$ 822 million from an estimated 5 billion at the beginning of 1990 (Todorean 2004: 21-2).

10 Renamed Conservative Party in the spring of 2005.

Variable/year	1990	1991	1992	1993	1994	1995	1996
GDP growth rate (%)	-5.6	-12.9	-8.8	1.5	3.9	7.1	3.9
Annual inflation rate (%)	5.1	170.2	210.4	256.1	136.7	32.3	38.8
Unemployment rate (%)	NA	3.0	8.2	10.4	10.9	9.5	6.6
Consolidated budget deficit as % of GDP	NA	3.2	-4.6	not known	-1.9	-2.6	-3.9
Variable/year	1997	1998	1999	2000	2001	2003	2004
GDP growth rate (%)	-6.1	-5.4	-1.2	1.8	5.3	4.9	8.1
Annual inflation rate (%)	154.8	59.1	45.8	45.7	30.3	14.1	9.6
Unemployment rate (%)	8.9	10.3	7.7	7.7	7.2	7.2	6.3
Consolidated budget deficit as % of GDP	-3.4	-3.0	-1.9	-3.7	-3.3	-2.3	-1.9

Fig. 1. Macroeconomic indicators of the economic development in post-1989 Romania¹¹

After the 1992 agreement was signed with the IMF, there were some improvements in the economy. From 1997 to 2000¹² the Romanian Democratic Convention regime witnessed a second and even more acute recession. The years 1999 and 2000 were characterized by an unprecedented decline in living standards (resulting in social unrest), massive inflation rates (although lower than those in 1991-1994), and overall economic stagnation. As figure 1 suggests, the success of the country's transitional process seemed farther than ever: foreign investments were extremely limited, the country was experiencing three years of continuous GDP decline, very low international ratings, and a severe aggravation of its existing debts (EC, 2004: 33; Todorean, 2004: 22). All of this in combination with the above-mentioned political developments created government instability.

After the SDP regained power in November 2000, domestic activities in construction and agriculture were strengthened, consumption increased to 4%, and unemployment and inflation rates remained fairly low and stable despite the international economic slowdown of 2001-2002. Furthermore, the IMF approved Romania's completion of the standby agreement in October 2003, which was the first time the country had ever concluded such an agreement after 1989 (CIA, 2005).

11 Figures for 1990-1999 are taken from Isărescu and Postolache (2000: 36-9). Figures for 2000-2003 were available on the National Bank's site <http://www.bnr.ro/publicatii>. Figures for 2004 were taken from the CIA (2005).

12 More exactly until March 2000, when at that time Governor of the National Bank Mugur Isărescu was appointed Prime Minister and launched a promising strategy of economic development. Yet, his term in office only lasted until the elections in November of the same year, despite his visible and objectively quantifiable reform progress.

Preda, a Romania analyst, placed the 1990-2000 Romanian government in a category of regimes characterized by three main features: extreme poverty and limited financial resources; incapacity to solve acute social problems; and a weak authority which tolerates and even indirectly generates economic and social disorder (Preda, 2002: 158-9). Still, the issues of widespread poverty and corruption need to be addressed in order to create a better business environment.

Euro-Atlantic Integration

In contrast to the oscillating domestic political and economic tendencies discussed above, Euro-Atlantic integration remained both a constant and top priority on the agenda of the Romanian governments. Regardless of who was in power, this objective was essentially accepted as a national interest.¹³ This integration process, given its international and its domestic implications, became clearly recognizable in 1993 when the government signed the Association Agreement with the EEC/EU.¹⁴ One year later, Romania joined the Partnership for Peace (PfP), and in 1995 an Individual Partnership Program was signed. In June the same year, Romania submitted its official candidacy for ECC/EU accession.

Despite its consistency as an objective, Romania's international integration process resembled the domestic evolution in its slowness and limpness. Romania missed the first (1999) NATO enlargement wave, and it was not until the Alliance Summit in Prague in 2002 that the country was invited to join NATO, which formally happened in March 2004. This marginal and laggard position was even more visible in regard to the EU, which repeatedly reproached the Romanian authorities for their ineffectiveness. Following the European Council's Helsinki Summit in December 1999, negotiation talks with the EU were opened in February 2000. After their completion in December 2004,¹⁵ EU officials set January 1, 2007, as the date of accession, unless the safeguard clause of the Accession Treaty (signed on April 2, 2005) is activated – scenario in which accession would be delayed for one year. Romania caught perhaps “the last train” to the EU when it officially entered the EU this year (2007).

Two aspects may prove useful in accurately understanding the institutional political context of the crisis analyzed in this volume: first, and common to all candidate countries, is the impact of EU integration on domestic develop-

13 The small exception being the nationalist Greater Romania Party, at least until its 2000 electoral campaign.

14 After Poland and Hungary had, but before Bulgaria, the Czech Republic, Slovakia, and the Baltic states.

15 The remarkable efforts and the hastiness of the Romanian authorities may also be explained in the light of the proximate elections of November-December 2004.

ments; second, and to a great extent specific to Romania, the country's huge popular support for this integration.

In comparison to the other candidate countries, Romania had a less favorable political and economic situation in 1989 so Romania faced greater difficulties in meeting the EU accession standards. The European Commission's regular reports on the country's progress towards accession were used almost like a bible, in which they highlighted the remaining developmental shortcomings and prescribed certain domestic policy guidelines in various political, economic, and social matters. Thus, EU integration has been a major catalyst for Romania's progress in the areas mentioned as unsatisfactory in the regular report: such as economic reforms, human rights, freedom of the press, social policy reformulation, economic competition, corruption, and issues regarding justice and internal affairs.

Fig. 2. Popular support for EU and NATO integration, 1999-2002
(Source: OSF, 2005)

Is integration to the EU/NATO useful for our country? ^A (in %)								
	May 1999		October 1999		May 2000		November 2000	
	Yes	No	Yes	No	Yes	No	Yes	No
EU	70	14	67	12	68	8	68	11
NATO	63 ^B	21	62	15	62	13	62	16

What is your opinion on Romania's request for EU membership? (in %)			
	May 2001	November 2001	June 2002
Good	69	68	58
Bad	5	7	5
None	/	/	21

^A The first question was replaced by the second one beginning with the 2001

^B Ironically in the same May 1999 poll, 69% of the respondents opposed the possibility of NATO using Romania's aerial space and 78% were against the stationing of NATO troops on Romanian soil (in comparison to only 13% in favor).

The costs and benefits of EU integration were weakly reflected in the domestic political debate¹⁶ in part due to the remarkably high popular support for this political objective, which was assumed to be a "given" for the country. Indeed, successive polls beginning in 1999 (the year the European Council decided to start negotiations with the Romanian authorities) illustrated that the public was in favor of EU accession, as shown in the figure 2. Yet after conducting

¹⁶ One noteworthy exception is the Romanian Journal of European Affairs edited by the Bucharest-based European Institute.

the 2001-02 Public Opinion Barometer, Ticu Constantin and Manuela Sofia Stănculescu revealed that:

- 1.) The percentage of “pro-Europeans” was indeed remarkably high, but a more detailed analysis revealed that the vast majority of Romanians had a vague and confused image of the integration process and of what it entailed.
- 2.) The majority, who believed Romania was at that time prepared to join the EU, were motivated in their belief not with accurate knowledge on the accession prerequisites, but rather by general optimism of their perceived reality.
- 3.) The vast majority of the respondents expected EU accession to bring immediate benefits: such as decreased unemployment, increased incomes, better chances for finding a good job, and more foreign investments (OSF, 2005).

In short, Romania has clearly accomplished major political, economic and social changes – towards democracy, a functional market economy, and transparency – even if the pace of change fluctuated greatly or was often slow. In this context, political stability and economic development seem to have solidified in the last 5 years. One reason for this slow and sluggish transition was the country’s precarious situation in 1989. The remaining reasons have much to do with the concrete way the responsible leaders understood and managed the domestic reality and the fact that they were visibly constrained by the uninformed public who strongly and naively supported integration.

The New Role of the Media

The events of 1989 brought about a genuine transformation not only in the political and economic realm, but also in the media both in terms of quality and quantity.

In quantitative terms, the evolution of the Romanian media has been quite remarkable. According to figures provided annually by the Romanian Statistical Yearbook (EJC, 2004; IPI, 2004), there were around 500 periodicals in 1989, all of which were severely censored by the Communist regime, yet just five years later the Romanian landscape featured almost 1,200 periodicals. The peak was reached in 1996, with almost 1,900 periodicals (out of which 106 were published daily). In the following years the media witnessed a gradual decrease in quantity, from 1550 periodicals in 1998 to about 1500¹⁷ in 2002. In 1989 there was just one single TV station, but this radically changed. By 2002 there were

17 With some 20 dailies published in Bucharest, most of them with national coverage.

hundreds of radio stations, and 120 broadcast licenses issued for terrestrial TV stations, 2217 for cable TV, and 22 for satellite broadcasts. Subsequently, the media community in Romania swelled with over 40 professional associations and some 24,000 members (IPI 2002, EJC 2004).

In qualitative terms, two types of media flourished. The EJC's 2004 report revealed that most of the written and audio-visual media in Romania were oriented towards a tabloid-style journalism using sensationalism rather than information to attract customers. Simultaneously but on a much smaller scale, some media tried to lure the growing "middle class"; many were entrepreneurs emerging alongside the market economy and they were demanding more specialized and comprehensive information related to their professional activities.¹⁸

The fluctuating media outlet numbers seemed to be linked to politics – more specifically electoral campaigns, when money was pumped in to the press for electoral purposes. The continuing decrease of the last years has much to do with the media outlets' ability to survive financially on the market (as they were subsidized by the state during the communist era). The power of the mass media was considered important not so much as an economic resource, but more as a potential source of political power and influence. Qualitatively, the fact that political debate, objective information, and the media have either disappeared or turned into entertainment magazines may be explained by two other factors: the specific media legislation of the country, still repressive, with all its consequences over journalists' political investigations; and the increasing concentration of media ownership, which threatens media pluralism and genuine competition.

Thus, the evolution of the post-1989 Romanian media is best understood as being the product of three factors, which are strongly interrelated although do not always have a measurable impact: the harsh economic environment and its direct consequences, the "Berlusconization" of the media, and the repressive media legislation.

The Media's Struggle for Survival

First and foremost, Romanian media's situation during the transition process was heavily influenced by the aforementioned economic circumstances. Considering the fact that only Rompres (the public television, radio and national news agency) was state-financed, the remaining media had to constantly fight for economic survival, and only a few were actually able to make a profit (IPI, 2002). Out of the over 20 dailies published in Bucharest with national circulation, only half of them brought in enough advertising to cover

18 Given the huge disproportion, the EJC 2004 report considered that a clear distinction between the two styles of journalism was hard to make.

their costs. Subsequent, it was suggested (especially by the 2000-2004 SDP legislature) that advertising financed by the state had become the main source of income for many important newspapers and TV and radio stations in exchange for not criticizing (too harshly) the political power, regardless of who was holding it. Actually, this increasing tendency of politicians to exert control over the media in order to maintain their political influence and public popularity was most significant development. This was pointed out by various independent observers, both domestic (such as the Center for Independent Journalism and the MMA) and international (such as Freedom House and the EU).¹⁹

Although the Romanian media landscape may have seemed overcrowded, circulation figures have been actually rather low judging by the population size of about 22 million. In 2004, among the dailies, the best sold *Libertatea* (a classic tabloid style daily owned by the Swiss company Ringier) reached some 200,000 copies per day, *Jurnalul Național* (owned by Dan Voiculescu, leader of the Humanist/Conservative Party, prior to 2004 close to the SDP, and now participating in the government) some 150,000, *Adevărul* (the successor of the Communist official daily *Scântea*, now said to be pro-SDP) some 120,000, and *România Liberă* (with the most visible anti-SDP attitude, close to the current political power), *Național* and *Ziua* between 30,000 and 70,000 (IPI, 2004; EJC, 2004).²⁰

The majority of the Romanian periodicals continue to struggle for survival in order to keep their circulation figures from dropping. At the top, there are few dailies with nationwide circulation and the independent media are especially vulnerable with the fluctuating market. Consequently, the revenues from state advertising become even more important yet at the cost of the media's objectivity.

The "Berlusconization" of the Media

Aside from the politicians, people in various economic circles also obstructed the objectivity of the media by gradually expanding their economic and political control upon its segments, in a process called "Berlusconization" after the well-known Italian Prime Minister Silvio Berlusconi (MMA, 2003: 5-7). According to the 2004 IPI report, some of the local media groups were turned into tools for their owners as a way to increase their political and/or economic influence using a threefold mechanism involving the owners' other businesses, the media,

19 The EU's 2004 Regular Report on Romania, for instance, underlined that "reporting in Romania is often influenced by financial inducements leading to self-censorship" (IPI, 2004).

20 For a comprehensive list of the Romanian dailies and other publications, see <http://www.ziare.com>

and the public authorities. In the Media Monitoring Agency's second edition of the *Press White Book*, analyst Ioana Avădani explained the unfolding of this mechanism; in exchange for the owners' 'support' via their media contacts, the authorities would provide the media group owners with public contracts for their other companies. Then, the profit generated through those contracts would be redirected into the owners' media groups, thus enabling them to survive on the market (IPI, 2004).

There are many examples of the consolidation of huge media groups in Romania. The leader of the Humanist/Conservative Party, Dan Voiculescu, is the owner of one of the biggest media trusts in the country, Intact Group, which holds the TV station *Antena 1*, the dailies *Jurnalul Național* and *Gazeta Sporturilor*, and the radio station *Radio Romantic*. The Federation of the Unions has shares not only in *Petrom* (the biggest oil company in Central and Eastern Europe), but also in numerous national TV and radio stations. The American-owned Central European Media holds most of the shares in the TV stations *Pro TV*, *Acasă*, and *Pro TV Internațional*. Last but by no means least, Swiss Ringier controls *Libertatea* (Romania's best selling daily newspaper), *Evenimentul Zilei*, *Pro Sport* (until last year, the highest selling sports newspaper), and the weekly *Capital*. In the last few years there have been a number of open conflicts between the journalists and the ownership of several of the most widely known national newspapers: *România Liberă*, *Evenimentul Zilei*, *Pro Sport*, and *Adevărul*. In the last two cases, an overwhelming majority of the journalists went so far as to collectively resign and established another newspaper.²¹

It was apparently common practice, especially when the SDP was in power, that which "direct phone calls were made by politicians to editors" (SAR, 2004: 10). As suggested in a 2003 MMA report, many editors have taken refuge in tabloid-type newspapers in attempt to avoid such blackmailing. Appearing uncritical of the political power and unprofessional, the Romanian Center for Investigative Journalism accused the media of transforming itself from the "watch dog of democracy ... into the watch dog of the media owner" (IPI, 2004). One of the fundamental roles of the media – informing the public opinion – appears to have been replaced by a tendency to serve the owner's private interests. The presence of the mediaocracy (fewer actors owning large parts of the media) in Romania is a great threat to media pluralism, competition, and objectivity, which can have serious repercussions for the country's democratic development.

21 Similarly, the radio station *Europa FM* (owned by the French group Lagardere) also came under heavy criticism in 2004, when three of its best-known journalists resigned in protest to the owners' abusive intervention in altering the news coverage on the Prime Minister (EJC, 2004).

Legislation and Other Obstacles for the Media

Legislation remains another strong means of repressing the media and any attempts to publish and transmit their information to the public. The 1999 World Press Freedom Review of the International Press Institute warned that, ten years after the revolution, the Romanian media was once again about to be legally controlled by repressive laws, in the context of issuing the new Penal Code in 1996.²² Under the provisions in this code, journalists could be criminally charged (and imprisoned) for insult, libel, and defamation of the country. The political class had difficulties in getting used to the freedom of the media and freedom of expression. As IPI's 2001 report put it, in Romania "[T]here is a distinct lack of tolerance among many politicians for the core concept of a free media ..." (IPI, 2004).

Most of the trials from 1997 to 1999 concerned investigative journalists reporting on corruption in the legal system. This fact was mentioned repeatedly in the EC Regular Reports on Romania. Even though fines were usually imposed, rather than imprisonment²³, by framing insult and libel as criminal offences clearly contradicted the internationally accepted legal standards, including the ones within the EU to which Romania had already oriented its foreign policy efforts. The 2000 review similarly noted that ominous attempts had been made to expand the legislation repressing the free flow of information. The consequence of such repressive laws was the fact that in the late 1990s several independent press organizations (e.g., IPI, Independent Journalism Foundation, Freedom House, Center for Independent Journalism, European Journalism Center, and MMA) self-censored themselves, fearful of the possibility of jail sentences and trials resulting in huge fines and severe consequences for both the individual journalists and for the media outlets.

Finally, in 2004 the Penal Code was modified by the Parliament, which removed the provision of punishment by imprisonment, but however kept slander as a criminal offence. In addition, the article on insult was removed from the Code, but the one regarding defamation was kept. Hence, journalists still face the risk of being dragged into court for trial or of having to pay huge amounts of money in moral reparations.²⁴

In light of all this, it is not surprisingly that "the media market in Romania is far from functional" (IPI 2004), which can have serious consequences for crisis management in Romania. In the absence of normative acts specifically

22 The Penal Code, dating from 1968, had suffered several amendments after 1989, but as the MMA (2003: 25) concluded only a small number of articles had been changed in a manner favorable to the constitutionally guaranteed freedom of expression.

23 IPI's 2002 review, for instance, stated that no journalists were imprisoned at that time

24 A MMA survey conducted in 2004, for instance, showed that 28 out of 100 interviewed journalists had been sued at least once for libel or slander.

regulating the media's role in emergency or crisis situations,²⁵ the public is sometimes provided with incorrect, misleading or irrelevant information. The Ministry of Administration and Interior complained in an official document, "Unfortunately, many times, searching for sensationalism, the mass media gives imprudent information, sometimes untrue, from unauthorized sources, which could negatively influence the standard procedures for managing emergency situations" (MAI, 2004: 14). Not necessarily subscribing to this idea but also criticizing the media from a different angle, analysts in the civil society have criticized the Romanian media for having inadequate resources to put towards investigating crises "manufactured" by the authorities.

Therefore, despite some visible progress towards professionalization and independence, the Romanian media in 2000 remained, to a significant extent, an instrument subordinated to the political and economic circles of power. True enough, some case studies in the present volume rightfully suggest that some decision-makers involved in crises have seemed over-responsive to the media, which was often a genuine actor in the events. Still, one should take into account factors like the degree of the public interest in such cases (which determines the media's degree of autonomy and accuracy of the investigations, given the increase in sales) and the political orientation, affiliation and ownership of each media outlet (which significantly influence the 'facts' presented).

Due to these limitations, one cannot argue that the Romanian media is a genuinely independent actor, which can truly influence the way decision makers manage crises. Nevertheless, and perhaps even more remarkable, is the fact that the Romanian media has managed to continuously rank third in the country's most trusted institutions, after the church and the army (OSF, 2005).

The Development of a Crisis Management System in Romania

The historical development of the crisis management system in Romania can be divided in to three broad evolutionary stages. The first stage was under the communist regime, which lay the foundation for the Civil Defense System. This system remained in place even in the first few years after the 1989 revolution. The second stage occurred in the later half of the 1990s and was built upon the framework of new democratic procedures stipulated in the 1991 constitution. Defense measures against disasters were addressed and the Civil Protection Command was created. Since it coincides with the time frame of the crises addressed in the present volume, it is discussed in more detail in the following

25 Law No. 544/2001 (regarding the free access to public information) categorizes information that the media is entitled to have access to in different situations. Articles 27 and 55 of the Civil Protection Law stipulate the media's obligation to transmit the information provided by the authorities to the public.

section. The third, and current one, was established in 2001 and developed to its fullest in 2004. The concept of crisis management was more specifically mentioned. This stage is discussed in this volume only when its development explains why it was necessary to modify the second stage.

The Foundation for Crisis Management in Romania

Romania's civil protection system has its roots in the interwar years. Acknowledging that the military oriented defense system could not adequately protect citizens and public services, the General Staff of the Army founded the first civil protection paramilitary organization in 1929. Then, on February 28, 1933, the Royal Decree No. 468 established a "Regulatory Framework for Passive Defense against Aerial Attacks". The Passive Defense, which later became the Civil Defense System, aimed to limit the affects of aerial assaults on the population and territory (CPC, 2004).

In 1952, after World War II, the communist regime formed the Local Counter Aerial Defense, which later became the Civil Defense System in 1978. Law No. 2/24.3.1978 "Civil Defense in the Socialist Republic of Romania"²⁶ proclaimed civil defense as a part of the national defense system. In Article 7, the Civil Defense Command was established within the Ministry of National Defense (hereafter MoD) and subordinate to the Minister, which was appointed to be the Head of the Civil Defense. It was given the task of coordinating three types of bodies at the national, county and local levels: the general staffs, commissions, and civil defense teams. The civil defense's main goal was to prepare the population, territory, and economy for normal economic, social and political activities, and to protect the citizens and the nation's material goods in times of war or during any other special circumstances (such as natural disasters or catastrophes). Finally, the law regulated training methods for the population: public warning exercises, inter-county exercises, and exercises with major companies.

Constitutional Procedures for Exceptional Crisis Situations

Both the 1991 and 2003 Constitutions almost identically stipulate the role of the state's major institutions – the Presidency and the Parliament – in four types of special situations concerning matters of defense and emergency measures: mobilization of the Armed Forces; state of war; state of siege, and state of emergency. The constitutional framework in this regard, especially Articles 92-93 in both constitutions, reflects the hybrid type of the republic Romania has in

²⁶ Completed in October the same year by the State Council's Decree No. 430 (for the full text of both the 1978 law and the decree, see the database available at <http://www.indaco.ro>).

relation to the President and Parliament. For instance, as Commander-in-Chief of the Armed Forces and head of the Supreme Council of National Defense, the President may mobilize the military, with the Parliament's approval. Only in exceptional cases can the President's decision be submitted for approval afterwards, within a maximum of five days.

In the event of an armed aggression against the country, the President is to take the necessary measures to repel the aggression and to promptly inform the Parliament about the measures being taken. If the Parliament is not in a session at the time, it convenes *de jure* within 24 hours from the outbreak of the aggression. The right to declare war is the exclusive prerogative of the Parliament. Moreover, Article 92(4) of the 2003 Constitution stipulates that in the event of mobilizing the military or war, the Parliament should remain in session until it is terminated.

The President may also introduce a state of siege or emergency in the entire country or in an administrative/territorial unit, but again must request the Parliament's approval for such measures within five days. During holidays and vacation periods, the Parliament convenes *de jure* within 48 hours from the introduction of the state of siege and remains in session until it is terminated.

Finally, the President's term of office may only be prolonged by a parliamentary organic law in the event of a war or a catastrophe. On the other hand, the Parliament's mandate is automatically prolonged when any of the four exceptional crisis circumstances arise. In such an event, the Parliament may not be dissolved, as it can be under normal circumstances by the President.

The Establishment of Defense Against Disaster and the Civil Protection System in the Republic of Romania

Although the regime change in December 1989 generated tremendous changes in various social, political and economic aspects, immediate and significant changes were not made in the civil defense system.²⁷ The Government Decision 531/4.9.1992 on Measures for Civil Defense, issued after the 1991 proclamation of a new democratic constitution, kept the previous organizing principles stated in the 1978 legislation (RG, 1992).

The second evolutionary stage of the Romanian crisis management system was initiated in 1994, with the adoption of the Government Ordinance No. 47/12.8.1994 on the Defense against Disasters.²⁸ No particular crisis seemed to trigger this change in the system, but can rather be explained by the domes-

27 With the minor exception that on May 11-14, 1990, Romania ratified the two Additional Protocols to the Geneva Convention of 1949 (after having adhered to it in 1954), regarding the protection of victims of armed conflicts (ICDO, 2003).

28 Approved by the Parliament – Law No. 124/1995.

tic and international developments occurring at that time. On the domestic level, the ordinance was meant to adapt the previous civil defense system to the new domestic democratic environment, and to the new reality of the state organizational structure. In addition, the local authorities were encouraged to increase cooperation with the civil defense authorities, and institutions and NGOs active in research, medical, technological, and ecological activities. Such institutions had flourished after 1989. On the international level, the ordinance was meant to establish the necessary foundation for cooperation with the existing international structures (just a few months earlier the same year, Romania had become a member of the PfP). Thus, reforming the prior system was considered to be a necessity rather than an option.

The aforementioned ordinance considered defense against disasters (hereafter DaD) to be an ensemble of measures for the prevention, intervention and recovery of disasters with the aim of minimizing their social, economic and environmental effects. The ordinance also created a Governmental Commission for Defense against Disasters²⁹ (hereafter GCDD). It was divided into nine specialized central commissions and subordinate to the ministries whose field of activity was related to defense against disasters: 1) the Ministry of Water and Environment Protection (with the Central Commission for Floods, Dangerous Weather Phenomena, and Waterworks Accidents; 2-3) the Ministry of Interior with two central commissions – one for Nuclear Accidents and Cosmic Object Falls and one for Widespread Fires; 4) the MoD; 5) the Ministry of Public Works and Arrangement of the Territory; 6) the Ministry of Industries; 7) the Ministry of Transportation; 8) the Ministry of Agriculture and Food; and 9) the Ministry Communication (ICDO, 2003). Each of the nine commissions had its own standing technical secretariat. Furthermore, county commissions were established within the county councils, which were headed by the county prefect and could further create subordinate local commissions (RG, 1994).

The GCDD was chaired by the Prime Minister, other ministers and heads of specialized authorities in the central public administration. According to Article 14 of the ordinance, the GCDD was to: elaborate and advance the national strategy for the defense against disasters, initiate the elaboration of regulations on disaster defense, ensure the organization and unified application of disaster defense measures throughout the national territory, annually propose to the government a state budget fund for disaster defense and mitigation measures, inform the government of the local situation using its own information system, monitor the application of international agreements in the field, analyze the organization and functioning regulations of the nine specialized commissions and advance them to the government for approval, and to inform

29 Its organization and functioning regulations for operation were approved much later, in 1997, by the Government Decision No. 209/19.05.1997.

the population via the media on the likelihood of disasters and on the appropriate measures for mitigating their effects (RG, 1994).

In Decision No. 105/15.12.1995 the Supreme Council for the Country Defense approved the “Plan for a joint intervention of the Ministry of National Defense and the Ministry of Interior in limiting and mitigating the effects of disasters on the national territory” (Ionita et al., 2003: 4). This was an evolution for crisis management in Romania and resulted in the Civil Protection Law in 1996. The adoption of the Law No. 106/25.09.1996 represented a landmark in the history of civil protection in Romania. It provided a coherent framework for a new civil protection structure based on the existing risk factors³⁰ in such a way that operational intervention in crisis situations (which were actually or potentially affecting the social, economic, or environmental conditions in an area) was harmonized with the specific aspects of the territory (ICDO, 2003). The very first article in the law began with, “Civil Protection is part of the national defense and contains the ensemble of measures and activities aimed to protect the country’s population, assets, cultural values, and environment in the event of an armed conflict or disaster.” The law regulated the organization, functioning, and duties of the authorities, institutions, commercial companies, and the population involved in the civil protection at all levels in society. The Prime Minister was nominated Chief of Civil Protection with the task of coordinating and exercising control over all related activities in the Minister of Defense. The Civil Protection Command (hereafter CPC) encompassed county inspectorates, civil protection commissions, units and subunits of civil protection, and military teams for civil protection.

The county inspectorates³¹ were conceived as decentralized public services of the MoD in each respective territorial/administrative unit. Each county inspectorate was organized and functioning under the approval of the Minister of Defense on the basis of proposals submitted by the CPC Commander.

Civil protection commissions were established in counties, cities, towns, the districts of the capital Bucharest, public institutions, and commercial companies with more than 100 employees. They were organized into fields of activity, such as: evacuation, alarm systems, protection and shelters, rescue operations, energy issues, and so on. Each commission was led by a civil protection inspector (the head of the respective institution or authority), who coordinated civil protection activities.

The units and subunits of civil protection consisted of civilians, but when needed were reinforced with military units. These units were to be available in

30 Both natural and man-made, such as: earthquakes, landslides, and floods; chemical, nuclear, biological and industrial accidents; waterworks accidents; epidemics; and oil pollution and other hazardous material spills (CPC, 2003).

31 Also Bucharest and its five administrative sectors each had an inspectorate.

times of peace at nuclear/electric plants, chemical factories, and other commercial firms with potential nuclear, chemical or biological risks.

Finally, the law mentioned the creation of civil protection teams. These teams were meant to participate in the mitigation and elimination of terrorist attacks, enemy attacks, or disasters. There were specialized intervention forces consisting of both civil and military team members.

In the second stage, some significant changes in the civil protection system were made by two government emergency ordinances issued in 2000. The miners' crisis and the FNI crisis occurred in 1999 and 2000, and they clearly affected the ordinances although they were not officially referred to in the documents.

The first ordinance, No. 14/13.03.2000, stipulated the establishment of civil protection teams (comprised of both civilian and military units) for emergency intervention in the event of a disaster. These teams were subordinate to the CPC via the county inspectorates and under the command of the county prefect during their operations. The Ministry of National Defense (MoD) was to provide the military component, and also put all necessary materials and logistics at their disposal (RG, 2000*a*). The second ordinance, No. 179/26.10.2000, moved the entire military branch of the civil protection system from the Ministry of National Defense to the Ministry of Interior (MoI). Accordingly, the Prime Minister remained the head of civil protection, but s/he was to coordinate and control the activities on the central level via the Minister of Interior and its subordinate bodies, and on the county level via the directly appointed prefects (RG, 2000*b*). The civilian part of the CPC remained subordinate to the prefect at the county level and the mayor on the local level. Basically, the Ministry of Interior took over all competencies and duties previously held by the MoD, with the exception of a military intervention. The civilian part of the civil protection structures was to be supplemented with military units from both the MoD and MoI. It was subordinate to the local civilian leadership during 'normal' situations, but during (military) interventions it would be put under military command.

In this framework, the local level should initially manage a disaster response, after having notified the responsible central authorities (the Civil Protection Command and the Government Commission for Defense against Disasters). In the event the local authorities lacked adequate intervention resources, additional means and forces would be sent from the neighboring areas in coordination with the central authorities, or directly from the central level, or from the international community.

The Current Crisis Management System and the Reasons for Its Creation

After the general elections of November 2000, the new SDP government implemented radical changes in the crisis management system especially in its last year in power. This can in part be explained by the new international context after the events of 9/11, and by the new way in which NATO and other international actors began perceiving security risks – unpredictable and less visible, but more diverse. In this context, already in its governing program (section 8.2.4.) of 2000, the new political power acknowledged the need to establish a national system of crisis management and to draw parallels to its existing counterparts within NATO and the EU (RP, 2000).

Government Ordinance No. 88/2001 was issued by the SDP government a few days before the September 11th terrorist attacks in the USA. The ordinance founded the organization and function of ‘communitarian³² public services’ for emergency situations,³³ and it marked the development of a new (some critics would say “real”) Romanian crisis management system. Two new structures were created within the protection forces of the national security system: the voluntary – “public communitarian services for emergency situations” (hereafter PCSEs), and professional – the General Inspectorate for Emergency Situations (hereafter GIES). According to the ordinance, the common purpose of these new institutions was to defend lives, material goods and the environment against man-made and natural disasters.

From the organizational point of view, the PCSEs were subordinate to the county councils, and created through the unification of the former civil protection inspectorates and groups and the military firefighter brigades previously under the authority of the Minister of Interior. In some way equivalent to the upper level, the GIES was created by the merging and reorganization of the Civil Protection Command and of the General Inspectorate of the Military Firefighters Corps, but was subordinate as an institution to the Ministry of the Public Administration³⁴ since it is a specialized, de-militarized organ. The GIES, headed by a general inspector with the rank of a state secretary and assisted by two deputy general inspectors, was meant to ensure at the national level the unitary implementation of specific legislation, and to coordinate and control the PCSEs. Relevant to no lesser degree, Article 11(2) of the ordinance stated that the GIES was part of the “National System for the Management

32 The term in official English translation is “communitarian” and refers to the transfer of competencies and responsibilities from the central level to the local communities and authorities.

33 Approved by the Law No. 363/2002.

34 The Ministries of Interior and of the Public Administration merged, following government restructuring in 2003, in to the Ministry of Administration and Interior, whose organization and functions were regulated by the Government Decision No. 725/2003.

of Emergency and Crisis Situations” (RG, 2001). The very name of the latter (though not existing when the ordinance was issued) and the creation of the above-mentioned two institutions suggested a newer, much broader, and accurate assessment of the means needed in crisis situations.

September 11 exerted a significant impact on the crisis management system of Romania, highlighting the necessity of reorganizing it more effectively, in accordance with the new international context. Thus, a few days after the events in the US, the Romanian Prime Minister set up an Inter-ministerial Committee for Crisis Situations meant to identify and implement the Security Council Resolution No. 1333 regarding the situation in Afghanistan (NATO, 2005). This Committee³⁵, led by the Minister of Foreign Affairs and assisted by the Minister of Defense, had two meetings: one after 9/11 and another following the anthrax attacks (Chifu, 2004: 69). Then, aside from enhancing Romania’s participation in the international coalition operations (in Afghanistan, Kosovo, and Bosnia-Herzegovina) and from accelerating the implementation of anti-terrorist legislation in accordance with the new international context, a new national security strategy was adopted in December 2001, after a reorganization of the Romanian Intelligence and the Foreign Intelligence services. But more importantly, work was begun on a draft law, “the National System for Emergency and Crisis Situations Management.” This law adopted much later in 2004.

Until the adoption of the new regulatory framework, crisis management in Romania kept many of the previous elements found in the system developed in the second evolutionary stage. In monitoring no less than 112 crises (domestic institutional, political, foreign policy, and natural disasters) occurring between 1999 and 2003, crisis management expert Iulian Chifu (2004: 74-75) concluded that the Romanian crisis management system had four recognizable features. First, in most cases, the main value at stake for the decision makers was preserving their personal image and position, and often this meant that an insignificant employee was sacrificed. Second, crisis assessment and decision making predominantly took place in *ad hoc* meetings with the head of the institution, but in the absence of clear institutional mechanisms, procedures, and routines of crisis management. Third, institutions were not learning from past crisis experiences, and crisis management research and training lacked a solid foundation. Last, the decision makers involved in the management of crises failed to take responsibility (Chifu, 2004: 74-75). This in connection with the new

35 Comprising of 24 members with representatives of the Defense, Interior, Foreign Affairs, Transportation, Finances and Industries ministries and of the Intelligence services. After the anthrax incidents, representatives of the Post, Consumer Protection Office, Civil Protection, Ministry of Administration, and the Environment Protection Agency were also included (Chifu 2004: 69)

international environment resulted in the fact that domestic analysts pushed for the creation of a national center for crisis management, which quickly became a top priority for the Romanian authorities (Mure an et al., 2004: 78).³⁶

A similar, but more subtle, conclusion was stated in an official document where the MoI State Secretary Toma Zaharia and Delegated Minister for Public Administration Gabriel Oprea justified the necessity of the Government Emergency Ordinance No. 21, which the government was going to issue on April 15, 2004. The reasons mentioned focused on international and domestic concerns. The new ordinance was first to be adapted to the new international context (e.g., the terrorist attacks in Turkey, Russia, and Spain), in which the new threats for Romania were considered to be mainly non-military. From the domestic point of view, the Romanian officials admitted that the existing legislation only addressed classic defense and emergency situations, but lacked the prevention and management of emergency, crisis (-like) situations. Moreover, the document acknowledged the then-existing “strong mechanism of involving all forces, from the national and local levels, in the defense against disasters and in the management of other emergency situations,” which resulted in “parallelism and overlapping of competencies.” The document underlined the need to establish “an integrated system for monitoring risk sources; the intervention of the state structures in managing emergency situations; the necessary allocation of human, material and financial resources; and increased cooperation with NATO and other international structures” (Zaharia and Oprea, 2004).

Drawing from these conclusions, two official documents were issued on April 15, 2004, with the purpose of regulating the current Romanian crisis management system. First, the Supreme Council for Country Defense adopted a National Strategy for Civil Protection (Decision No. 92/15.04.2004), which included the fundamental objectives and means for protection forces, and preparedness and relief actions in order to reduce the disaster consequences (MAI/CPC, 2004: 5).

Second, Articles 6-10 in the government’s Emergency Ordinance No. 15³⁷ established the National System for the Management of Emergency Situations which included: a) Committees for Emergency Situations; b) the aforementioned GIES, which was the unified structure of the former Civil Protection Command and the General Inspectorate of Military Firefighters, conceived as

36 The governing program of the NLP – DP alliance (“Justice and Truth”) issued in autumn 2004 stated that one important objective of its National Security Policy was the development of a crisis management system (see RG, 2004*b*).

37 Approved and modified by Law No. 15/28.02.2005. The full text is available on the Deputies Chamber’s site: http://www.cedp.ro/proiecte/2004/300/00/1/leg_pl301_04.pdf

the technical organism for planning, monitoring, and command³⁸; c) professional PCSEs, functioning as county/Bucharest inspectorates; d) Operative Centers for Emergency Situations at the county levels; and e) situation commanders

Since the new National System for the Management of Emergency Situations exceeds the timeline on which the present volume focuses, I will not explain it in detail. The Committees for Emergency Situations are currently structured in the following way: 1) National Committee for Emergency Situations – an inter-ministerial body comprising decision makers and experts in emergency situations management, organized under the umbrella of the Ministry of Administration and Interior, and coordinated by the Prime Minister; 2) ministerial committees and committees of other national public institutions; each functioning under the command of their respective ministers or heads of institution; 3) the county/Bucharest committees for emergency situations, each of them led by their respective county prefect; 4) local committees for emergency situations, each led by their local mayor (RG, 2004a).

Conclusions

To sum up, the current Romanian crisis management system has evolved and major improvements in three areas are clear: the conceptual understanding of crisis(-like) situations and the development of new policies in the field, professionalization of the system and increased effectiveness, and its adaptation to the new international context and integration to similar crisis management systems. The transformation of Romania's crisis management system was (as the general domestic transition) slow. This is surprising considering the large number of challenges and crises the country witnessed in these 15 years: recurrent floods, several dubious bankruptcy scandals, major conflicts between the state powers, economic difficulties directly generating massive social unrest, diplomatic incidents on the Eastern border, repeated scandals regarding politi-

38 As the specialized body of the Ministry of Administration and Interior, the IGSU has the following attributes: assesses, evaluates and monitors the risks, makes predictions regarding risks in order to identify the potential emergency situations, makes decisions to prevent negative consequences; ensures the unitary coordination of preventive actions and the management of emergency situations, which cover the entire country; coordinates the national development programs in the field of defense against disasters; informs via the media the public of emergency situations and the necessary measures to be taken; ensures the technical and specialized coordination of operational and operative centers, and maintains a permanent information flow with them; cooperates with international bodies, as stated in international covenants and agreements; coordinates at the national level, the resources needed for the management of emergency situations and elaborates a plan with the appropriate resources for them; and provides technical assistance to local and central authorities in the management of emergency situations (MAI/CPC, 2004: 8).

cians and media group owners interfering with the media's activities, rampant problems with drug trafficking and consumption, corruption allegations, and several others. So it is surprising that, except for the recent reforms, changes in the crisis management system were not directly motivated by a particular crisis or incident. Nor did the media serve as an impetus to change since it was struggling for survival on the new market and was heavily controlled by its owners.

Nevertheless, significant progress was made in the field of crisis management. First, the concept of a disaster or a crisis now includes a wider spectrum of situations, and has gradually moved away from the strict, military-oriented definition of civil defense towards encompassing crisis prevention and management. This evolution is strongly related to the country's political transformation. During the Communist era, the leadership was preoccupied with the risk of foreign attacks, and thus governed a complex and highly militarized system of civil defense. The current crisis management system was born as disaster and military defense apparatus then grew into a functional civil protection structure and has matured into an integrated crisis management system. The provisions defined in Article 2 of Government Emergency Ordinance No. 21/2004, for instance, mention terms like "emergency situation," "amplitude," "intensity," and "risk factors" in a manner that resembles the threefold definition of "crisis" used in this volume: threat to fundamental values, limited time for decisions and action, and great uncertainty (Stern and Sundelius, 2002).

The second major accomplishment has been the professionalization of the crisis management system: the creation of mixed civil-military structures (starting from a predominantly rigid and highly centralized military apparatus) for intervention, decentralization, increased responsiveness and effectiveness, use of the local professional PCSEs, the elimination of institutional overlapping, and the drawing of clear responsibilities and mechanisms for action. More importantly, there has been a move from an *ad hoc* type of management (the system being activated only after the outbreak of a crisis with no early warning signs), which addressed almost exclusively natural disasters, to permanent structures involved in preventing, monitoring and solving many different kinds of crises. One example of this new professionalization was the way in which the 2004 floods (the worst in decades in Romania) were handled by the local units of the National System for the Management of Emergency Situations.

Third, especially after 2000, increased cooperation with the international community in the field of crisis management field has led to an adaptation and modernization of the Romanian system, which is now more compatible with its foreign counterparts. Romania's dual EU-NATO integration process, and the strong public support for it, has played a crucial role not only in guiding the domestic political and economic transformation process, but also in reshaping its crisis management institutions and procedures.

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PART II
CREEPING CRISES

Chapter 3

Coping with a Creeping Crisis: The Government's Management of Increased Drug Trafficking and Consumption in Romania

Lelia-Elena Vasilescu

Introduction

In 1989 many of the Eastern European countries started on the path of democracy. The positive political and economic changes resulting from this option were also accompanied by negative developments, among which the development of organized crime and the increase of drug trafficking and consumption in a region which had not been confronted with this phenomenon before. The law enforcement structures were not prepared to deal with this challenge, and they had to learn “on the job” by trial and error.

During the communist regime, Romania applied a restrictive policy regarding the free circulation of people. This allowed a very strict control of the borders, and thus drug smugglers avoided Romania. Since the revolution, drug barons have taken advantage of the inadequate legislation, the economic recession, unstable public order, and existing corruption. The transition towards a democratic society with the opening of the state borders, the transition towards a market economy, as well as the geographic position, represented important factors in including Romania in “the Balkan Route” of smuggling drugs from

the producing countries to the consuming countries (US Government, 2001). Furthermore, a number of exiles, who worked with criminal groups abroad, returned to Romania after 1990 and used their contacts to organize drug smuggling out of the country.

The massive increase in drug use, particularly of heroin and other injectable drugs in most countries of Eastern Europe and the former Soviet Union during the past decade, has been confirmed by several international reports. Recent estimates suggest that there are currently between 2.3 and 4 million injection drug users in the region and the number of users is growing (UN Commission on Narcotic Drugs, 1997; EMCDDA, 2002b). This statistical data show that it is already an expanding international crisis, endangering the physical and mental health of young people in particular.

In Romania, statistical data illustrates that the above-mentioned phenomenon has taken unprecedented growth in the period 1990–1997; there have been 412 cases of drug smuggling discovered, in which 649 persons have been involved (219 were Romanian citizens), and 20,698 kg of drugs had been confiscated. In the period 2001–July 2002 the figures went up to 1,545 drug smuggling cases, 1,978 persons involved (of which 1798 were Romanians) and 64,485 kg of drugs seized (Romanian Government Decision, 2003). At the same time, the number of Romanian citizens arrested for being involved in drug smuggling in other countries has increased significantly.

In 2003 the total quantity of illicit drug seizures was 408 kg, of which 320 kg was heroin, and the street price of drugs remained mostly unchanged in 2003 with no major fluctuations observed during the year. The analysis of data concerning offenders involved in illegal drug transaction operations reveal that while 723 suspects were investigated in 2001 for illegal drug trafficking and consumption crimes, the figure increased to 1428 in 2002 (+97.5% as compared to 2001) and to 1487 in 2003 (+105.6% as compared to 2001), respectively (National Anti-Drug Agency, 2004).

According to a 2001 survey in cooperation between Bucharest General Directorate for Public Health and an NGO (“Save the Children”), among the 9700 Bucharest high school students from the 99 area high schools, the number of high school drug addicts doubled in the period 1996–2001. This happened despite the fact that most young people, especially the 15-16 year olds, are keen to get involved in drug prevention activities. This survey revealed that 11% of Bucharest high school students declare having taken drugs: 7% boys and 4% girls. They declared to have consumed several drug types: over 85% consumed cannabis, 80% heroine, 59% cocaine, 43% ecstasy, 19% ketamine, 12% medicines, 10% LSD, 5% methadone, 5% chemical solvents, 1% steroids and 1% hallucinogenic mushrooms.

The growth in drug trafficking and consumption, especially among youth, is an international crisis in Romania still in the “creeping” stage. Most European, American and Asian countries are being confronted with it, and it demands a coordinated response both at the national and international levels: from government and non-governmental institutions as well as the international bodies especially created for dealing with this crisis (United Nations Drugs Control Programme, International Narcotics Control Board, European Monitoring Centre for Drugs and Drug Addiction, etc.).

Against the background of the expansion of drug trafficking and consumption in Romania, the aim of this study is to analyze how this creeping crisis was discovered and dealt with by the responsible actors within the Romanian Government. What measures have been taken in order to adjust to this new reality? What were the challenges in terms of moving from policy declarations to action in practice? The analysis will take its starting point in 1996, when the creeping crisis was suddenly put on the agenda as a result of alarming reports from the police and the custom services, and follows the process for the next seven years.

Although the crisis will be analyzed from a cognitive-institutional perspective, the main focus will be on the institutional level. This is due to the scope of the crisis, in terms of the long time span and in terms of the large number of actors involved. It is also due to the practical difficulties in collecting material in the form of interviews and from other primary sources.

Sources

The analysis was based both on primary and secondary sources, using:

- interviews with several decision makers and people involved (such as advisers or experts) in the process of drafting and enforcing anti-drug legislation;
- primary and secondary legislation issued in the process of institutional restructuring; and
- the media and international reports highlighting various aspects of the studied phenomenon.

The interviews were extremely useful in providing information that was not written anywhere, because these people were directly involved in the legislative and institutional process, the “history-makers.” However, a certain degree of personal subjectivity could not be avoided: different people with various edu-

cational and professional backgrounds from different organizations. A total of 10 people were interviewed.

Defining the Crisis

According to the crisis definition discussed in the introduction of this book, the increasing drug consumption in Romania represents a creeping social crisis. The institutional crisis is characterized by bringing an entire policy sector to a halt as a result of performance failures and/ or political interventions UNDP (June 2002). A creeping crisis occurs when a problematic situation is not properly addressed or it is simply put aside for a while by the decision makers. The problem does not disappear, and it intensifies over time, sometimes becoming a full-blown crisis. In creeping crises, the initial tendency to misperceive or underestimate the threat generally leads to non-decision making. When the sense of crisis develops, response is inevitable (tHart, Rosenthal and Kuzmin, May 1993).

The case of increasing drug consumption among youth corresponds to this definition in several aspects. In terms of values at stake, the increased drug consumption is a major public health problem, given its consequences on the individual, social and work-related levels. Drug production, consumption and trafficking have serious consequences on both individual security and health (death at young age by overdose or suicide; infectious diseases spread – AIDS, HIV, TBC; irreversible brain damage) and on social development as a whole. The increased use of drugs cannot be treated as an isolated problem, because it is highly interconnected and coupled with a lot of other problems. Drug trade is a big financial source for criminal organizations and terrorist networks. The victims of trafficking are often exploited for carrying out drug trafficking and other crimes. These links are often hidden under political and economic conflicts and unstable situations, whether declared or not, and the associated “secondary problems” will certainly rise to the highest political level if the increased drug consumption is not dealt with in a timely and effective manner (Geoana, 21–22 May 2003).

A crisis is, however, not only a threat, but can also pose opportunities for some actors. At the political level, the measures taken by the Romanian authorities for countering drug trafficking and consumption generate visibility at the national and international level. This is an opportunity for enhancing the Government’s image and credibility, both among the domestic public and in the eyes of international organizations and foreign governments. With gaining awareness that the consequences threatened to be more serious for the political actors than the crisis itself, the Romanian government was put under international pressure to deal with the situation. With EU and NATO membership high on the politi-

cal agenda, it was clearly a necessity to demonstrate national responsibility for dealing with this international problem and to avoid being blamed for being an open port for drug trafficking from Asia to Western Europe.

The various aspects of uncertainties are also important in understanding the management of this crisis. In the early 1990s, when communism fell and the borders opened, no decision maker believed that drug consumption could become a problem in Romania. Consequently, there was inadequate resource allocation and a lack of knowledge and experience when the threat was finally recognized. It is always problematic to provide reliable data on current drug consumption, but it must be emphasized that during the first half of the 90s, there were no systems for gathering information concerning the problem, which could have served as an early warning signal for the government. A strategy of waiting and watching is not viable, and so decision makers must be prepared to act despite limitations and change the course of action as new information becomes available.

The drug trafficking and consumption crisis was approached in an empathic, multi-disciplinary way, using effectively all available national and international expertise and advisory capacity. As presented below, the crisis management measures followed the classical approach (Rosenthal, Boin, and Comfort, 2001; Stern and Sundelius, 2002) of creating awareness, developing a crisis management vision, and the training of experts and decision makers from all involved institutions (including public administration and NGOs) in various drug-related issues, institutionalizing crisis management principles, and the formalization of cooperation and coordination among various sectors of society. Private sector and civil society have also been involved in the process of countering drug trafficking and consumption, because the crisis has been perceived as a public-private matter.

Context

International Context

Along with the rise in worldwide communication and trade, the use, manufacture and sale of drugs has become a global issue. According to UN, Interpol and Europol estimations, the drugs market has the second place in the world after weapons market, having a turnover of thousands of billions of dollars yearly (Joyce, April 1998). The United Nations is working on establishing an international system of drug control in which countries are obliged to criminalize all non-medical use, the manufacture and the sale of drugs. Most developed countries also take direct action against drug production and trafficking. Yet illicit drugs play a major role in economies around the world and drug use continues to rise (UN Office on Drugs and Crime, 2003).

Taking advantage of the changing social and political environment in Eastern Europe following the reinstatement of democracy, the global drug trade acquired a huge new market in the last decade, especially since the countries in this region were not prepared to counter it. This expansion is comparable only to that created by the Vietnam War (Joyce, 1998). Eastern Europe has become the main source of drugs entering Western Europe, and the drugs produced in the east are also finding their way to North America (Joyce and MaLamud, 1998). According to the research group *Oxford Analytica*, the Russian narcotics business alone is worth an estimated \$6 billion annually and the drug proceeds are believed to have enabled organized crime to gain control of at least a quarter of Russia's banks (more than half the country's capital) and some 80% of all shares sold on the Russian stock exchange.

International information about Romania concerning the drug issue defines this country as a "major transshipment point for Southwest Asian heroin transiting the Balkan route and small amounts of Latin American cocaine bound for Western Europe" (US Government, 2001). Compared with the USA and even to certain Western European countries, drug consumption in Romania is not extreme (EMCDDA, 2002a). Romania at first was a transit territory for sea, land and air drug routes from Southwest Asia, Turkey, the CIS countries, Latin America and Africa, but since about 1993 it has become a drug warehouse and even (where heroin and synthetic drugs are concerned) a manufacturing country. The International Narcotics Control Bureau showed that in the period 1998–2002, drugs from the Caucasus had been shipped through Russia and Ukraine to all of Romania's ports and not all of it was destined for Western Europe (UN, April 2003). The growing supply of these substances on the local market has produced a parallel rise in drug addiction.

Socio-Economic Context

Even if the drug problem in Romania does not seem to be as serious as in the other European countries, we can say that Romania now has a domestic market for drugs, with well organized dealing networks, a considerably diversified supply (heroin, marijuana, hashish, ecstasy, amphetamine, cocaine etc.), and a clear customer group (increasing in number and younger) (Simache, 2002). This phenomenon is foreseen to increase, extending drug consumption in almost all urban areas (UN, April 2003).

The growth of this crisis has to be understood in light of the economical recession causing decreases in incomes, social instability, loss of workplaces, unemployment, unpredictable socio-material future for the youth, and the increase in criminal drug-related international activity. Romania, as well as other counties in Central and Eastern Europe, is facing major economic set-

backs and the chronic reduction of public expenditure, and thus the lack of means to efficiently enforce public order. Romania has been affected by the adverse effects of its specific politico-economic de-institutionalization (the transition from an authoritarian to a democratic regime and the transition from a socialist to a mixed economy) and experimentation, and thus needs to develop new structures for dealing with the country's new problems. Romanian society was not prepared to address these issues properly in the first years of transition due to the lack of awareness on the magnitude of the drug problem and poor training in the field.

During the second half of the 1990s when economic and social changes were more visible, Romania became not only a transit area for drug smugglers, but also an emerging market. Youngsters were the first to be affected by this phenomenon; peer pressure, curiosity and rebellion against "transitional" values are most common at this age and drug usage progressively went down to 14 years of age (Save the Children, 26 March 2002).

From the economic point of view, drugs are a high profit business not requiring advertising expenses. The number of consumers and implicitly of dealers (especially of heroine, cocaine and synthetic drugs dealers) is continuously increasing (British Medical Journal, 2001). Romanian citizens are more involved in drug trafficking, precursors, and related money laundering, due to the fact that it means a lot of quick money in a country with a small income per capita. Following an increasing demand, more synthetic drugs are entering Romania, leading to an increase in the number of illegal manufacturing laboratories in the country. The International Narcotics Control Board, aware that Romania has increasingly been used by international drug traffickers both as a transit country and as a country of destination for illicit drug consignments, has shown in its reports its concern about the relatively low level of heroin seizures in the country in recent years. Also many cases were mentioned involving the attempted diversion of chemical precursors that could not be properly investigated and prosecuted because of a lack of relevant legislation (UN, April 2001).

A peak in drug consumption was recorded in October 2001, for about one month, when the war in Afghanistan consequently led to stronger border controls both in Afghanistan (by the American army) and in all European countries. Afghanistan had more than 70,000 ha of poppy crops, and a production of about 400 tons of heroin yearly. As a result of the war, the supply of heroin on the Romanian market diminished drastically and prices escalated by 50% up to 100% or more. Traffickers tried mixing heroine with other substances in order to be able to sell the same quantity, and this resulted in a dramatic increase in the number of persons admitted into emergency rooms and psychiatric hospitals. Likewise, addicts became more desperate and were willing to do anything

in order to obtain their daily heroin doses and this resulted in the exponential increase of drug-related crimes. With the lack of other indicators, this situation showed clearer the potential number of heroine addicts in Romania, which was greater than previously estimated.

Most of Romanian drug addicts are teenagers and youngsters with the average age continuously decreasing, from 18–22 years old (in early 1997) to 15–18 years old at present (Save the Children, 26 March 2002). The number of drug users in the 15–24 year age range (especially among women) and the rapid spread of drug usage in bars, discos, entertainment areas, abandoned houses, and university campuses, which culminates with the creation of drug users and distribution groups based on age or micro-geographical criteria, constitutes a serious social problem.

At present, drug consumers come from all social environments, and they become more and more involved in other related law infringements because the addiction and the severity of abstinence syndrome make them do things (they ordinarily would not do) in order to obtain the financial resources necessary for their drug habits (Simache, 2002). After selling their personal belongings and stealing money and valuables from family members, they become involved in pick pocketing, car thefts, robberies, hold-ups, and other violent crimes. According to police figures, the number of drug-related crimes has tripled from 97,000 in 1990 to 320,000 in 1996 (UN Commission on Narcotic Drugs, 1997), while in 2003 it increased by 13% as opposed to 2002 and by 118% as opposed to 2001 (Romanian Government, 2005).

The drug supply indicators revealed an increasing trend for the year 2003, continuing the trend that began in 1990. Most cases of heroin offences were registered in urban areas (90%), supporting the fact that the drug market and drug traffic networks tend to center in largely populated environments (National Anti-Drug Agency, 2004).

This creeping crisis is a reality in Romania, but attempts to keep it under control have prevented its escalation. Statistical reports indicating increases in the drug supply and demand are not due to a crisis escalation, but rather to improvements in reporting and staff training. The drug crisis has existed now for several years and the present numbers simply show more of the cases that were not previously reported; that is, the number of new consumers is lower than in most European Union Member States.¹

1 Personal interviews carried out by the current author in June 2004 with representatives from the General Directorate for Countering Organized Crime and Anti-Drug, as well as from the National Anti-Drug Agency and the Institute for Research and Prevention of Crime.

Institutional Context

The main institutional stakeholders at the national level involved in the management of the drug crisis are: the recently created National Anti-Drug Agency; the Ministry of Health; the Ministry of Administration and Interior (recently merged from the initial Ministry of Interior and the Public Administration Ministry); the Ministry of Education, Research and Youth (recently merged from the initial Ministry of Education and Research and the Ministry for Youth and Sports); the National Sport Agency; the Ministry of Public Finances; the Ministry of Justice; the Public Ministry (prosecutors); the local authorities; and various NGOs. The efforts of the National Anti-Drug Agency and the police are more thoroughly discussed in this case study, because they are more significant from the point of view of adaptation-related institutional reforms. The cooperation between the involved ministries (reunited under the umbrella of various committees and commissions in the decision-making process) is also analyzed.

It should be mentioned that most of the involved ministries and authorities, with the exception of the National Anti-Drug Agency, existed before 1999, even if not with the same names and organizational structures (i.e., the merging of institutions). Yet they were not used to working together and were largely unaware of the growing drug problem in Romania, with the exception of the Ministry of Health (confronted with emergency overdose cases); Ministry of Interior, Public Ministry, and Ministry of Justice (confronted with law enforcement issues regarding drug possession and abuse); and Ministry of Public Finances (seizing drugs at the borders through the Customs Authority).

Among all of the stakeholders, the Romanian police have played a key role in enforcing the procedures meant to ensure the compliance of laws related to the prevention and fight against drug use: including the fight against drug smuggling, tracking drug addicts, and preventing abnormal behavior among minors and persons exposed to risky situation. Created in March 2001, the General Directorate for Countering Drugs and Organized Crime (GDCDOC) is the specialized police unit that supervises, coordinates, counsels, and controls the local structures' activities in the fight against drug smuggling and drug use. It is divided into 15 local centers organized on the competencies of the Appeal Courts. These centers consist of specialized Anti-drug Offices directly subordinated to the GDCDOC (Romanian Ministry of Administration and Interior, 2003).

Considering the global dimension of drug trafficking and consumption, there are also many stakeholders at the international level, such as: European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), REITOX network, World Health Organization, International Narcotics Control Board,

United Nations Office on Drugs and Crime, United Nations Drug Control Program, UNAIDS, European Commission – mainly through several PHARE assistance programs at the national and multi-national levels, Interpol, and Europol. International cooperation represents an important element in countering drug trafficking and consumption all over the world.

Decision Occasions

There have been many important decision occasions over the past ten years since Romania was first confronted with the phenomenon of drug trafficking and consumption. As shown below, these occasions pressed the key actors to respond to new factors, which sometimes drastically changed the planned course of events. The four decision occasions highlighted in this chapter were chosen on the following criteria (Stern and Sundelius, 2002): they were the most important milestones in drug-countering efforts, defining the policy for the given period; they have been important in the crisis learning process; and they provided access to some “inside” material and important insight into the crisis.

The four main decision occasions of this crisis were:

1. As drug seizures increased significantly and the first overdose deaths occurred, this was an alarm signal for the authorities that drugs were becoming a problem in Romania. This problem needed to be dealt somehow, and the first measure was to gather all of the possible stakeholders around the table and discuss the problem. With little to no previous experience in this field, no real solutions were provided in these debates.
2. An anti-drug strategy was requested by the European Union; therefore an Interministerial Committee was created to draw it. A PHARE twinning project offered precious assistance in this matter.
3. The results of two PHARE projects recommended the enforcement of drug prevention activities and another relevant Interministerial Committee was established for this purpose.
4. Following the conclusions of international reports that progress in the anti-drug campaign in Romania had been very slow and the Interministerial Committees expert findings that cooperation within the committees was not efficient, a better anti-drug structure was put into place. Its activities were appreciated by the European Union, and the drugs crisis, even if still creeping, started to be contained.

1996–1998: The Number of Drug Seizures Increase

Before 1990, drugs were not a major problem in Romania. Once every few years, one to five foreign citizens (mainly students in Romania) were caught having drugs with them (usually hashish, marijuana, opiates) or having consumed drugs on campus and disturbing public order afterwards. They were prosecuted accordingly (or merely exmatriculated from the faculty, therefore ceasing their reason to stay in Romania). Since they were isolated cases, no further actions were taken.

In the early 1990s, drug seizures were being reported at the borders, but the threat of increased drug trafficking and consumption was not yet realized. This was due to the lack of information in the field, the lack of modern equipment for data analysis and drug analysis, as well as the lack of experts in drug-related issues (given the fact that such problems had not really existed before and it was considered a problem belong only to developed countries). Therefore, the authorities did not believe drugs could become a problem in Romania, all these constituting the reasons why they chose not to act.

In 1996, however, the Romanian Government received reports from the police and customs that the number of drug seizures had increased. The first overdose deaths occurred, raising the awareness of the decision makers about the drug issue (Romanian Government, 2003c).

Statistical data illustrate that the above-mentioned phenomenon took significant proportions between 1990–1997: 412 cases of drug smuggling, in which 649 persons had been involved (219 were Romanian citizens), and 20,698 kg of drugs had been confiscated. In 1995 the police started to seize precursor chemicals, such as acetone, from gangsters. At least two heroine laboratories were discovered in 1996 (UN Commission on Narcotic Drugs, 1997). At the same time, several internationally funded programs in this domain were finalized, resulting in the elaboration of studies and findings. Experts were also trained in drug-fighting efforts within these programs, making it possible to introduce measures for reducing the drug supply and demand.

The preventive actions against drug use and smuggling initiated in 1997 resulted in more drug seizures at the border points and inside the country, as well as in the development of programs for preventing drug use and treatment for drug addicts. However, these measures were not enough in facing the crisis. New legislation, new structures and modern training with the help of the European countries, which had more experienced in this field, were needed.

Even if both the specialists and the population became aware of the increase of drug use and smuggling, epidemiological studies at the local and national levels were non-existent for a long time. The information about drugs came from drug seizures, changes in the drug market (accessibility and the need for

treatment), the number of persons investigated for drug smuggling and illegal possession of drugs, forensic reports, and other data from various institutions and NGOs regarding population groups. During the last five years, the policy regarding drug use and information collecting has improved. Furthermore, a number of studies have been useful sources of information at the local and national level.²

Following the outcome of the studies and the drug law enforcement authorities' reports, the problem of preventing and countering drug trafficking, consumption and addiction became a priority by the Romanian Government. In order to ensure that countering and preventing measures of drugs are based on a unitary and global vision of the problem and to avoid possible conflict situations between governmental institutions (i.e., overlapping), permanent working groups were set up. The initiative belonged to the Ministry of Interior, which has played the leading role in the countering drugs activities. For a while, these were actually simple forums to discuss drug-related problems and measures to be taken, but they also prepared the involved institutions for closer cooperation and helped them to adapt their practices and procedures to the social and cultural characteristics of the Romanian consumer population.

1999–2001: International Demands on the National Strategy

In 1999, the PHARE Multi-Beneficiary Project on Licit Drug Control and Illicit Synthetic Drugs presented its conclusions. It strongly recommended a sectoral monitoring of the drug demand and supply phenomena. This, it was argued, would make it possible to draw up a proper countering policy and strategy (PHARE, February 1999). As a consequence of the evaluations carried out by the various PHARE/ EMCDDA projects and based on the recommendations of the EU experts, the necessity for a structural reform in Romania appeared of utmost importance. This was requested in order to create institutions better able to deal with the increasing spread of this negative phenomenon in society and especially among the youth.

The necessity of creating a national anti-drug strategy was positively approached by the Romanian decision makers, especially with the recent cooperation links with EMCDDA. Once this was launched it was realized that communication was hampered by the fact the various organizations have different reference points and indicators, which limited the possibility to compare

2 Sources are: 1. The European Survey Program for Alcohol and Drugs (ESPAD) – statistic data regarding the situation of persons treated for drug addiction. 2. The Knowledge – attitude and tendencies of high school students (Bucharest in 2002, other major cities in 1999 and 2001). 3. Romanian Population Health (2001) – the study of the quantity and quality of illegal drug use. 4. International organizations, such as the National Health Organization, UNAIDS, and UNDP.

Romania with the other countries.³ This led to a government decision and creation of the Interministerial Committee for the Fight Against Drugs (CILID) (Romanian Government, 1999). The CILID was placed under the direct command of the Prime Minister and it consisted of the heads of the specialized bodies within the Central Public Administration institutions enumerated above as stakeholders.⁴ The Government's Secretary General and the Romanian Project Leader of the PHARE Program for the fight against drugs, who was also from the Ministry of Interior, were also members of the Interministerial Committee. This Interministerial Committee's main competencies were: to monitor the activity of the ministries involved in anti-drug activity; to develop, implement and evaluate a coherent national strategy; to issue an annual report on the national situation and evolution regarding drug smuggling and drug use based on the data supplied by the involved authorities; and to recommend appropriate measures to be taken.

The Ministry of Interior took the main initiative in setting up this Interministerial Committee, due to the fact that the Ministry of Interior was the one in charge of preventing, detecting, and sanctioning illegal drug smuggling and consumption. Because drug-related problems are multi-faceted, the ministry also needed the cooperation of all the stakeholders considering the issue of public health, crime expansion, international police and customs cooperation, the EU accession process, and the legal and procedural harmonization with the *acquis communautaire*.

As a consequent of its very broad composition and the high profile of the participants, certain functioning problems occurred within this Interministerial Committee. The Committee never actually succeeded to meet with a full attendance. Due to other important commitments, the Prime Minister and many of the ministers could not participate, so they sent representatives to replace them. This means that in practice, the important steps taken by the Interministerial Committee and the actual decision making were made at the expert level rather than by the highest strategic Ministry level that formally constituted the Committee.

3 Personal interviews carried out by the current author during the period December 2002 – February 2003 with representatives from the former Romanian Observatory for Drugs and Drug Addiction and the National Anti-Drug Agency.

4 The Ministry of Justice, the Ministry of Interior (including the central body for the fight against drug smuggling within the General Inspectorate of the Romanian Police), the Ministry of Foreign Affairs, the Ministry of National Defense, the Ministry of Finance (including the General Customs Office's central body dealing with drug issues), the Ministry of Health (including the General Department for Medical Assistance and the Department for Health Support), the Ministry of Labor and Social Solidarity, the Ministry of Education and Research, the Ministry of Youth and Sports, and the Ministry of Industry and Trade.

Time proved that the Interministerial Committee for the Fight Against Drugs was inefficient and non-viable, as it had initially been designed to function. There are several reasons for this. Firstly, as mentioned above, its members had a very high level of representation, not enabling the possibility to meet at the same time at the same place due to reasons justified by their position. Secondly, the Interministerial Committee was a consultative body, and even if the original members could have united in full attendance, the decisions taken would have only been internal administrative acts with the character of recommendations. Thus, at the end of 2000, increasing the operability of the Interministerial Committee for the Fight Against Drugs became an important issue. Amending the Governmental Decision on setting up the Interministerial Committee for the Fight Against Drugs became one of the main objectives of the work within the framework of the National Strategy, carried out through the PHARE project "Fight Against Drugs."

The major achievement of the Interministerial Committee for the Fight Against Drugs was its contribution to enforcing a law on countering illegal drug trafficking and consumption (Romanian Parliament, 2000). The GDCDOC, as a body within the Ministry of Interior, assumed leadership in drawing up this law in an attempt to lay a proper base for controlling the drug phenomenon. The law gives the National Police express powers to carry out controlled deliveries of narcotics and allows for the use of undercover police in investigating drug-related activities. This was significant progress in the ability to combat the growing problem of drug consumption. Furthermore, this law was in line with EU practices.

Another important step, achieved with the contribution of the Interministerial Committee, was the drafting of the National Strategy on Drugs and the elaboration of the Draft Law on the Fund of Seized Goods (Romanian Government, 2001). The Strategy is in line with the European Commission's Program focusing on reducing drug supply, reducing drug demand, and enhancing international cooperation. It was achieved with the help of Spanish experts within the twinning project "Fight Against Drugs", promoting a new legal framework in line with EU *acquis*, initiating and supporting a political debate at the national level with the aim of decreasing drug abuse and improving addicts' situation. It also represented a policy approach to countering illegal drug smuggling and consumption, stimulating an integrated and standardized network of the public health and services system, and to giving adequate medical assistance to drug addicts. The reporting system was also regulated in this strategy (Romanian Government, 2003c).

The Secretariat of the Interministerial Committee for the Fight Against Drugs met 12 times during the implementation of the twinning project "Fight Against Drugs", in order to actively contribute to the elaboration of the first

draft of this new governmental decision. Each involved ministry submitted comments that were consolidated into the final draft, which was submitted for governmental approval, together with the National Strategy on Drugs, in December 2002, and enforced in February 2003 (Ibid.).

The existence of political will to elaborate a strategy of preventing drug use and addiction was realized in the elaboration of an appropriate related legal framework. In addition to the political will, financial means were allocated from the health budget, through national programs for drug prevention, detoxification and treatment. Even if the health sector was confronted with funding shortages, the need for drug prevention, detoxification and treatment were recognized and highlighted by the increasing number of addiction-related health problems the medical sector was facing. Therefore, the Ministry of Health made available funds for detoxification and treatment, and the prevention and counseling centers were funded initially from the Ministry of Interior's budget. The Romanian legislation on budget rectification allowed this switch of funds based on balancing different priorities. The government also received external funding for the prevention of drug use from PHARE, EMCDDA, US Department of State International Narcotics and Law Enforcement Affairs, UNDCP, and UNAIDS projects. This materialized into studies, training, equipment, and know-how transfer.

However, limited financial resources and the absence of performance indicators, of a data monitoring and centralized system, and of trained specialists with an interdisciplinary perspective limited Romanian institutions' capacity and ability to intervene and reduce criminality. These proved to be the main obstacles hampering the Government's efforts towards diminishing drug use and addiction (EMCDDA, 2002a). In addition, there was a lack of cooperation between governmental and non-governmental organizations in carrying out programs on drug prevention and addiction, and Romanian society was not ready to acknowledge the drug problem in the country.⁵

2001–2002: From Response to Prevention

Discussions in the Interministerial Committee for the Fight Against Drugs and the outcomes of the two PHARE Multi-Beneficiary projects focused on "Drug Demand Reduction Strategy Development in the Central and Eastern European countries" facilitated policy development in demand reduction and strengthened experts' capacities through practical experience and lead to the

5 Personal interviews carried out by the current author during the period December 2002 – February 2003 with representatives from the former Romanian Observatory for Drugs and Drug Addiction and the Institute for Research and Prevention of Crime.

acknowledgement of the necessity of enforcing drug prevention activities in parallel with countering trafficking and consumption.

In view of achieving drug use prevention, an Interministerial Committee for the Prevention of Illegal Drugs Use (CIPCID) was established by the Common Order of the Ministry of Interior, Ministry of Health, Ministry of Public Administration, Ministry of Education and Research, and Ministry of Youth and Sports. The CIPCID consisted of representatives from all of these ministries. The initiative of setting up CIPCID was taken by the Ministry of Interior through the GDCDOC. The Committee's activities were open to civil society; NGOs participated in activities related to preventing drug use and addiction and prevention activities were coordinated at the national level and then implemented at the local level. Its main functions were related to: ensuring coherence in the drug consumption prevention process through a national strategy, coordinating the local strategies and programs, organizing and training the expert network in the field of preventing illegal drug consumption, and setting up a national database and national information/documentation center on preventing illegal drug consumption. Carrying out anti-drugs awareness campaigns and elaborating the norms for the National Commission for preventing illegal drug consumption and local county/municipal anti-drug prevention and counseling centers were also attributions of this body (Ministry of Interior et al., 2001).

The two Interministerial Committees functioned in parallel, but had different purposes. CIPCID saw itself as a group trying to carry out some real prevention activity, while CILID was more or less the mere producer of a strategy and its associated documents. Even if composed of members of the same institutions (with some exception), the two Interministerial Committees lacked compatibility, since they were aiming at meeting totally different objectives, and there were no overlapping activities.

The activities carried out by CIPCID and its subordinated units came as a continuation of previous programs (educational programs in schools, informative materials, specialized training sessions, sectoral studies, media campaigns, seminars, etc.) implemented separately by the member ministries, in cooperation with NGOs. Criminology research and police studies were also elaborated upon and the results were used to provide better grounding for prevention strategies and to support police management acts.

In order to coordinate the prevention activities carried out at the local level, a national network of 47 Centers for Counseling and the Anti-Drug Fight was established in 2001, with representatives of the County Police Inspectorates, the School Inspectorates, the Public Health Departments, the Youth and Sport Department, and the Child and Citizens Protection Department. The Prefects and the Mayor of Bucharest administrated all of these centers.

Initially 5 billion lei was allocated for these centers from the budget of the Ministry of Interior, since the Ministry of Interior together with the Ministry of Health had taken the initiative to set up these centers. The 47 centers functioned via volunteer work, and they did not have any legal power.⁶ Their main functions were: granting individual and group counseling, training the prevention experts network at the local level (police, teachers, doctors, nurses, pharmacists, social workers, NGOs, etc.), and organizing public meetings on drugs-related themes in cooperation with the mass media among others (Ibid.).

The setting-up of the CIPCID and the local centers, the training of specialists, the disseminating of appropriate working methods and techniques, the involvement of NGOs, and the existence of potential funding from international financial institutions were important steps in changing the perception of drug use and addiction. In practice, however, the effects were merely drops in the bucket. Moreover, the Centers for Counseling and the Anti-Drug Fight were not so efficient in transposing the models that had proved so functional in the EU countries to Romania. Since the Romanian transition society was not conducive to volunteer activities, the centers should have been given more funding, legal leverage, and self-sufficiency. A unit without legal empowerment is vulnerable to the “good will” or “at the mercy” of the coordinating body (in this case, the local public administrations), which have their own priorities. Besides, a unit without a legal entitlement cannot have its own accounting structure or budget, and the budget allocated by the Ministry of Finances to the local authorities is generally small and often already stretched to the limit. This made the situation even worse for the centers.

In summary, these efforts revealed an increasing determination from the Romanian authorities, especially at the central level, despite their lack of experience. The results obtained were satisfactory, but they were not sufficient. Stronger and more focused measures were necessary, and the number of “consultative committees,” which in reality functioned as mere discussion forums and working groups at the expert level, needed to be consolidated.

2002–2003: New Demands from Abroad

From 1997 to 1999 the GDCDOC functioned as the national focal point on drugs. This directorate had a unit for drug-related data collection and analysis and processing at the national level. The EMCDDA supported the candidate states seeking to join the EU by applying the *Acquis Communautaire* and developing active participation of the candidate countries in the Center's

6 Personal interviews carried out by the current author during the period December 2002 – September 2003 with representatives from the former Romanian Observatory for Drugs and Drugs Addiction and the Institute for Research and Prevention of Crime.

activities. Hence, this unit compiled Romania's annual reports on drugs by processing data coming from other ministries, such as the Ministry of Health and the Ministry of Education and Research. EMCDDA received this data chaotically, by request, and in a format which did not allow a proper comparison with other countries. So the issue of setting up a Romanian national focal point on drugs, comprising an equal number of representatives from the institutions involved in reducing drug supply and demand, was raised at the European level.

Accordingly, the National Focal Point on Drugs was established, within the PHARE Project "Fight Against Drugs." It was an independent body within a joint project and created according to EU demands. It consisted of two representatives from the Ministry of Health and two representatives from the Ministry of Interior. This institution was officially named the Romanian Monitoring Center for Drugs and Drug Addiction (RMCDDA). It was in charge of monitoring the drug phenomenon and the information flow between the source-institutions and the EMCDDA, acting as a Romanian liaison to the European Union. Its creation was perceived as necessary in light of Romania's accession to EU.

Despite its achievements in data collection and processing, the EC Delegation in Bucharest did not feel that the Romanian National Focal Point on Drugs functioned well (European Commission 2003). The reason being that it did not have any legal foundation, only provisions from the PHARE 2000 Financing Memorandum (the joint Ministerial Order for setting up the Romanian National Focal Point on Drugs never received the necessary legal endorsement). Accordingly, the 2002 Country Report on Romania, issued in October 2002 by the European Commission, stated that the Romanian Focal Point on Drugs was not officially established yet, even if it was already functioning.

In April 2002 a mission of the International Narcotics Control Board (INCB), an independent and quasi-judicial control body for the implementation of the United Nations drug conventions, visited Romania to assess the implementation of the recommendations made by the Board in 1997. Its assessment, made available to Romania about at the same time as the EU Country Report, stated that the Romanian Government had in recent years adopted additional legislation that was in line with the international drug control treaties and legislative standards of the European Union. However, a further strengthening of the administrative structure was recommended for drug control in order to apply those provisions more effectively. This was necessary in order to ensure that the national drug control coordinating committee became fully operational and adopted the national drug control masterplan as soon as possible.

The INCB also found out that there have been few improvements in drug abuse prevention and in the treatment and rehabilitation of drug abusers since 1997. It hence recommended the Romanian authorities to carry out an assessment of the drug abuse situation in that country and to devise appropriate intervention strategies for the reduction of illicit drug demand and the rehabilitation of drug addicts (UN, April 2003). As a result of this international pressure, a governmental decision was put together according to the Spanish model of the Anti-Drugs National Plan and based on current UN and EU legislation. The decision aimed at transforming the Interministerial Committee for the Fight Against Drugs into an independent national anti-drug agency with legal standing and its own staff. This was based on the experience that Romania needed a legally functioning body for implementing anti-drugs policy, with its own staff and budget. The Interministerial Committee for the Fight Against Drugs took this decision after examining several institutions in the EU Member States.

This National Anti-Drug Agency is the body in charge with the implementation of the National Strategy on Drugs, taking over the functions of both of the former Interministerial Committees: CILID and CIPCID. The establishment of this agency can hence be seen as a concrete step from policy recommendations at the highest political level to actual policy implementation: drafting and co-coordinating the enforcement of the National Anti-Drug Strategy, its related Action Plan and national programs; ensuring coordination in the field among the institutions and organizations involved in activities comprised within the Anti-Drugs Strategy; and the prevention activities carried out within the Anti-Drug Prevention and Counseling Centers. The National Anti-Drug Agency is also the focal point for liaising with the EMCDDA and other international organizations in the field, inclusively in respect to the activities of drugs and addiction-related indicators and the criteria for data collection, analysis and dissemination. In order to ensure that the drug-related data coming from Romania is homogeneous despite it coming from various sources, the National Anti-Drug Agency was complemented with the creation of an institutionally sound and fully legally functioning National Focal Point on Drugs.

This unit, set up under the umbrella of the National Anti-Drug Agency, meets directly the requests of the EMCDDA (European Center for Drugs and Drug Addiction). All the national data on drug trafficking and consumption from all involved institutions is processed and then reported to the European Monitoring Centre for Drugs and Drug Addiction, World Health Organization, International Narcotics Control Board, United Nations Office on Drugs and

Crime, among others, in the requested format and compatible with the data submitted by the other countries.⁷

At the same time, the Romanian government and the European Commission agreed upon the Financing Memorandum on PHARE National Program 2002. Based on the National Strategy and the Fight Against Drugs project, the establishment of a successor to the Interministerial Committee took shape, and further technical assistance for updating and enforcing the anti-drug policies was provided through twinning and investment projects (Romanian Government, 2003a). Further assistance for the development of the National Anti-Drug Agency and its programs is provided within the Financing Memoranda on PHARE National Programs 2003 and 2004. Support to countering drug trafficking and abuse represents one of the three priorities of the PHARE 2005 programming exercises.

The establishment of the National Anti-Drug Agency has already led to results in implementing the National Strategy on Drugs and to an enhanced international visibility and appreciation of its efforts, taking into account the fact that it represents only the first of many steps lying ahead. After one year of activity, cooperation had been strengthened between drug law enforcement agencies, civil society, and other state institutions involved in drug demand reduction, in particular within the Interministerial Committees.

UNODC's National Drug Controlled System was implemented at the national level and the first steps towards the implementation of the European Union Reporting System used by EMCDDA were made in Romania. The legislative framework was enhanced, and the new anti-drug laws were harmonized with the EU *acquis*. New law regulations were put into force, and Romania was signatory party in international conventions (European Commission, 2004).

Thematic Analysis

Crises are extreme events that cause significant disruption and put lives and property at risk. They require an immediate response, as well as coordinated application of resources, facilities and efforts beyond those regularly available to handle routine problems (Computer Science, 1996). Response to a crisis involves an initial reaction with available resources, a rapid assessment to determine the scope of the problem, mobilization of additional resources (such as personnel, equipment, supplies, communications, and information), and integrating resources to create a decision unit capable of managing and sustaining the required response and recovery.

7 The EMCDDA indicators – grouped into key epidemiological indicators, drug supply indicators and social indicators – are monitoring tools which must be developed and used uniformly in all the EU member states and candidate countries.

A creeping crisis occurs when a problematic situation is not properly addressed or it is simply put aside for a while by the decision makers. The problem does not disappear, and it usually intensifies over time, sometimes becoming a full-blown crisis. In creeping crises, generally the initial tendency to misperceive or underestimate the threat leads to non-decision-making. When the sense of crisis develops, some calls for positive responses become inevitable (tHart, Rosenthal and Kuzmin, May 1993). Requirements at each phase differ. For example, conventional training is needed for the earlier phases, while during times of crises “just-in-time” training is needed to bring people up to speed. Statistics may help for the preparation of equipment, supplies, and trained staff.

The increasing drug consumption among youth corresponds to the definition of a creeping social crisis. Its analysis focuses on the linkage between three interrelated dimensions: the characteristics of the phenomena, the conditions that lead to them, and the resulting consequences. This creeping crisis is characterized mainly by (UNDP, June 2002; Rosenthal, Boin, and. Comfort, 2001):

- *Inconceivability* – In the early 1990s no decision maker believed that drug consumption could become a problem in Romania, and information on the topic was insufficient. In addition the threat was underestimated and there was inadequate resource allocation once the threat was understood.
- *Disturbance of the normal evolution of society* – especially considering the future negative impact of drugs on high school and university students (Rosenthal, Boin, and. Comfort, 2001).
- *Borderless threat* – Most of the European countries as well as many on the American and Asian continents are characterized to some extent by this (Joyce, 1998; Joyce and MaLamud, 1998). Despite the efforts and progress made by the developed countries, no country has succeeded in finding a viable radical solution for effectively countering drug trafficking and abuse.
- *Threat against social values* – Drug trafficking and abuse affect not only the social behavior of the addicts, but also the families or the larger community (due to increased suffering, poverty, social isolation, unemployment etc.). Drug abuse causes delinquency and other anti-social behavior (accidents, domestic violence, decrease in productivity, professional and social failures). In addition it is a known fact that consumers usually become traffickers in an attempt to earn money for their drug habits.
- *Magnitude of the required resources* – This is an international crisis, demanding a coordinated response both at the national and international levels from governmental and non-governmental organizations. Crises have a ten-

dency to overwhelm available resources; this being the distinction between crises and emergencies (Computer Science, 1996).

- *Urgency* – Crises have a serious impact on people and property and require an immediate response. Even for creeping crises, a fast response can help reduce the need for later countermeasures. Since no significant measures were taken in the first half of the 90s in Romania, the impact of drugs on the younger population increased dramatically. After finally taking the mitigation steps, awareness was increased and the drug trend has taken a turn, but still more human and material resources must be allocated in order to achieve tangible success.
- *Uncertainty and incompleteness of information and resources* – Decision makers must respond despite shortfalls in information and resources. It is very difficult to have complete and accurate information on drug-related issues, but the information systems and methods in this field are continuously improving, largely due to increased national and international cooperation.
- *Interactive complexity of the phenomenon and tight coupling* – Drug users often become addicts who start trafficking to finance their own drug habits and thus expose drugs to new potential buyers. One malfunction in the economic, social and legal system leads to another; thus a chain reaction is created. Organized crime is expanding and drug abuse is increasing.
- *Vulnerability* – individual vulnerability when drug users become addicts, social vulnerability considering the multitude of drug-related problems in society, and political vulnerability when the issue is used to generate political gains.

The thematic analysis focused on the following main aspects of this creeping crisis:

1. ***Problem framing*** – The crisis was largely framed by the Ministry of Interior, the international community (in particular, the EU and the UN), and the media. This affected how the crisis was managed.
2. ***Decision units and leadership*** are important actors as long as they play the key role in the crisis management, both in terms of prevention and mitigation.
3. ***Cooperation and conflict*** are directly linked to the analysis of decision units and leadership, as well as to problem framing. In the context of a creeping crisis with a lot of stakeholders, these relations are inherent and worthwhile to be considered, as crises are “politically and culturally defined events

containing levels of conflict and giving rise to strong emotional responses” (t'Hart, 1993).

4. *The international dimension* of this crisis is worth studying because the drug crisis is global and borderless in its nature. Besides its magnitude and complexity, no country has yet successfully solved this crisis; although some have succeeded in keeping it under control, reducing its harmful consequences and/or reducing the number of new addicts.

Problem Framing

A crisis definition deals with an organization/person's perception of a crisis, as well as its crisis management skills and concrete possibilities (Computer Science, 1996). It is also widely known that the perception of the crisis depends on and differs with the level of decision making. Generally, the central and local authorities perceive the crisis in a different manner (Boin et al., 2006). I take a closer look at this specific crisis in terms of how it was received and what implications it had on its management.

The Ministry of Interior, through the GDCDOC, took the major initiative for promoting the legal and institutional reforms in countering drug trafficking and consumption. It also assumed an ever-increasing role in the preventative component. Thus it was assumed and obvious to the all of the other stakeholders that the MoI would legally take the lead as coordinator of the activities within the two Interministerial Committees. One reason, which contributed to the fact that the issue fell under the leadership of the Ministry of Interior, was that many consequences of drug trafficking and consumption touch upon law enforcement issues (criminal offences like smuggling, theft, robbery, prostitution, violence, etc.). Besides, the MoI was more prepared than any other potential leader from the point of view of human and material resources (in comparison to the other stakeholders) and considering the MoI's internal decisional structure as a governmental institution with a military culture. The demilitarization⁸ of the police and other MoI structures took place in 2000–2003. Furthermore, active involvement in successfully dealing with this creeping crisis has been seen as an opportunity for improving its image⁹ and also for stimulating a more active involvement from the other stakeholders.

The drug crisis in Romania did not only pose a threat for government representatives, but also provided an opportunity to highlight their achievements,

8 At present, only the Gendarmerie and fire fighters still have military status.

9 Personal interviews carried out by the current author during the period December 2002 – September 2003 with officials of the General Directorate for Countering Organized Crime and Anti-Drug.

showing that they cared for the youth (in the limits of the available austerity budget). However, the Interministerial Committee meetings for the Fight Against Drugs competed with the other assignments on the members' agenda, and thus the only solution was to delegate their power to executive representatives – the so-called “CILID Secretariat,” who actively contributed to the institutional reform.

In addition, it was an occasion for the experts within the involved ministries and related institutions to assert and strengthen their positions as experts in the field. Some of the experts were less cooperative, due to the fact that they had other tasks to perform at the same time, which were considered higher priority.¹⁰ Generally the CILID Secretariats did significantly contribute to institutional development and completed their tasks in due time. At the national level the crisis was seen in part as an opportunity to display good records. Yet, it was perceived more as a burden for the local authorities who were also managing the prevention and counseling centers and confronted with several other problems which could generate more visibility and political gains (e.g. related to the protection of consumer goods, sewerage and water management, public roads, and bridges, etc.).¹¹ In some of the regions there were few reported drug users, and anti-drug efforts do not typically bring in more votes at election time. Besides, the prevention and counseling centers did not draw in extra funding for the region since they more or less were run by volunteer work. Consequently, motivation for actively engaging in countering drug trafficking and consumption at the county level was often low.

Pressure from the international community was an important driving force in moving the issue forward in the context of EU and NATO accession and turning it into a political priority on the Government's agenda. As a candidate country to EU accession, Romania had to take over the EU *acquis*, including in the field of fighting drugs. In the framework of cooperation with the United Nations bodies, the fight against drugs was also approached actively and international assistance was received from all sources. Fortunately, the problem framing within the EU and UN in this field is similar. The EU Drugs Strategy is based on relevant UN conventions¹², which are the most important legal

10 Personal interviews carried out by the current author during the period December 2002 – September 2003 with officials of the General Directorate for Countering Organized Crime and Anti-Drug, Ministry of Health and Spanish experts within the PHARE twinning project (RO 0006.17 – “Fight against drugs”).

11 Personal interviews carried out by the current author during the period December 2002 – September 2003 with officials of the GDCDOC, National Center for Crime Research and Prevention, and the National Anti-Drug Agency.

12 The UN Single Convention on Narcotic Drugs of 1961 as amended by the 1972 protocol (the Convention on Psychotropic Substances 1971) and the Convention against the Illicit Trafficking of Narcotic Drugs and Psychotropic Substances (1988).

instruments for addressing the drug problem, and based on the principle of the integrated and balanced approach, in which supply reduction and demand reduction are tightly coupled drug policy aspects (Council of the European Union, 22 November 2004).

How an issue is defined is based on organizational and individual interests, but also on the available information. During the first half of the 90s there was no information available concerning drug consumption. It was a new phenomenon for Romanian decision makers, a scenario that did not exist in the mental framework due to the heritage of the communist era. This meant that during the initial transition period, there was very little information, which was not conducive to decision making. During the mid 90s, the alarming results from the regional studies, the national and regional survey reports, health-related statistics, and the number of reported drug seizures received more attention on the political agenda. This generated the start of institutional reform.

During and after a crisis mitigation response, the need to disseminate information to the public and the media is an important part of crisis management. In this case, the information flow was controlled and based on data obtained through various international and national sources. The efforts were hampered in the beginning by the lack of specialized endowment and drug-related training. That is why the continuous increase of drug consumption among youth led to growing doubt in the efficiency of law enforcement agencies and their ability to really enforce the law at that time. The decision makers had shown a very strong disposition towards suppressing all the details of their actions, trying to hide the effects of their actions from the public. But the later achievements (drug seizures, approval of the National Strategy on Drugs, setting-up of the Drug Prevention and Counseling Centers and of the National Focal Point on Drugs, the anti-drug awareness campaigns carried out among youth, etc.) became a public relations success by transmitting the appropriate messages to the media. This resulted in the fact that the media became an important stakeholder. Furthermore, press publications are the best place to find signs of an incoming or already existing crisis.

The media helped to reduce drug usage by promoting different attitudes, stereotypes and myths and reshaping public opinion on drug related issues, their causes and consequences. Besides the initial sensational news stories about drug seizures, apprehended young dealers and overdoses leading to deaths found their place in the mainstream media. Several nationally and internationally financed prevention and awareness campaigns (including TV spots and live anti-drug concerts) were broadcasted on radio and TV, which helped reach the target group (14–25 year olds). These well-targeted, informative and realistic campaigns are especially efficient when integrated into a global prevention strategy.

Decision Units and Leadership

There are no clear boundaries with crises; their context and intensity are highly unpredictable. There is rarely a single moment when decision makers can say an incident or issue has transformed into a crisis. A crisis is a fluid, unstable, dynamic situation where things are in a constant state of flux. Surviving the immediate threat is not as great a challenge as having the longer-term capability to cope under sustained pressure (Computer Science, 1996). Crises put institutional structures and existing policies to the test, creating not only challenges, but also the opportunity to redesign, revise or rebuild failing institutions and policies (as in this case, looking for the best institutional design possible to tackle the drug problem).

The increase in the number of actors in this case, where two parallel Interministerial Committees were created, led to a dispersion of efforts despite their tight coupling and interactivity. These Committees had no overlapping duties, but also no formal cooperation among themselves. Their activity was also hampered by their high profile status and the fact that they could only make recommendations, not formal decisions. Essential information and expertise was fragmented, since each member institution only had a partial (and often biased) overview of the situation. Planning and coordination of so many actors was a process of procrastination and strenuous, and this hampered the capacity of crisis managers (Rosenthal et al., 2001).

The addition of stakeholders and the prolonged nature of the creeping crisis contributed to creating a setting for bureau-politics, and the accountability process became a matter of framing and blaming (Rosenthal et al., 1991). During crises, critical attitudes towards the government and its practices usually translate into a decline of legitimacy (Rosenthal et al., 2001). Even if a real “decline of legitimacy” did not materialize in this case, the international reports reprimanding the slow progress in taking effective anti-drug measures gave certain stakeholders the opportunity to blame others for not taking steps earlier. The country’s unstable political climate also contributed significantly to the malfunctioning of the decision makers. For example, the government was “restructured” due to the regime shift after the elections in November 2000, so in 1999–2003 there was a change in ministers and members of the two Interministerial Committees.

The decision units were at various levels: starting with the governmental and administrative levels, which focused on the strategic and operative issues. There were mainly formalized, institutionalized decision groups on the national level, such as: the Interministerial Committee for the Fight Against Drugs, the Interministerial Committee for the Prevention of Illegal Drugs Use, the National Focal Point on Drugs and the National Anti-Drug Agency. There were

also institutionalized decision groups at the international level: the EMCDDA and REITOX network, World Health Organization, International Narcotics Control Board, United Nations Office on Drugs and Crime, United Nations Drugs Control Program, UNAIDS, European Commission, Interpol, and Europol.

Preliminary assessments that something important is about to happen often activate decision makers within various governmental agencies. So, a decision unit is set up as a complex interplay between the requirements of governmental institutions, institutional rules and practices, and other factors (Stern and Sundelius, 2002a). In this situation, the first impetus to an actual decision was the signal received via the police and customs in 1996–1997, that drug seizures were increasing and the first overdose deaths had been reported. Romania had never been confronted before with a similar problem and the information it received on the issue was largely based on other countries' previous experiences. Understandably, the decision makers experienced a great deal of uncertainty and difficulty in facing this new challenge.

Despite several attempts to counter drugs by strengthening police efforts, customs units (which received in the period 1996–1999 more modern drug identification kits, specially trained dogs and international training in drug-related aspects) and enforcing drug-related legislation, the situation had not improved. The impetus for setting up the Interministerial Committee for the Fight Against Drugs was the result of the surveys carried out in 1999. The results showed that among faculty and high school students, drug use among youths was increasing at lower ages, and police reports revealed that drug dealers were working inside school campuses. The final reports of various PHARE and EMCDDA projects emphasized that something had to be done, first in the field of diminishing the drug supply, then in prevention and decreasing drug demands. The Interministerial Committee for the Prevention of Illegal Drug Use was set up to meet these goals.

The inherent dysfunction of the two Interministerial Committees led to their replacement by the National Anti-Drug Agency. The Government realizing that an appropriate reaction to the social, economic, health and security challenges brought about by the drug crisis was a balanced vision, translated into a unitary policy. The experience-gaining process, achieved by trial and error, showed clearly that a unitary policy facilitates better coordination of efforts and that the national structure in charge with enforcing this policy should have full legal, institutional and financial co-ordination powers.

Within these committees, the deliberations were facilitative/collegial. The leadership was operative, concrete and personal, based on the contributions

aimed at taking charge of the crisis management activities and coordination.¹³ One of the participants in the expert groups highlighted the fact that the chairman of CIPCID (also a secretary of state within the Ministry of Interior) was very much involved in the activity of the group, facilitating communication and cooperation between various members in order to launch needed prevention programs. A very energetic and charismatic person, and also an expert in the field, he succeeded to constructively channel the activity of the group and to overcome the difference of opinions and interests between the representatives of the various institutions.¹⁴

Another facilitator of communication and cooperation was the Spanish Pre-accession Adviser within the PHARE 2000 Project “Fight Against Drugs.” He became a leader (despite his status of mere member within the Interministerial Group), managing in an active, operative and personal way the process of drafting the necessary strategy and legislation, after a stagnate two-year period. The motivation of the Spanish Pre-accession Adviser to get so involved in this activity (besides his experience in drafting anti-drug strategies) was the fact that the strategy and the legislation absolutely had to in line with the expected results of the PHARE 2000 Project “Fight Against Drugs.” Not meeting the project objectives meant not achieving results and thus the final report would not have been approved; therefore resulting in the fact that the experts would not have been paid for their activities.¹⁵

The pre-crisis decision structures were based on the hierarchical structure and competences of each institution involved. They only cooperated “if something happened” and before setting up an interministerial committee as a framework for cooperation, they had to take into account the other members’ tasks and objectives. Thus, cooperating seldom occurred and only on case-to-case basis (e.g. Police and Customs during a seizure mission, the police and healthcare system in overdose emergency cases, etc.).

Within the Interministerial Committees, strategic decision making was characterized by excessive centralization (due to their high profile) and inter-agency bureau-politics (tHart et al., May 1993). While operational decision making at the level of the Secretariat and enforcement agencies was focused on program implementation. As stated earlier, the chairman of CIPCID was

13 Personal interviews carried out by the current author during the period December 2002 – September 2003 with officials of the General Directorate for Countering Organized Crime and Anti-Drug, National Centre for Crime Research and Prevention, National Anti-Drug Agency.

14 Personal interviews carried out by the current author during the period December 2002 – September 2003 with officials of the National Anti-Drug Agency.

15 Personal interviews carried out by the current author during the period December 2002 – September 2003 with officials of the General Directorate for Countering Organized Crime and Anti-Drug and National Centre for Crime Research and Prevention.

the one enforcing the cooperation among the members, while the Spanish Pre-Accession Adviser was the cooperation facilitator for CILID, providing his expertise in the anti-drug field. The Interministerial Committees as decision units also had the tendency of delegating the decision process from the high ministerial level to the experts, creating the so-called Secretariat. Thus, it was easier to obtain a consensus in operative decision making because there was an open debate and the objectives on the political agenda were made clear.¹⁶

The establishment of the National Anti-Drug Agency as an independent, well-structured body with its own legal status, clear mandate, dedicated staff and allocated budget was a good solution for dealing with most of the previously mentioned problems.

Cooperation and Conflict

Crises are supposed to provide a suitable context for the self-imposition of centralization, and the concentration of power and authority, taking into account the fact that a multi-actor perspective accommodates diverging perspectives of the necessity for prompt action (Rosenthal et al., 2001). Confronted with crisis events, public policy makers and agencies tend to take pro-active stances aimed at speedy interventions to contain short-term threats, relying on administrative and organizational centralization as the dominant mode of structuring their responses (tHart et al., May 1993). In highly centralized systems, malfunctioning of one part of the system can have a cumulative effect, triggering several component failures (Stern et al., 2002b). The bringing together, due to crisis management necessities, of several authorities and agencies not experienced in working together generate difficulties of inter-organizational coordination, and what crisis management defines as “bureau politics” (tHart et al., May 1993). I will take a closer look at how these theoretical assumptions are supported by the empirical findings.

The problems highlighted above were the reason for the failure of the two analyzed Interministerial Committees. They had been set up at the highest level with the aim to better enforce the anti-drug decisions and provide better cooperation, but without considering the fact that so many high-level decision makers have divergent priorities and schedules which make it difficult for them to actually sit down together around the same table and act efficiently in a convergent way (Stern et al., 2002b).

16 Personal interviews carried out by the current author during the period December 2002 – September 2003 with officials of the General Directorate for Countering Organized Crime and Anti-Drug, National Center for Crime Research and Prevention, National Anti-Drug Agency.

Even if some results (the most important being the drawing up of the 2002–2004 Anti-Drug Strategy) were obtained and the experts on the two Interministerial Committees (not the high-level Committee members) contributed their best to these results, the Committees did not function as planned. They only partially met their objectives and no legal act was formally passed during their sessions as a result of their findings. There were two main reasons for this. Firstly, the high-level representatives never meet in full attendance (and only two times in majority), and thus this fluctuation of participants did not ensure continuity and unity in coordinating policies. Secondly, the Committees had limited powers (could only make recommendations, not legally binding decisions). Therefore, the involved parties admitted openly that a new structure with a more efficient legal nature and decision-making/policy-making role had to be created: merging the attributions of the two Committees and further developing them. The 2000 PHARE project “Fight Against Drugs” reports, approved by the European Commission, also recommended this choice.¹⁷

All ministries involved in the Interministerial Committees had a contribution, some larger than others, in obtaining a realistic overview about the drug situation and drawing up a strategy in this respect, without any real interministerial competition within the Committees. The competition was more between priorities within the same governmental authority.

Certain contributions were more significant than others, due to the own priorities of each ministry and related decision makers. (It must be highlighted that in day-to-day activities, there is some competition between the authorities, striving to assert themselves with a better image, as a consequence of better results). For example in the CILID, the Ministry of National Defense was one member with less competencies in countering drugs, but nevertheless got actively involved in drawing up the National Strategy, trying to obtain some advantages. The Spanish Pre-Accession Leader (who had advisory competencies both for CIPCID and CILID) was able to enhance cooperation between the two Interministerial Committees by organizing study visits in Spain for documentation on drug policy.¹⁸

The combination of threat, uncertainty and unfamiliarity, specific for dealing with creeping crises, has always been a fertile ground for miscommunication and misunderstandings (tHart et al., May 1993), which also occurred in the two committees, directly contributing to their failure. The limited knowl-

17 Personal interviews carried out by the current author during the period December 2002 – September 2003 with officials of the General Directorate for Countering Organized Crime and Anti-Drug.

18 Personal interviews carried out by the current author during the period December 2002 – September 2003 with officials of the General Directorate for Countering Organized Crime and Anti-Drug and National Centre for Crime Research and Prevention.

edge of the subject, together with divergent interests of the various institutions involved and even the representatives as individuals, lead to a deeper or a less deep involvement in the works of the Interministerial Committees. This contributed to the lack of information, which could have influenced the decision-making process and could have avoided repeating previous mistakes of some other institutions.

The cooperation among all the stakeholders involved in countering drug trafficking and abuse was structured both on the horizontal and vertical level, through common actions and subordination based on task assignments. The tasks of the individual stakeholders were, to a certain extent, overlapped and hampered an appropriate and effective cooperation, but the tasks of the two Interministerial Committees did not overlap. For example, the National Police, the Border Police and the Customs all have the objective of countering drug trafficking. The first two also had the power to arrest (the National Police in all of the national territory and the Border Police only in border areas). The Ministry of Youth and Sports and the Ministry of Education and Research were both dealing with prevention and raising awareness among youth, with their efforts being supplemented at regional level by the former Ministry of Public Administration.

In some cases, a few units took individual steps more or less converging in the same direction, but did not notify the other stakeholders. Sometimes this was done under the label of "restricted use of information" and other times as simple or deliberate omissions motivated by certain rivalries between institutions or between their leaders. This merely served to generate duplication of efforts, improper communication, and the repetition of previous mistakes by various institutions. At present, the individual tasks are more restrictive based on bilateral cooperation protocols, which were concluded in 2002-2003 under the coordination of the National Anti-Drug Agency.

The main objective of the PHARE Regional Program "Drug Information Systems and Networking," carried out in 1997-1999, was to strengthen inter-agency cooperation and to clarify each institution's task in the process of countering drug trafficking and abuse. However, the actual developments following the establishment of CILID and CIPCID Interministerial committees proved that there was still a long way to go in this field. The two Interministerial Committees functioned in parallel, being aware of one another, but had different purposes. However, this important aspect was not interesting in the members' eyes, the narrow individual purposes prevailing. For example, the CIPCID focused only on real prevention activities, while the CILID saw itself as the "strategic thinker" and policy maker. The two Interministerial Committees, even if composed of members from the same institutions, had no compatibility between themselves nor with the National Focal Point on Drugs (the

Romanian Monitoring Center for Drugs and Drug Addiction), which functioned under the coordination of the Ministry of Health with direct support from the Ministry of Interior, yet no significant cooperation from the other institutions.

Bureau politics put crisis and crisis-relevant agencies to the test. It would hardly be an achievement on the part of such agencies to operate satisfactorily within a self-contained and exclusive domain or jurisdiction. The quality of their performance under critical circumstances will, for a large part, be assessed according to their capacity to manage inter-agency pressures. But, bureau-political competition may serve to improve the quality of governmental intervention in crisis management. In this respect, the success depends, too, on the actively and successfully managed role of the media, because often it is the publicity, not the damage from the crisis itself, that can sink or elevate an institution (Rosenthal, et al, 1991). In this case, the mass media often highlighted drug-related aspects, trying to create awareness, and it granted importance to several anti-drug campaigns, assuming an important role in the fight against drugs. This was an opportunity to create a better image seized by some of the participating agencies: Ministry of Interior, Ministry of Health, and Ministry of Youth and Sports.

The inter-agency pressure, even if not well managed within the Interministerial Committees, was corroborated by stronger international pressure. Finally, the crisis management found the best solution for the moment, namely setting up the National Anti-Drug Agency with full legal, financial, and institutional powers in order to tackle the drug problem in a professional way. The Spanish model, functioning well for several years in Spain and successfully translated in five Central and East European countries through twinning projects, was implemented. The peer-to-peer review missions sent by the EU in 2004 to evaluate the progress in the field of countering drugs were satisfied with the results of one year of activity in the new agency, even if they clearly affirmed that there were still many actions to be taken in the field in order to bring it up to the EU standards.

Therefore, the European Commission's Country Progress Report for 2004, based on the above mentioned evaluation, states:

As far as the fight against drugs is concerned, the 2003-2004 National Strategy should be followed by a further strategy but this has still to be defined. The National Anti-Drug Agency has been operating effectively and is almost fully staffed but its budget was cut by 50%. Inter-agency cooperation in the fight against drugs remains weak, especially from those agencies that should communicate with the National Focal Point. A clear work programme concerning any such joint activities should be drawn up as a matter of urgency. In addition, the National Focal Point requires more staff and a larger budget to fulfill its role effectively. The

Romanian drug seizure statistics should be unified between the various law enforcement agencies. There is considerable scope for improvement in the fight against drugs as drug smuggling into and through Romania remains a serious challenge, as is the domestic production of synthetic drugs (European Commission, 2005).

Another relevant aspect is the composition and performance of the decision group. Crises bring about a wide need for strong leadership and a show of decisional resolve. Group dynamics and political manipulation may, for example, increase the danger of systematic exclusion of important stakeholders from the policy-making process. In order to avoid this danger, the Interministerial Committees tried to identify and to include all the possible institutional stakeholders, increasing the number of actors to 14 at the national level, of which nine were at the highest level and five at the executive level. (At least nine stakeholders were also acting on the international level, but their actions were only indirectly related to the activities of these Interministerial Committees.)

In managing crises, there is rarely a sole effective center of power and decision making. A crisis often becomes only a meeting place for various stakeholders, each promoting different approaches and priorities with regard to what should be done. There were too many actors in the crisis management arena in this case. The differing perspectives provided a rich information basis for decisions and information sharing took place effectively, but the decision process was slower. At an over-all level the interests were more or less convergent, aimed at countering drugs in order to gain political visibility, but the priorities assumed by each stakeholder were different, especially when it came to allocating funds and time to anti-drug measures.

For example, the Anti-Drug Counseling Centers, initially financed by the Ministry of Interior, were supposed to be further financed by the Ministry of Public Administration through the local authorities and eventually receive contribution from the Ministry of Health, which did not happen. Their activity was exclusively based on volunteering, therefore drastically limiting its efficiency. They were taken over by the National Anti-Drug Agency, and since 2005 they function under its coordination. Some of these centers are already staffed and their staff is being trained by the National Anti-Drug Agency.

Another example is directly linked to the incapacity of the Interministerial Committees to meet in full attendance. So, the government had to manage a sum of dispersed activities, sometimes together with time-consuming inter-organizational bargaining. There was some deliberate or conjectural restraint on the part of the top-level policy makers to step in, as had happened in the Interministerial Committees which never succeeded to meet in full attendance. Therefore Secretariats were created consisting of executive professionals with

some experience in the field, many of whom had the will to assert themselves in this process. This made a significant difference at the operational level of crisis management. In this case, the experts were the ones formulating the policies and establishing the steps to be taken for the successful implementation in the fight against drugs.

Another dysfunctional effect of heterogeneous and controversial processes occurred within certain participating agencies, such as: the Ministry of Labor and Social Solidarity, which had undergone several transformations and was focusing on other priorities; the Ministry of Health, which was confronted with an overall crisis in the health system and with the necessity of reducing the number of hospitals due to a lack of funding; and the Ministry of Public Administration, which was confronted with various escalating problems in their counties due to the endemic budget shortage. The latter finally merged in June 2003, with the Ministry of Interior, forming the Ministry of Administration and Interior. Their contributions to the design and implementation of the institutional reform were most inadequate, becoming involved in external conflicts over what was to be considered appropriate crisis management. There was a lot of internal pressure to conform to an official position, thinking more of the bureaucratic competitors than of the costs and benefits of the actions proposed by the other agencies (Rosenthal, et al, 1991).

Having to choose in allocating their time and resources to various competing priorities, certain decision makers questioned whether they and their organizations were able to cope effectively with the drug challenge. Some attempted to escape responsibility by insisting that the main responsibility for managing this issue belonged to other agencies. It is not an uncommon phenomenon that a general consensus, unanimity, and solidarity among all the crisis actors and/or agencies were not present. Instead, bureau-political activity is associated with a concern for self-interest, institutional power or over-zealousness in pursuit of what is defined by the different agencies as the “common cause” (Ibid.). So, the Ministry of Interior found itself as an opinion leader, promoting actively all drug-fighting measures. Here, the crisis mitigation was seen as an opportunity for political gains, for enhancing the image of the Police, as well as the credibility and self-esteem of certain leaders. Its involvement brought about some success, resulting in modest budgetary growth for drug-related activities, as well as increased international assistance.

The fact that no actor had overriding influence in the Interministerial Committees and the fact that the decisions were inherently compromises meant their outcome did not always anticipate the requirements for effective implementation. Even if some decisions taken in these committees were good, their implementation was often challenging, due to their “recommendation only” character, the lack of allocated resources, and anticipated or unanticipated

logistical difficulties. Communication and coordination problems among the various stakeholders and disputes regarding the interpretation of various documents also amplified the challenge of implementation (Stern and Sundelius, 2002a). The best example in this case is that of the Anti-Drug Prevention and Counseling Centers mentioned above.

Progress has been made both in respect to countering the drug supply and demand since the National Anti-Drug Agency was established. With government support and international assistance granted by UNO and the European Commission, the National Anti-Drug Agency will create a national network of anti-drug laboratories as well as a national IT network. A treatment network for drug addicts and occasional consumers has also been extended, from two centers operational in 2002 to 38 by the end of 2005. Seven social reinsertion centers will also be developed based on the existing prevention centers with the help of several NGOs and private sponsors (Romanian Government, 2003a).

Cooperation between the Romanian National Police and the Prosecutor's Office has recently improved regarding the number of cases jointly being investigated and documented, which is remarkable progress. As a result of strengthening interagency cooperation in the field of countering drugs, Romania has been included in many international activities concerning controlled delivery of drugs; in 2003 the number of such activities doubled compared with the previous years.¹⁹ However, as interagency cooperation is concerned, there still is a problem regarding border-related competence. The Customs Authority takes into custody illegally smuggled goods at the border, while the Border Police has the competency to also take the person into custody. According to Romanian legislation, the Customs Authority is not empowered to start a criminal law pursuit, but it is the institution controlling the goods. Therefore, it needs the help of the Border Police in order to start a criminal investigation after finding illegal goods, in this case drugs. This situation leads to inaccuracy in reporting to international organizations about drug-related cases and seizures, since most seizures performed by the Customs Authority together with the Border Police are reported twice (once by each institution).²⁰

International Dimension of the Crisis

Drug smuggling and drug use represent a cross-border issue involving both national and international institutions. Good communication and cooperation

19 Personal interviews carried out by the current author during the period December 2002 – September 2003 with representatives from the General Directorate for Countering Organized Crime and Anti-Drug and the National Anti-Drug Agency.

20 Personal interviews carried out by the current author during the period December 2002 – September 2003 with representatives from the General Directorate for Countering Organized Crime and Anti-Drug and the National Anti-Drug Agency.

between those involved in the prevention sector can facilitate the exchange of information, experience, and a better understanding of the phenomenon, its causes, symptoms and current trends. National activities can complement international policies.

In the Romanian drug crisis, the international stakeholders played a crucial role and had significant influence on the decision-making process, like in most transitional countries. This is because it is widely known that the more eager and the more likely a transitional democracy is to become a member of key multilateral institutions (such as the European Union, SECI and NATO), the greater the potential influence of these institutions is on its crisis response modes. The EU, World Bank and other organizations exercise considerable influence in all applicant countries Stern et al., 2002b).

The first triggers for the Romanian authorities that there was a “drug problem,” in addition to the escalating number of drug seizures, were the reports of the EU Phare Projects: Early Warning System (1997), Project on Licit Drug Control and Illicit Synthetic Drugs (1997–1999), Synthetic Drugs and Precursors Projects (1997–2000), COPERNICUS Joint Research Project (1999), Joint UNDCP Phare Drug Law Enforcement Program for South-Eastern Europe fact finding missions (1997-1998), UN Commission on Narcotic Drugs Reports (1996–1999), the European Survey Program for Alcohol and Drugs (ESPAD) 1997-1999 results, as well as the Reproduction Health survey reports (1993, 1996, 1999) (Romanian Government, 2003a).

The European Union, among the international organizations, has played the most important role in strengthening the Romanian institutional reform for coping with the phenomenon of drug consumption among youth. Due Romania’s status as “candidate country”(and eventually in 2007 as “member state”), there is a foundation for permanent coordination regarding the objectives and actions of the European Union. The EU has helped all Candidate Countries to bring their legislation and procedures in line with the *acquis communautaire*.

EU’s contribution has been twofold. On the one hand it has provided technical and economic assistance for helping Romania, as a Candidate Country, to achieve institutional reform and to harmonize its drug legislation and procedures with the EU *acquis*. On the other hand the EU wrote in its official documents certain related conditions (such as the formal establishment of a highly institutionalized and independent National Focal Point on Drugs) for meeting the accession criteria in drug-counteracting activities.

Accordingly, within the PHARE National Program for Prevention and Control of Drug Dependence for Adults and Children, two detoxification centers were set up in Bucharest and Iasi. Likewise, the EMCDDA Cooperation Project supported candidate states seeking to join the EU by applying the

required criteria and developing active participation of the candidate countries in the Center's activities. It was followed by the project "Drug Information Systems and Networking," finalized in 1999, which reinforced cooperation between the European Union and the Partner Countries in Central and Eastern Europe in drug information systems and networking. The immediate objectives of the Final Phase were: to further develop information and communication structures in the CEECs for collecting, processing and disseminating information on drugs and to prepare the active participation of the CEECs in the activities of the EMCDDA in Lisbon, the REITOX network, and other related EU programs. A PHARE 2000 twinning project titled "Fight Against Drugs" had as its main objective to develop a comprehensive National Strategy to Combat Drug Abuse and Illicit Traffic of Drugs (together with concrete plans for actions to be taken). The project was complemented by subsequent sectoral strategies, in line with the EU standards and best practices, based on a review of the current legislation on drug law enforcement, the existence of appropriate structures and systems to implement the formulated strategies, and action plans and a strong interagency and intra-agency cooperation and coordination. This project, which culminated both with the setting up of the National Anti-Drug Agency and with the enforcement of the strategy, was followed by two other pairs of twinning and investment projects financed through PHARE Programs in 2002, 2003 and 2004.

Regarding the fight against drugs, Romania actively participates in joint initiatives coordinated with the European partners, and permanently acts for a global approach and for concerted actions against drug trafficking networks. In this respect, the Police and the Customs Office accomplished an important objective in international cooperation by means of a permanent data exchange with connecting officers from similar services in other countries, as well as by initiating several joint programs. Bilateral cooperation with the EU Member States resulted in successful training programs for members of the Romanian Police and Customs in various operational fields as well as the exchange of experience with the police liaison officers in the EU Member States.

In response to the strong interest by the Romanian National Police and other Romanian agencies with narcotics law enforcement responsibilities, the U.S. Embassy and the British Embassy have assisted in providing a wide range of training geared towards fighting narcotics, corruption and money laundering. Training to improve border enforcement was provided by the U.S. Customs Service, which has several representatives present in Romania. The US Drug Enforcement Agency has also carried out several activities in Romania, coordinated by their regional office in Vienna (US Government, 2001).

Romania is cooperating with the United Nations bodies in international conventions focused on various aspects of countering drugs (Ibid.) It is also

home to the Southeast European Cooperative Initiative (SECI) Organized Crime Center, which serves as a focal point for countries in the region to share information (including information on narcotics trafficking) and as a cooperation mechanism at the regional level for monitoring and coordinating bilateral and multilateral technical assistance activities (UN, April 2003). All these aspects of international cooperation are important in developing the capacity of Romanian authorities to efficiently fight drug trafficking and consumption. In addition, the Romanian Government is constantly seeking to ensure coordination with other stakeholders in this area, particularly in relation to the international efforts in preventing heroin smuggling through the Balkan Corridor.

Conclusions

The drug problem involves several convergent perspectives: political, public order and safety, health, education, research, and national and international cooperation. This study analyzed how drug trafficking and consumption, a creeping crisis in Romanian society, was discovered and dealt with by the Romanian Government.

No European country has succeeded in finding a viable resolution to effectively solving the drug trafficking and consumption issue. But Romania is now with the help of international bodies and after a long decision-making process with several less successful attempts, a country with sound institutions in place for tackling the problem with an approved strategy, in line with the European Union's requests.

Preliminary assessments can help activate decision makers in a particular issue (Stern and Sundelius, 2002a), as was the case with the drug problem in Romania. In the overall context of the international community's focus on drug-related organized crime, the Romanian Government placed the fight against illicit drug trafficking and consumption on its priority list. The measures taken have been successful in slowing the drug trend and in avoiding its escalation into a full-blown crisis, even if it still remains a creeping crisis.

The thematic analysis of this study focused on the cooperation and conflict between the many stakeholders, including bureau-politics issues, as well as the role of international pressure (and assistance). The need for a clear and full-powered coordination by a properly mandated agency was evident. The decision makers understood this after several years of unsuccessful attempts for an efficient crisis management, and eventually the National Anti-Drug Agency was established. The agency had the decision, organizational and material power to create a unitary outlook on preventing and countering the war on drugs in Romania. The future promises better achievements, and some have already started taking shape.

The adoption of a coordinated and multi-sectoral approach on fighting drug trafficking and consumption resulted in the National Anti-Drug Strategy for 2003-2004. However, the magnitude of the drug phenomenon and its cross-national organized criminal networks required a new nationally and internationally integrated strategy.

As a natural succession in the process, the National Anti-Drug Strategy for 2005-2012 was drafted in line with the new European strategy and set the general and specific objectives regarding drug demand and supply reduction. International cooperation and the development of an integrated global system for information, evaluation and coordination in fighting drugs were strengthened.

Since drug usage is currently considered relatively low in Romania, the goal is to maintain the present level. Between 2008-2012, the Romanian authorities aim to further reduce the number of new drug users while simultaneously decreasing drug-related organized criminality. At that time, the drug issue will no longer be a "creeping crisis," rather a phenomenon under control. By the year 2012, Romania strives to have a functional integrated system of institutions and public services, which will ensure the reduction of drug use, as well as adequate medical, psychological and social assistance in place for drug users (Romanian Government, 2005).

Institutional reforms are underway, and results are beginning to materialize. The legal provisions regarding drugs have been harmonized with the EU acquis, and the European Center for Drugs and Drug Addiction has accepted Romania's counter-institution as a full member, providing training and support. Of course, there are still many things to do, both in respect to institutional building and investments. Nevertheless, the fight against drugs has been and remains a priority on the Romanian Government's agenda, even if it is competing with other priorities of the same importance.

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Chapter 4

The Romanian Healthcare Crisis

Oana Popescu

Introduction

The purpose of this paper is to assess and analyze the key aspects of the crisis in the Romanian healthcare system as it unfolded largely between January and August 2003. More specifically, I focus on the recurring lack of subsidized medicine in pharmacies and the responsibility of the Ministry of Public Healthcare and Ministry of the National Health Insurance House for this situation.

In January 2003, it was revealed that pharmacies and, in particular, hospitals had topped their allocated state budgets and had accumulated 9,000 billion lei (300 million US dollars) in debts with the distributors. Distributors refused to deliver anymore merchandise unless the outstanding debts were paid. There was a tremendous shortage of pharmaceutical drugs in hospitals. At the same time people could not get subsidized or free drugs in the pharmacies, and patients were often requested to buy their own medication, which the hospitals could not provide. Some people died after vainly searching for vital medication pharmacies around town. At the peak of the crisis, in June 2003, the Minister of Public Healthcare was dismissed from her position.

The crisis situation was not the consequence of an accidental disruption. Rather this was a creeping crisis. The healthcare system had long been on the verge of breaking down and was especially prone to periodic crises.

Sources

Since the present study was written while the crisis was still under way or very soon after the respective events, most of the material used comes from media sources (newspapers, television reports) or official press releases from the involved institutions. The crisis was reflected in institutional communication as well and very often official material was not readily available. The press, on the other hand, has its own subjective approach and thus I also used, as much as possible, multiple media sources. Other information and conclusions were derived from direct observations of the author, as a journalist. There were attempts at carrying out interviews with healthcare officials, but they were reluctant to discuss the issues in question or provide additional information. Though of great public interest, most of the data was classified as quasi secret by the state institutions or was not officially written down (no written reports or formal analyses). There was a lot of reluctance in sharing information with the press and with non-governmental organizations. Doctors, nurses and healthcare experts were consulted though.

Why Was It a Crisis?

If we accept that a crisis is a situation in which “important values are on the line, limited time is available and the circumstances are marked by a great deal of uncertainty” (Sundelius et al., 1998), we will find that the decision makers in the healthcare system were confronted with all of these issues. Once the distributors halted medicine deliveries, it was only a matter of days before the situation became life threatening for many people. People’s lives were at stake.

Pharmacies and hospitals were the most affected. The former could not release subsidized or free drugs anymore and the latter lacked critical supplies. Patients could not fill their prescriptions and they often turned to the doctors for a solution. Many of them sought to be hospitalized, hoping they would thus receive medication more easily. Hospitals, with drugs already in short supply, found themselves without even the basic surgical or first aid equipment. Doctors and nurses risked their lives operating without necessary protection, which only aggravated their frustration over their income, status and overall situation in the healthcare system.

In the shortest possible time, the Ministry of Public Healthcare needed to come up with mitigation proposals that would at least persuade the distributors to resume delivery, and thus gain some time to engage in further negotiations under less stressful circumstances. At the same time, there was a conflict of values in whether to reimburse the money from the state budget and thus continue a flawed policy which encouraged long-term reckless spending on the part of hospitals and pharmacies, putting enormous pressure on the state finances; or

to put an end to this and get to the core of the problem, reforming the whole system, while risking immediate potentially disastrous effects on the population. Either decision entailed a huge responsibility, dramatic changes, and many unpopular measures. It was hard to accurately predict what the consequences would be and the obstacles were numerous, which, together with the repeated escalation of the crisis, only increased the degree of uncertainty.

The Healthcare System in Romania

The healthcare system in Romania is based on three pillars¹: primary medical assistance, outpatient clinics, and hospital treatment.

Primary medical assistance – General practitioners (family doctors) are paid according to the number of patients they treat. Through referrals, they control access to secondary care. They are contracted by the National Health Insurance House. The main problem in the primary care sector is the lack of trained personnel for preventive medicine and home aid, especially in rural areas.

Outpatient clinics – Medical assistance provided by specialists.

Hospital treatment – Makes up 70% of the total medical assistance in Romania. It consumed most resources in the pre-reform period. Romania entered the reforms with an over-bloated hospital sector. The rate of admissions and the length of hospitalization are among the highest in the WHO European region. In addition, as much as 20% of the admissions are assumed to be social rather than medical cases. With hospital treatment consuming such a large part of the national health budget, little funding is left for preventive care (family doctors and outpatient clinics). One of the aims of the Romanian reforms has been to shift the emphasis from secondary to primary care.

Centralization = Political Influence

In 1989, the fall of communism revealed an underfinanced, mismanaged, and inefficient centralized system. Centralization allowed for political influence to dominate. Decision making at the higher levels often lacked coherence and drained resources. The state always had a veiled interest in preserving a monopoly in the system, which served the interests of certain groups and generated immediate personal benefits rather than long-term sustainable development. The first and most pervasive consequence of political intrusion was corruption. Centralization also discouraged private initiative, which might have laid the foundations for a “free market” and better services. Apart from the phar-

1 <http://www.ier.ro/PAIS/PAIS1/RO/Studiul10/Studiul10.pdf>

maceutical sector, which was entirely private even in 2003, hospitals and all other medical units depended strictly on the Ministry of Public Healthcare for financing and administration.

No accountability – The healthcare system lacked the basic pillars on which a system relies on self-regulation: the independence of its components. There was no powerful physicians' union and the leader of the rather passive union SANITAS got himself a place on the Social-Democratic Party election list and that put an end to his political neutrality and credibility.

Electoral generosity – Around election time, money was pumped into the medical network and popular measures adopted to draw votes, which eventually contributed to bankrupting the system. It started heading for an accelerated downfall in the year 2000, when elections brought the Social Democratic Party to power. The Social Democratic Party immediately implemented a series of generous measures in order to demonstrate that they could govern better than their predecessors, the Peasants' Christian Democrat National Party. The behavior of the government was self-defeating: their policy led to the crisis, which affected their image one year before the next elections.

Legislation – Laws have been immensely inconsistent and inapplicable, or they simply have been completely absent. It was common practice that they used to be modified only days after they had been passed, and the guidelines for their application were published many months later. Where legislation existed, it was rarely enforced. The lack of legislation and law enforcement were most evident in July and August, when no one was found guilty for the worst healthcare crisis in half a century.

Privatization – In the past few years, the emergence of a private healthcare sector has offered alternative solutions in Romania. However, private care is very expensive and few people have access to it. The more disadvantaged social groups (pensioners, for instance), which make up the most significant proportion of the population, were therefore hardest hit by the crisis, because they were exclusively dependent on the public healthcare system. The privatization process was greatest in the pharmaceutical sector. The retail sector is entirely private. The privatization of domestic manufacturers though is pending. A large share of drugs is imported.

Underfinancing and Mismanagement

The government gave priority to investments in productive areas and on the other hand, the healthcare budget was constantly being cut. Underfinancing

was widespread, at 3% of the GDP. With some of the lowest wages for professionals and a deteriorating work environment, many doctors have quit or left the country.

Drained resources – The introduction of social insurance increased the resources available to the system. Employers and employees had to pay a 7% share to the Health Insurance Fund, which was administered by the National Health Insurance House. However, in 2001 the National Health Insurance House, which had been an autonomous institution, was made subordinate to the Ministry of Public Health and Family. Underfinancing of the system became even more dramatic, since money no longer went only to healthcare but to other areas as well to cover the ‘black holes’ in the economy (e.g. state-owned companies on the verge of bankruptcy, which no one dared to close for fear of social unrest). Out of a budget of 57,000 billion lei (1.9 billion US dollars), the Health Insurance Fund therefore needed to recover debts amounting to 24,000 billion lei (800 million US dollars). The Ministry of Finances did not remedy the situation by stopping tax evasion because it would have antagonized the political “clientele,” some of whom had strong connections with or even owned companies that had not paid their taxes. Instead, they chose to pick on the pharmacies and hospitals, causing the former to refuse to sell any more subsidized or free drugs, once they reached the limit of their monthly state-allocated budget.

Poor tax collection – Moreover, the state’s reduced ability to collect taxes, the accumulation of fees, and the thriving black market meant that over half of the employers and employees did not pay their share to the National Health Insurance Fund. Pensioners were exempt from paying health insurance so there was only 3.4 million people contributing to the Health Insurance Fund which was suppose to ensure medical services for 22 million people. The worsening of the population’s general health also put increased pressure on the system.

Corruption

Personnel in the medical system have traditionally “supplemented” their incomes with bribes. Corruption was widespread from the lowest to the highest levels. One had to pay nurses to even get the most basic things (such as clean bed sheets) and doctors to get adequate treatment. Successful surgery, the

treatment of chronic diseases and decent hospitalization required huge sums of money, since refusing to pay extra was risky business.²

Having developed their own ways of exploiting the weaknesses in the system for their own advantage and making money by it, many people were no longer interested in genuinely reforming the system. This vicious circle and the complex interactions in the system encouraged a permanent state of crisis. Sanctions missing altogether, it was no surprise that even drug manufacturers bribed doctors to prescribe higher quantities of their drugs. 'Rewards' amounted to thousands of dollars.³ Hospital doctors also made a fortune by favoring a certain distributor and influencing the results of tenders for the provision of services. Family doctors drew up false patient lists after being paid according to the number of patients registered with them.⁴ Public awareness about corruption in the medical field is high according to surveys: physicians rank second after public administration clerks on the corruption scale.

'Luxurious' Drugs for All

In 2002, the government made another controversial decision. In a failed attempt at improving medical services, it granted subsidies for expensive pharmaceutical drugs, instead of the previous custom of subsidizing the cheapest medicine from the same drug family. Free drugs became more numerous and "luxurious" pharmaceutical products more accessible. Hospital expenses surged. The result was that most of them topped their budgets by 50% up to 200%, according to the Ministry's evaluations.

Luxurious medical benefits for doctors and companies, but not for patients

– In 1996, 264 million dollars was paid for medical drugs. In 2002, the expenditure surged to 560 million dollars. In no other field did financing rise by 115%, and there was no outward sign of improvement in the healthcare system. The actual number of pills sold only grew by 1%, rather the money was exhausted on just a handful of expensive medicines.

Subsidized drugs – Until 2001, the system common in most developed countries was also in use in Romania; that is, the only subsidized drugs were the

2 One ambulance crew let the patient die, refusing to take him to hospital. Another took an old man with a heart attack from one hospital to another, each in turn refusing him admittance, until he was eventually abandoned to die in the street.

3 Sometimes rewards consisted of expensive books, medical supplies, and modern medical technology, but they could be as substantial as a computer or even a "medical seminar" in exotic, warm countries.

4 Some family doctors received wages for people who were actually dead or had joined the army.

so-called “generic” drugs (substituting cheaper drugs from the same drug family). People who wanted the original, a more expensive product, had to pay the full price themselves. Most patients, for economic reasons, would usually choose the cheaper medicine. The share paid from the state budget was correspondingly lower. The list of free drugs (to which war veterans and other social categories were entitled) was limited.

Harmful generosity – In 2003 though, subsidies were granted at “shelf price,” meaning that a lot of products were included on the subsidized drug list and the National Health Insurance House paid 50 or 65 percent of the cost depending on the category of medicine. No indicators about public consumption were used to support such a decision.

Side effects – In fact, few people could benefit from these top products, as they could not afford to pay their share of 500–700.000 lei (17–24 US dollars) for a drug, from an average salary of 3 million lei (100 US dollars/month). Cheap drugs consisted of about three quarters of pharmacies sales and were bought extensively by an impoverished majority. Instead, free drugs were frantically prescribed by physicians and purchased by well-to-do patients. The same happened in hospitals. In 1996, 90 million medicine bottles were used. In 2002, the numbers dropped to 60 million. Expensive medicines, however, surged from a cost of 23 million to 131 million US dollars.⁵

No medicine – Unfortunately, both pharmacies and hospitals exhausted the funds allocated by the National Health Insurance House in just a few days or a couple of weeks, and thus could not treat all of the patients. Often, those who suffered from less serious illnesses managed to buy expensive medicine in the first days of a month, and the others, who were more seriously ill, did not have access to treatment.

No control – The decision was entirely left to physicians whether to prescribe an expensive or a cheaper drug, but did not provide any control instrument for verifying the need of certain prescriptions. The assumption was that doctors would prescribe the cheaper medicine first and, if the patient did not respond

5 <http://www.adevarulonline.ro/arhiva/2003/Februarie/386/32017/>.

to treatment, they would resort to the more expensive one. In a great number of occurrences, that was not the case.⁶

Drug manufacturers pull the strings – The physicians' motivation for preferentially prescribing expensive drugs can be easily traced down to the foreign manufacturers' product promotion strategy. Big multinational companies, with impressive budgets, pull the strings in the Romanian medical system. They are the ones that choose their distributors and, considering the limited quantities and huge sums of money involved, distributors engage in a fierce fight for contracts. In turn, distributors rule the game through political and economic key factors. For a long time, pushing the sales on a market deprived of modern technology and therapy was the right thing to do, although tighter control on medical prescriptions should have also been implemented.⁷

Rewards – Instead, in the absence of integrated computer monitoring that would have made tighter control possible and in the absence of motivating salaries, physicians chose to prescribe foreign products, in exchange for which they would receive important rewards from manufacturers.⁸

Access to Treatment Is Limited, Especially at Hospitals

It was certainly true that, particularly in wintertime, crowds of homeless or simply poor people who roamed the streets found shelter in hospitals. It was just as true that many pensioners preferred to be treated in hospitals for the same reason: they received free meals that they could not otherwise afford. However, the Ministry ignored the fact that most other people who sought hospitalization had more legitimate reasons for it. "These numbers may also

6 The official 2004 statistics for medical prescriptions for children (who received free medication, irrespective of the product) showed that a very expensive antibiotic, Augmentin, ranked first as the drug most prescribed by physicians, at a total value of 111 billion lei (3.7 million US dollars). The second place went to Nurofen, which is nothing more than an imported more expensive version of Paracetamol (the indigenous product). Prescriptions for Nurofen amounted to 46 billion lei (1.5 million US dollars). Money was also unnecessarily spent on imported cough syrups: 26 billion lei (867 million US dollars) for Paxeladine and 13 billion lei (434 million US dollars) for Ambroxol.

7 The director of the National Health Insurance House declared publicly on television that some physicians gave three or four prescriptions a day for just 3 or 4 pills so that the patient got a full bottle of medicine, avoiding in this way to request the approval of the National Health Insurance House, which is necessary for prescriptions worth over a certain value.

8 At the same time, Romanian medicine manufacturers complained that the authorities did not support national production appropriately and they proposed that a committee should be established to deal with medicine price transparency, because drug prices were higher in Romania than in any of the neighboring countries. The Minister argued that prices were carefully aligned according to the prices for similar medicines in other countries.

show that family doctors do not perform their duties properly and patients have to go to hospitals to be treated, even though it might be cheaper to do it at home”, the Minister admitted in a televised interview. Despite such claims, no official investigation was conducted. Large numbers of people still went to the hospital for such simple things as blood tests, for instance, because having them performed in outpatient clinics was costly and time consuming due to excessive bureaucracy and often dubious as far as quality was concerned (Oancea and Dumitrescu, 2003). Also, some medical equipment only existed in certain hospitals and could only be used for hospitalized patients. If one needed it, then they had no other choice than to be hospitalized.

Cheaper cure – Physicians often released fictitious hospitalization documents, so that patients could have tests performed free of charge. In exchange for this favor, the patient paid the doctor a sum of money, which was substantially less than the cost of the tests. The same happened if one needed costly treatment. In hospitals which had enough medication, one could just bribe the doctor into signing hospitalization documents and the patient would get the treatment for free (paid for by the National Health Insurance House), well below the price they would have paid at the pharmacy.

Palliative Solutions Fail

Confronted with the International Monetary Fund regarding demands and problems in the pension sector, the government could not afford to pay the debts from the state budget anymore. Previous short-term decisions (palliative solutions meant to temporarily solve certain problems) started showing negative side effects in the long run.

Human factor – Public Health Minister Daniela Bartaş was unable to plead the healthcare cause to the Prime Minister and the rest of the cabinet. Acting as a ‘disciplined soldier’ in the ruling Social Democratic Party, she only executed orders and was unable to put the sector on the government’s top priority agenda.

Chronological Development of the Crisis

January: Official estimates show that hospitals and pharmacies have accumulated debts of over 9,000 billion lei (300 million US dollars), of which about 7,500 billion had been spent on medicine and sanitary materials.

The distributors threaten to halt further delivery until these debts are paid. Hospitals are left without medicine and pharmacies stop selling subsidized and free drugs.

The mass media starts extensively covering the developments in the health-care system.

Family doctors voice their discontent with the insufficient funding for primary medicine and refuse to sign annual contracts with the Health Insurance Houses. All over the country, physician unions organize protests and go on strike.

February: Minister Bartoş announces that the Health Insurance Houses will sign the annual contracts with the pharmacies within a week and the sale of subsidized and free drugs will be resumed within 10 days.

The press reveals that the Ministry of Public Finances has used 8000 billion lei (270 million US dollars) from the Health Insurance Fund to finance state-owned enterprises on the verge of bankruptcy.

March: The authorities publicly admit that the steps are being made towards hospital restructuring and that it will be the government's top priority for the coming month. In addition, they announce a number of measures to be taken.

April: The Prime Minister says that government healthcare expenses have risen and the government's debts have increased because money had been mismanaged. He promises to put order in the system, but rejects the idea of taking the National Health Insurance House out of the Ministry of Public Healthcare's control.

The government approves an action plan for salvaging the medical health-care sector (Subtirelu and Solomon, 25 April 2003). The main measures are: a new budget rectification; reverting to subsidizing the cheapest form of a drug family; a new list of free and subsidized drugs; and reimbursement of the 9.000 billion lei (300 million US dollars) debt that the hospitals have accumulated (despite the fact that the authorities have so far refused reimbursement for unjustified expenses). Other measures include the introduction of social hospitals starting July 1, 2003, which would be financed jointly by the Labor Ministry and the Ministry of Public Healthcare; reimbursement for family doctors and hospitals according to the number of cases solved, starting June 1; and outpatient clinics will be financed from a single hospital budget. The project of private health insurance starts to be seriously taken into account. There still remains the problem of a minimal guaranteed services package; taxpayers have no information whatsoever regarding the services their taxes cover.

Contracts between hospitals and the National Health Insurance House are signed with a four-month delay. Because of heavy bureaucracy, hospitals are nevertheless forced to work until the end of June on appendices to the previous year's contracts.

May: The new list of subsidized and free drugs proves incomplete and contains errors, so it has to be discarded and revised. A new deadlock develops and pharmacists suspend sales again. Authorities claim that the list only contains "minor omissions."

The Ministry of Public Healthcare decides to cut down on the number of hospital beds. Chronic patient units are added to those already in use and some hospitals are turned into social care units, financed by the local authorities.

Minister Bartoș announces that the law of public finances has come into practice and hospital directors who surpass the budget will be prosecuted.

The president of the Physicians' College argues that underfinancing cannot be solved by the government reform and that hospitals have only been reorganized (in an erratic way, in his opinion) to save a little money.

A person commits suicide in despair, after attempting to buy his vital drugs, which he is unable to find anywhere. A letter to the Minister is found on him, recounting his desperate efforts to get the necessary treatment. The press prints other similar extreme events. Authorities vow to carry out severe financial controls, but only few of the guilty ones are sanctioned or fired and they are not part of the hospital management.

June: The Ministry of Public Healthcare, against the recommendations of the Parliament healthcare committees, asks the President of the country not to promulgate the hospital law, which they intend to modify so that management is in the hands of an administration board and the director is nominated by the political center of power (Prime Minister) and not elected locally.

The press publishes some articles regarding the business adventures of the president of the National Health Insurance House in the health sector, which seem to point to a conflict of interests.

Minister Daniela Bartoș is removed from office and replaced by Dr. Mircea Beuran, formerly the personal doctor of President Ion Iliescu and his counselor. He also served as a very reputed chief surgeon at the Emergency Hospital of Bucharest.

The Prime Minister declares that he would like to see an autonomous administration of the healthcare funds, by means of an integrated computerized network. He implies, therefore, that he might change his mind and accept autonomy for the National Health Insurance House. He also emphasizes the urgency of efficient tax collecting.

Patients suffering from serious illnesses run the risk of running out of drugs again, since the new minister has not yet signed contracts with the drug manufacturers. Thus, it is doubtful whether those who have provided drugs in the past will continue to deliver.

July: The drug manufacturers and distributors have not received any money and they express their intentions to sue the hospitals. Thus, two agreements are signed between the Ministry of Public Healthcare and the drug manufacturers and distributors, by which the latter accept delays up to six months for reimbursements on the condition that old debts are paid.

The press reveals that some hospitals with large debts are run by prominent members of the Social Democratic Party, and that none of them have been reprimanded.

The government decides on the introduction of the “unified taxpayers registry,” which contains information on the number of patients, their ailments, and the amount of funding they will receive.

August: Beuran says that he intends to take legal action against the debtors to the NHIH. These debts reach 27.000 billion lei (900 billion US dollars), three times more than the amount the hospitals owe to drug distributors. The press reveals that taxes collected for the health insurance fund have recently decreased by half. The National Authority for Control conducted by Minister Blaculescu finds no one guilty for this economic crisis.

Medicine Compensation Crisis

In mid-January, the distributors of medicine and medical equipment declared that they would halt further deliveries unless they were guaranteed payment. If this threat was turned into practice, it would put many lives at risk. It thus becomes a national concern, and more specifically a concern for the Ministry of Public Healthcare, which carried responsibility for this sector.

Denial – During the first few days, the state officials failed to take the distributors’ warning seriously, since such ‘threats’ had been voiced before but had never really been carried out. There was no sense of urgency, therefore, on the part of the authorities. Meanwhile, patients who were hospitalized did not receive medication and their relatives were sent to pharmacies for medicine. Most of the pharmacies, though, had also stopped selling subsidized or free drugs. In the capital Bucharest, only 20-30 pharmacies out of 400 still released subsidized drugs and no pharmacy was still issuing free drugs. All the involved

actors (hospitals, patients, pharmacies, distributors, and the public) protested and demanded that the authorities do something.

The old ways do not work anymore – Such problems were usually dealt with through negotiations between the Ministry of Public Healthcare and the distributors, who were immediately reimbursed with a small amount of money and subsequently accepted to receive the rest in installments, or the two parties would sign an agreement by which the Ministry committed itself to repaying the debts within a specific time frame. However, that was not the case this time, since the budget could no longer cover the debts.

Misidentification of the crisis – Healthcare officials overlooked at first the most immediate and pressing issue at hand: public access to medication. They tended to focus instead on the money issue, since there was a sense that the long tolerated irregular routine of delayed payments and shortage of funds had come to a deadlock and improvised solutions no longer worked. Attention shifted therefore from the acute crisis itself (the prospective worsening of people's health or even the possible death of patients deprived of medical treatment) to its causes, which had been a creeping crisis in the system for years and years. While it was perhaps a sign of good long-term judgment, at the time it failed to tackle the more immediate and acute problems first.

Inaction – The Ministry decided therefore to dig deeper into the money issue and refused to even consider a partial reimbursement of debts to restore normalcy in medicine distribution. Inaction on the part of the authorities, coupled with rising uncertainty as to when or whether subsidized drugs were going to be available on the market, stirred public anger, which was amplified when the officials claimed that there was no crisis. Briefly put, from the perspective of the man on the street, the danger lay in the lack of medicine, which threatened people's lives; while at the institutional level, the perception was that there was a financial, more abstract problem, which did not directly affect the population. The decision makers had two obvious alternatives: pay the distributors, ensure that the pharmacies sell subsidized drugs, look for ways to recover the funds, and work out the causes of the crisis; OR do not pay the distributors and find other ways of solving the problem fast. They however chose neither. At the same time, different actors in the system (e.g. the National Insurance House) had their own interests in deepening the crisis: to gain leverage in their relationship to the pharmaceutical distributors and to the Government as a whole.

Diverting attention from the crisis – Trying to divert attention from the crisis itself, Minister Bartos claimed that permanent underfinancing in the medical

field was the underlying cause of the system's chronic problems. Yet there was still pressure from the public and the media for action not just words, and thus Bartoş was forced to address the most pressing problems. She did so by announcing that the Health Insurance Houses would sign annual contracts with the pharmacies within a week and the sale of subsidized and free drugs would be resumed in no later than 10 days.

The government's solution – Eventually, the government solved the medicine crisis by taking over all debts at the old prices. That is, the government yielded to the demands of the pharmaceutical industry and was unable to punish the physicians who were prescribing drugs over the quota. The same type of mechanism found in the state owned enterprises was therefore applied and that only caused further crisis occurrences of the same kind.

Hospitalization Crisis

As patients increasingly turned to the hospitals hoping to get medicine they could not find in the pharmacies, the medical units became even more strained and their debts in turn increased. Eventually in mid-February (after one month!), Minister Daniela Bartoş decided that from that point on that patients would have to pay an additional tax (co-payment) for hospitalization, in order to discourage unnecessary hospitalization visits. “Last year, we had 5.9 million hospitalizations. This means that one in every four Romanians was in the hospital at least once,” said Bartoş on a talk show on the Antena 1 TV channel. The fee was increased to only 10,000 lei (30 cents) and was purely symbolic and obviously insignificant. Even so, many (in particular pensioners) perceived it as another attempt by the Ministry to take money away from those who were already suffering from the price of medicine and the poor quality of medical services. Bartos obviously did not understand the nature or the depth of the crisis. The officials were trying to shift focus from the real problems to marginal ones.

No insight – In acknowledging the all too many hospitalizations, the Minister of Public Healthcare did not however address the root of the problem nor analyze the indicators. While statistics revealed long hospitalization periods, there was no comprehensive study on why people were being kept so long in the hospitals and which medical services they were receiving. Evidence from direct observations and reports in the media indicated that patients sometimes spent a long time in the hospital without receiving any medical attention and that testing took an unusually long time.

Restructuring – Although they had been mentioned before as imperative measures to rescuing the system, restructuring the hospitals and the need for increased social care acquired more substance due to public pressure. No other alternative solution had been presented or identified. The authorities publicly announced that the main reform would include restructuring the hospitals and presented a series of measures. According to the action plan, there would be hospital inspections and all ‘extra’ beds would be eliminated according to a set of criteria. Medical units would be assigned specific roles: chronic patient units, drug addict units and so forth. Outpatient clinics would be given a more important role.

The government’s top priority was to restructure and reorganize all medical units, which were essential for improving the system. Every year, 68–70% of the total healthcare fund goes to hospitals. Half of the hospital services the National Health Insurance House paid for could not be properly accounted for. Therefore, improving hospital management was also essential for increasing efficiency and effectiveness.

The issue of social care units, which would provide assistance for the poor, was also discussed. For a number of reasons a lot of hospitals were providing medical services at less than a quarter of their capacity but using up funds for personnel and other administrative expenses, and it was discussed turning these into social care units. The establishment of social care units would receive financing from the Labor Ministry, and thus take some of the burden off the Ministry of Public Healthcare’s budget.

In a debate organized at the Rommedica Medical Services and Equipment Fair, the Minister of Public Health announced her intention to reimburse hospitals according to the number of cases they solved (so called, DRG – Diagnostic Related Group) (“Restructurarea...”, 20 March 2003). She promised to improve the quality of medical technology in hospitals and facilitate patients’ access to it. The Minister also said the electronic auction system for medical equipment and medicine acquisition would be extended and rigorously monitored. Auxiliary services in hospitals would be externalized (privatized). Financial discipline would be improved, and management contracts would be signed with hospital directors and department managers. Controls would be carried out every four months, and the local authorities would also be responsible for checking the hospitals’ bookkeeping.

The Minister admitted it was hard to reform a system that had already developed a certain routine. She received criticism for the lack of accurate indicators on whether the suggested reform measures were indeed useful. Barto said more serious sanctions should be applied for malpractice and the College of Physicians needed to get more involved in the reform process. There was no record ever of a physician being found guilty of malpractice and sanctioned,

although the press published a series of outrageous cases on negligence and the lack of professional conscience. Cover-ups functioned well in the medical branch since the system was a very closed one, and thus it was difficult to alter it.

The Ministry of Public Healthcare blamed for unclear financial regulations. – In response to Minister Bartos' accusations that hospitals and pharmacies were in fact responsible for the medicine crisis because they have topped their budgets, hospital directors drew attention to the flawed financial framework designed by the Ministry. Although such statements did not normally have a very significant impact on the public, the Minister of Public Healthcare seized the opportunity to bring the issue to the forefront of the debates (against resistance from her colleagues in the government and the ruling party) and initiated reform. Her efforts failed due to the lack of support, coherence, and determination to see them through.

Lack of funds in the system – In response to the government's blame game aimed at pointing the finger at the hospitals and pharmacies for the current crisis, some directors justified the debts by citing the absence of a clear budget for 2003 and for the first part of 2004. Since their claims and the previous debate about funding shifted the debate to the financial arena, Bartos seized the opportunity to redirect focus from the crisis at hand and made some attempts at dealing with the deeper causes for the creeping crisis in the system. Barto blamed the chronic lack of funds in the system for the imbalance between the 3.4 million health insurance taxpayers and the much larger number of beneficiaries (pensioners were exempted from paying this tax in 2002). She also brought up the issue of private health insurance, which, she said, could be the only long-term solution to the crisis. The managers of the National Health Insurance House, on the other hand, seized this opportunity to contradict the Minister and assured people that money held by the healthcare system was sufficient to ensure proper funding for hospitals and pharmacies throughout the year. At the same time, though, the head of the National Health Insurance House, Dr. Cristian Celea, suggested that public health insurance should only cover a minimal number of medical services, the rest being covered by private insurance.

Two Crises – One Root

The Ministry of Public Finances accused of having used the Health Insurance Fund to save state-owned companies from bankruptcy. – In the second half of February 2003, the press revealed that the Ministry of Public

Finances had used 8000 billion lei (270 million US dollars) from the Health Insurance Fund to finance state-owned enterprises on the verge of bankruptcy. This revelation pointed to one of the most profound and lasting causes of the crisis and added another dimension to it. Certain interest groups took advantage of this fact to simply divert attention from the real problems; others attempted to go to the root of the crisis, while others try to stifle these comments. Once the accusation of mismanagement and fraud had been launched, there was a great amount of public pressure for accountability and the retrieval of the money. Public awareness of corruption in the system increased the pressure, since people were certain that the money they had paid into the National Healthcare Fund had been misused.

No interest in a thorough inquiry – This would have been a good opportunity for all interested actors, including the healthcare officials, to get to the root of underfinancing in the healthcare system. However, given the political interests behind the apparently technocratic decisions, the findings did not receive the attention they deserved. The officials tried to muffle the complaints about the Ministry of Public Finances, since the money had been used to assist bankrupt enterprises in order to prevent the dismissal of thousands of people which would have posed a serious social threat to the administration and ultimately resulting in a severe loss of popularity. They feared this may lead to more public curiosity and that the crisis would touch upon other sensitive and vulnerable areas. The danger of an expanding crisis was high since the involved actors (e.g. hospital managers), who all had their share of guilt, conveniently redirected attention onto something outside of the healthcare sector.

Real action was taken only much later, when the Authority for Control announced huge inspections, but in the end only came up with a list of debtors (hospitals) run by members of the ruling party. The Authority for Control said that they were not really to blame for topping the budget. However, in early June it led to the publishing of a list of all companies that had debts to the social insurance system. The list included international banks and insurance companies, Western private companies, among others.

Healthcare workers became more vocal in protesting against inherent institutional failures – The Vice President of the trade union association Alfa as well as the Alfa representative on the National Health Insurance House board of trustees, Adrian Cojocaru complained that organizational chaos in the healthcare sector had deliberately been maintained by the Ministry of Public Health and the National Health Insurance House (“Reforma...,” 3 March 2003). He brought up the issue of an institutional crisis: authorities were the first to ignore the laws and deadlines, hospitals and pharmacies had not been informed about

their allocated budgets, and old debts had been completely ignored. Cojocaru believed that reimbursements for old and new expenses were illegal, since there was no signed contract for 2003 and the deals had been made by adding additional appendices to older contracts.⁹ He announced that his trade union association planned to take legal action against what they called ‘the abusive rule’ since physicians were not allowed to prescribe more than three subsidized drugs a month to chronically-ill patients. He drew also attention to the fact that the hospitals had accumulated the most debts and unnecessary hospitalization was best discouraged by restructuring hospitals and setting up social care units, which was already part of the government agenda and could be partly financed by the Ministry of Labor.

Blame game – The Ministry started a blame game and hospital directors and other figures involved in the healthcare system were quick to join, throwing the blame on one another. This simply antagonized the situation and made any attempts for a constructive dialogue much more difficult. It aggravated the crisis, as members of the healthcare system (hospital doctors, pharmacists, distributors) felt they were not being taken seriously and resorted to even more radical measures (e.g. suspending sales) in order to get their message through.

The Ministry also announced long-term plans that lacked any direct solution for the ongoing crisis. Both the public and people in the healthcare system again felt that the Ministry was inept and was unable to control the situation or to resolve the problems. Thus, the public and the medical staff felt powerless which led to mounting anger and resentment.

Twofold Crisis

It is obvious that we are actually dealing with two somewhat different crises and with a twofold perception of events by the public, the media and to some extent, the authorities. One was the acute, immediate lack of medicine, which made it impossible to provide people with the proper treatment. This was part of a larger, chronic institutional crisis. The medicine crisis required urgent solutions. The healthcare officials had an interest in using the current problems to

9 “In our opinion, the reimbursement of debts accumulated between December 2002 and February 1, 2003, as well as the reimbursement of current debts are carried out illegally. The contracts for 2002 have been extended with appendices, while there is no legal support for 2003. The new norms, which are suppose to apply starting January 1, 2003, do not yet exist. When they do come into practice, are they going to apply retroactively? And what guarantees are there that the expenses made during the first months of 2003 are going to be reimbursed, since there are still debts to be paid for medical services from 2002 and reimbursement is still uncertain? There is no talk of these older debts. There are pharmacies that have not been reimbursed since July 2002.”

approach the more ample crisis.¹⁰ While the public was aware of the existence of a crisis because of the absence of medication, for the Ministry of Public Healthcare there were deeper-lying causes: accountancy and budget mismanagement. The Ministry was dealing with an internal bureaucratic crisis.

Vicious circle – It was indeed imperative to work out the more profound reasons for the recurring problems, yet more importantly, human lives were in immediate danger. A quick resolution of the problem would have probably eased the negotiation process with the distributors, since there would have been an assignment of responsibility and the Ministry could have identified those tasked with paying the distributors. At the same time though, the Ministry could have been faced with the same situation in three months time. Secondly, the Ministry lacked the power to solve the crisis on its own, since the Ministry of Finance (through the social insurance budget) controlled the funds.

Missed target – The first measures taken in the early phases seemed to have very little to do with the real problems and managed to just generate more frustration; for example, banning doctors from prescribing more than three drugs for each patient suffering from a chronic illness. This attempt to limit excessive prescriptions did not in fact solve the problem of expensive drugs, which, even if prescribed in smaller quantities, still cost a lot. In the best of cases, the decision could have only proved useful in the days to come. In fact, it did not bring about any changes regarding the issue of distributors already refusing to provide more drugs, which had resulted in serious medicine shortages. Instead, the trade unions were quick to point out that such regulations broke the law by denying taxpaying patients access to treatment and prevented doctors from doing their job properly. The government sent a costly message to the medical profession and to the pharmaceutical industry: powerful actors can not use patients' suffering as a bargaining chip for increasing their own profits.

Public image – In the eyes of the media and the public, the government was unwilling to deal with the core problems and to take responsibility. So when the issue of fund mismanagement was revealed, it only made things worse and deepened the crisis. Bartoş felt that the crisis had been inevitable and generated by causes beyond her control (imbalance between the number of people who paid into the healthcare fund and those who benefited from it). She knew this was a long-term problem and would only serve to intensify the crisis. It was

10 Marginalized by her colleagues in the government and facing opposition from the National Health Insurance House and Ministry of Finance, Minister Daniela Bartoş may have seized the opportunity to try to induce change in the system. The alternative scenarios were either the Ministry had wrongly framed the problem or it had acted strategically, attempting to deal with a deeper crisis.

also true that the system had reached a point where a catastrophe was bound to happen sooner or later. There were two possible explanations for this attitude: the public opinion felt that the medical authorities were trying to shift the blame onto someone else, or the threat of a reoccurrence was perceived by the Ministry as more serious than the immediate consequences so they deliberately let it snowball into a larger problem. The immediate crisis was not properly addressed. If the Ministry of Healthcare had managed, at a higher level, to direct attention to the real problems and put pressure on the system in the early stages, the crisis could have perhaps been prevented all together.

Reforms failed at different levels – The crisis reached its peak when people started dying. The public was shocked and outraged. The government feared the extremely negative press would spill over the cabinet; so in order to avoid this scenario, the Minister was singled out as the scapegoat and replaced.

Many of the promised reforms were just empty words, meant to calm things down for the moment. In late May history repeated itself. The pharmacies again suspended sales and many of the healthcare personnel took advantage of the transition (after the replacement of Minister Bartoş) to avoid carrying out adequate reforms. The decision for reform was reached on political as well as technical grounds and had been a decision of the governing PSD (Social Democratic Party) and the healthcare authorities. Bartoş had previously tried to make changes but conflicting interests in the web-like system, as well as political interests had prevented her from carrying out her plans.¹¹ The government officials realized there was no other option because the system had already reached a deadlock. Besides, the announcement was imperative in order to avoid an even more critical image loss.

The reforms did have some few positive effects, but on the whole they tended to produce more harm than good. The Ministry of Public Healthcare decided to eliminate 22,210 hospital beds from a total of 149,308 (Subtirelu and Valcu, 26 May 2003). Another 42 chronic patients units were added to the existing 84, and 15 hospitals were turned into social care units. It was also decided that social care units would not receive funds from the Labor Ministry, but from the local authorities. Other hospitals would also be restructured. Bartoş announced that the law of public finances had come into practice and hospital directors who topped the budget would be prosecuted. She restated that by mid-year hospital directors would have to sign management contracts, which would hold them more accountable for their spending. The president of the Physicians' College argued that underfinancing could not be solved by government reforms and that the hospitals had simply been reorganized (in an erratic way, in his opinion) to save a little money.

11 See *Leadership* section under thematic analysis.

Although things had started heading in the right direction, the crisis reached a new peak after the press published a story about a man who had killed himself after vainly searching for his medication for several days in a row. The impact this had on public opinion was immeasurable. The Minister was released from her responsibilities, which made it possible to reopen the dialogue with the people inside and outside the system. It also had a positive effect on the public opinion, which had reached the saturation level. The public grew to completely mistrust the ability of the Ministry and of Daniela Barto to bring about some positive change. Although Bartoş had elaborated coherent action plans, she lacked the force to put pressure on the rest of the government and on the people in the system to put them into practice. The nomination of Mircea Beuran, the personal physician of President Iliescu, gave new hope to the people.

Beuran was given a two-months to analyze the crisis in detail before making any decisions (Subtirelu, 27 June 2003). Shortly afterwards, without taking many concrete measures, Beuran came up with a series of plans. In the short term he wanted to promote the idea that debts would only be reimbursed on the basis of irrefutable bookkeeping, and then the National Health Insurance House would do so in installments. His priorities for the long run were on the doctor-patient relationship, financial inspections, the reduction of medicine prices, and legislation. He also requested that the National Health Insurance House be autonomous from the Health Ministry. Beuran's toughest battle with the centralized system was his goal to introduce medical cards for patients. Stating that he hoped to create an honest healthcare system, Beuran wanted to have medical card records with all of the patients' data: health problems, medication, etc. (Valcu, 7 August 2003). His arguments were that the card, used in pharmacies and clinics, could monitor the circulation of money in the system. It would thus integrate all of the actors in the system and help stimulate efficiency (Berceanu, 31 July 2003). By his third term in 2004, he said this idea would become a reality.

As far as debts were concerned, Beuran and the others increasingly blamed the Ministry of Public Finances for not allowing payments to be made from the Treasury surplus of 15,000 billion lei (500 million US dollars) in the 2002 budget. Beuran admitted that the crisis was the worst the system had seen in the last 60 years and that the healthcare sector was heading for a downfall because of the complete lack of management and authority (Subtirelu, 17 July 2003). He emphasized the importance of starting the new year with absolutely no debt and managing the resources properly in order to get the system back on track (Subtirelu, 7 August 2003).

Replacing the involved Minister when a crisis occurred had become common practice, and in fact every post-communist government in Romania had done so. Replacing the Minister used to calm spirits and give people a false

impression of crisis resolution. Once a new minister was in place, no one could really blame him/her anymore for failing to work things out, since the fault rested on the former minister and the new minister was still working on a solution. The same course of action was used in the healthcare crisis. Word had been going around for a long time that Bartoş was on the 'black list.' There were rumors that the Prime Minister was considering removing Bartoş from office, as the situation required somebody to take the blame.

After a man died because he was unable to find his medicine, the crisis reached a peak and the public demanded a scapegoat. However, there was no relevant change of attitude on the part of the government. There was hope that 'exemplary' punishment would satisfy the protesters and give the impression that 'something' was being done. A new person was appointed to the head of the Ministry in hopes of reviving negotiations and appeasing internal conflicts. The measure was taken after President Iliescu himself got involved in the crisis, given the rapidly deteriorating situation. Naming Beuran, a former presidential counselor and the President's personal doctor, was a politically strategic one since people tended to respect the presidential institution (and its representatives) more than the government.

One could easily perceive this as part of the conflict between Prime Minister Nastase and President Iliescu. Iliescu suggested already in the spring that Bartoş should be replaced, and he managed to replace her with a person very close to him. This could be seen in the context of 2003 as a clear defeat for Nastase, whose position was practically usurped by Iliescu (as he managed to nominate "his" minister in the government).

The appointment of a new minister shortly proved to be first and foremost a time-gaining strategy. Although he had been a presidential counselor on healthcare for two years, he was given no less than two months to become familiar with the problems facing the healthcare sector. In the meantime, the whole system was paralyzed, which is quite usual in such transition periods. Since the new minister had not signed the contracts with the winners of the national auctions for medicine distribution for cancer, diabetes and other serious illnesses, and old contracts with the other companies had expired, there was an imminent danger for patients (some with terminal diseases) to be without medication (Subtirelu and Valcu, 25 July 2003). The restructuring of hospitals was not carried out and an order was given that contracts between hospitals and the National Health Insurance House were to be signed before June 30. Consequently, insurance houses continued to finance departments and hospitals which should have been closed down. The decrees, which were supposed to regulate financing, were full of mistakes. Although each hospital was supposed to be allocated a fixed budget starting July 1, by the end of June the Ministry of Public Healthcare had not even informed the social care units what their budg-

ets would be (Subtirelu, 23 July 2003). Proving once more the lack of concern for the public welfare, the main concern for the Ministry at that time was the appointment of new state secretaries (four instead of the former three) and the new structure for the institution (Dobos, 2003). Yet without an integrated computerized system to monitor the acquisition and distribution of medicines, medical materials and equipment, there were still major practical problems to be dealt with (Mediafax, 3 September 2003).

As far as the reimbursement of debts was concerned, the Ministry of Public Healthcare signed two agreements with the providers, according to which the latter accepted a six-month delay on the condition that they would also be reimbursed for older debts, dating back a year and a half. Yet the Ministry made no payments (Subtirelu, 15 August 2003). After a new round of negotiations with the Romanian Association of International Medicine Manufacturers, Minister Mircea Beuran announced that debts from the year 2002 would be paid where accountancy was correct and where the law had been observed. This would go in effect after a new inspection (the eighth one of its kind!) was established and carried out by the different state authorities.

The manufacturers were dissatisfied with the new delay and claimed that the hospital directors were pressuring the Ministry's representatives and said if the Ministry really wanted to approach them, they could do it by way of the legal system and recover the funds. Until then, the debts had to be paid. Some manufacturers suggested hospitals should return the medicine, after inspections revealed that some medical units had stockpiled medicine. The hospitals denied they had such supplies. The manufacturers threatened to sue the Ministry and the National House of Health Insurance, since they had made deliveries on the basis of legal contracts and they had fulfilled their side of the obligation. Others intended to sue the hospitals. If the manufacturers won in court, the Ministry was going to have to reimburse them from its own funds, since the numerous inspections did not find any one person or institution responsible for the debts. While the authorities were busy carrying out never-ending inspections, the pharmacies again topped their budgets by over 150 billion lei (50 million US dollars)!

The crisis remained unsolved despite some action; the government took over the debts and reimbursed the manufacturers, yet there were still "holes" in the state budget and the vicious circle of debt and artificial repayment was replicated again, creating the premises for future similar crises.

Failure of reform requires accountability – Reforms promoted by the new minister failed too (Berceanu 2003). With most other options being exhausted, there was a lot of pressure to publicly assign responsibility. The government concluded, however, that it was less risky and less of an image loss to simply

leave the conclusions of the official investigations hanging and assign a form of vague, general blame.

The continuous failures could have provided the state officials with an opportunity to trace accountability for fraud and mismanagement in the system. However, the responsible authorities decided to whitewash the whole affair. The National Authority for Control conducted by Minister Blănculescu did not find any one guilty of the crisis (Subțirelu, 14 August 2003). Blănculescu added that out of the 9,195 billion lei (300 million US dollars) that the hospitals had to pay the drug distributors and auxiliary service providers, 4,523 billion lei (150 million US dollars) would be paid from the budget rectification. The rest, 566 billion lei (19 million US dollars) had apparently been spent on illegal acquisitions and some 4,107 billion lei (130 billion US dollars) could not be accounted for. He announced his intention to negotiate with the distributors the annulment of debts. The latter considered such a deal unacceptable and again threatened to sue the Ministry of Public Healthcare and the National Health Insurance House.

Among the findings of the inspections, it was revealed that the hospital directors had signed contracts without clearly specified monetary value or clauses and they had split contracts worth over 40,000 euros (for which the law required them to conduct electronic auctions) into smaller ones, so they could conduct a selection of offers and favor certain applicants. There was also evidence that the hospitals had been mismanaged. However, the head of the National Control Authority himself declared that “the hospital directors were not criminals” and announced there would be no criminal sanctions against them, because the law requiring criminal sanctions for topping budgets was going into effect starting 2003 and could not be applied retroactively. He also admitted the inspections were not meant to find out who was guilty for the crisis, although he did admit he had some knowledge of forged auctions (Cristian, 2, 3 and 21 September 2003; Boariu, 23 August 2003).

Thematic Analysis

Crisis management capability is primarily defined by the existence of adequate **preparedness**, which generates early warning signals and activates routines for preventing the escalation or outbreak of a crisis. Once a crisis is already at hand, though, the efficient collection and operation of **information** and good **communication** within the system can play a crucial role in averting large scale damage. **Leadership** is also essential, because it plays a coordinating role, interfaces often with the public, and helps mediate among conflicting interests within the system, as well as between the system and external actors. For these

reasons, these are the three main themes I have decided to dedicate in-depth analysis to in the present section.

Preparedness

In hindsight, it is clear that there were several warning signals that indicated the escalation of a crisis. Still, the representatives of the state institutions involved were slow to react and at first denied the existence of a crisis. “There is no reason for concern, there is enough money in the system,” were the words of the National Health Insurance House officials in mid-February. That was one full month after the manufacturers had threatened to halt the distribution of medicine when it was already difficult to find subsidized and free drugs in pharmacies, family doctors were protesting out on the streets against underfinancing, and the physicians’ union SANITAS had already been on strike for a few days. The immediate conflict was solved only after promises were made by the National Health Insurance House that additional funding would be provided. Whether the actors involved misperceived the crisis, or they simply wanted to send a reassuring signal, the effect was the same: there was no resolution for the problem at hand. Each of the actors may have very well had their own reasons for not trying to solve the crisis or for maintaining the conflicts with the other parties.

In order to understand the Romanian government’s omission to responding to the warning signals in the initial phase of the crisis, I take a closer look at the state of preparedness. What were the gaps in the mental and institutional preparedness that allowed the crisis to escalate? How were the routines for crisis response organized and how did that system work in practice? What consequences did the lack of preparedness have for the management of the crisis, and for the strategies applied?

As was described in the context section, the entire healthcare sector was a ticking bomb. It was not the first time the budget had been exceeded and it was not the first time the distributors had threatened to halt deliveries. Despite continuous financial monitoring of the system, there were no warning mechanisms. This stems from a lack of adequate medium-term and long-term planning. The system had indulged in a state of near-crisis for so long that most of the time efforts were directed at solving or rather “patching up” immediate problems, rather than the more remote threats. The Ministry of Public Healthcare typically deals with crises after they have “exploded,” not while they are still just “steaming.”

There was no formalized structure within the Minister of Public Healthcare and Family that dealt specifically with crisis management and early warning. Nor was there a consistent internal strategy or relevant experience from which

the organization could learn and draw solutions for the future, despite external cooperation with the World Bank. Moreover, division of responsibility was hazy, a situation which was often facilitated by vague legislation. Bureaucracy contributed to the confusion in the system and conflicts of interests created an intricate web of relations. Centralization of the process made it more liable to outside political influence, detrimental to adequacy to the situation, and blocked plurality of ideas and creativity. At the same time, the domination of hierarchy and the rule that “the boss is always right” left little room for new thinking. The same was true for the complete opacity and lack of openness regarding outside information or advice, which often resulted in uncertainty and instability and therefore contributed to an increased crisis frequency.¹²

As for mental preparedness, the Ministry also failed to correctly identify the causes and the roots of the crisis. After successive signals that the crisis was deepening, there was still no admission on the part of the government that the situation was indeed critical. The Prime Minister admitted that something was wrong, but did not call it a crisis. Even when people began dying, the authorities did not admit that things were getting serious. Minister Beuran was the first to declare that this was the most terrible crisis in Romania in the last 60 years, but even he did not really separate the short-term crisis (the lack of medicine) from the long-term, creeping systemic crisis. The dire situation was therefore acknowledged very late (after the replacement of the first minister). Even more stunning was half a year later, when asked about the situation in mid-2003, the Ministry Secretary General responded,¹³ “Crisis? What crisis? No, I don’t remember any. Last year? Lack of medicine? What do you mean? We never had a lack of medicine!” This indicates that the organization did not reflect upon or process its crisis management experiences.

A lack of preparedness on both the individual and institutional levels resulted in the refusal to accept reality. At first, denial, and then the blame-game were the solutions the officials tried to apply, hoping the problems would go away by themselves if they pretended they did not really exist. The authorities would not admit they were faced with a critical situation. This persisted throughout the crisis, and the officials declared that the list of subsidized drugs in late May had “only minor omissions,” which was completely untrue. Another angle, as previously mentioned, suggests that there was some acknowledgement of the crisis on the part of the authorities, but they preferred to let things slide because individually they had something to gain. Either way, their actions were directed

12 These observations of the organizational culture within the Ministry are based on the author’s own experiences of working with healthcare officials and the healthcare system, as well as on interviews with some of the involved actors.

13 In a direct interview with the author.

at resolving the long-term crisis, which was certainly positive, although they disregarded the immediate problems.

The inability to detect the crisis as it evolved, the shortcomings in the institutional preparedness, and the “choice” to deny facts and refuse responsibility were all reasons why the response from the Ministry of Public Healthcare was largely inconsistent. Measures such as co-payments for hospitalization or the three-drug limit were withdrawn only days or weeks after they had been adopted, indicating that the Ministry had no coherent action plan. The Ministry also lost points because measures were most often withdrawn following new waves of public pressure and protests. The authorities often altered rules they had previously established. They reverted to subsidizing medicines at the price of the cheapest product from the same drug family and to shortening the lists of subsidized and free drugs (though not consistently!). The appointment of a new minister shortly proved to be first and foremost a time-gaining strategy. Although he had been a presidential counselor on healthcare for two years, he was given no less than two months to become familiar with problems in the sector.

Leadership

A few public figures have been strongly associated with the healthcare crisis: former Healthcare Minister Daniela Bartoș, the newly appointed Minister Mircea Beuran, the President of the Healthcare Committee in the Senate – Dr. Sorin Oprescu, and perhaps the president of the Physicians’ College – Dr. Mircea Cintează.

The Minister made decisions after consultations with his/her counselors and the heads of the specialized departments under the Ministry of Public Healthcare. (The government as a whole, though, approved the financial framework/budgetary rectification.) Most of these people were not nominated for their professional merit, but rather for their political loyalty to the Minister and the ruling party. This contributed to the pervasive political influence on the system. Decisions did not reflect the result of a genuine confrontation of ideas, but rather to the common political position. Ultimately, framework decisions were in fact made within the Social Democratic Party during its meetings and adopted by every organization leader. If the Minister is a “disciplined party soldier” (as Bartoș actually was, which overshadowed her professional qualities or good intentions), s/he will not be able to turn the tables in favor of the sector they are responsible for. The guidelines were ultimately provided by the Prime Minister (“Adrian Nastase: Guvernul...”, 12 April 2003).

An important dimension of leadership, besides the concrete and operative part, is *symbolic* leadership. Although the crisis was severe for objective reasons,

the public image of the major actors and the way in which they personally handled the situation also had a major impact on the public's perception of the crisis. Minister Bartoş's image, for instance, had already been eroded by the frequent smaller-scale crises, which had occurred during her term. She appeared weak and hesitant, although people perceived her as a conscientious professional. Her name had not been involved in corruption scandals, which could have been a major advantage for her in the context of a government perceived as being particularly corrupt. In latest years, election results and opinion polls have indicated that the public tends to sympathize more with politicians known as being "reasonably" corrupt but who are also good managers and decision makers, rather than with honest but incompetent people.

Bartoş may have been perceived at first both as honest and professionally competent. However, her lack of charisma and her inability to impose herself as an influential person on the other cabinet members made her look like a second-rank member of the government, who was identified with the image of the healthcare system as a second-rank sector of public interest. Reform seemed, therefore, remote under her administration. Her own colleagues had the highest respect for her as a professional, but it soon became obvious for everybody that they did not trust her as a manager. In the end, she managed to antagonize them, as she tried to get "off the hook" by laying the blame on the doctors and other members of the system, and she also ruined what was left of the credibility and reputation of the healthcare sector. Although the medical corps most certainly contributed to the crisis, the blame shifting and the refusal of the government to assume its own part of the guilt simply frustrated those good-hearted people in the system, as it seemed as if the finger pointing went only in one direction and diverted attention from the larger issues.

Bartoş proved unprepared to handle a serious crisis, both politically and institutionally. In addition, since there was no official spokesperson or deputy to deliver messages on behalf of the Ministry, she was the one always in front of the camera. This meant she received all the blows and suffered a serious image loss.

The measures she announced were often correct, but she failed to put them into practice against the background of corruption in the system and to present them to the public opinion in a favorable light. She also made a few blunders; like for instance, imposing co-payments for hospitalization, when people were already furious because medical services were perceived as costly (mainly because of the compulsory bribe they were "charged"). When she did try to impose revolutionary reforms, she did not have the diplomatic and political talent to find ways of doing so without arousing opposition from the various groups and individuals in the system, each with their own private interests.

After reports of people dying because of the lack of medicine and treatment, the public needed a scapegoat and the government counted on the fact that once someone was punished, things would get back on track. Thus, the government knew that Bartoş had to be sacrificed if it did not want to risk complete chaos. People were more inclined to trust Mircea Beuran since he was more charismatic than his predecessor. Furthermore, he was a surgeon and even the president's private physician, and the institution of the presidency had more credibility than most of the other political institutions. Some concrete measures accompanied Beuran's appointment, since he obviously benefited from the support of the government and had a good public image.

In terms of public image, Mircea Beuran's appearance as a respected surgeon was positively perceived. Romanians still have great respect for doctors, despite everything, because of the Romanian Medical School's long history of famous surgeons and physicians who had contributed to the country's reputation as a haven for top professionals. However, Beuran's charisma did not go very far, since people had grown more and more wary of investing trust in politicians. Doctors, patients, other people in the medical profession and the public reacted cautiously to his nomination. His claims that he would resign if he failed in his tasks did not impress the people very much, since such remarks had been heard hundreds of times before and to little avail.

The time-gaining government strategy was quickly identified as such when the new minister received two months to figure things out in the healthcare system. His hesitant answers at the beginning of this period showed he was inexperienced (which was negatively perceived, given his former position as a presidential counselor) and had not come with a definite set of ideas or proposals for improving the situation. His intention to instate a medical card and his other plans sounded determined, but were perceived as rather vague. The public did not get a better picture of what was going to change in the near future. In spite of the initial support he received from the cabinet, the fact that after his appointment no cases of corruption were investigated and no spectacular arrests were made (as Beuran himself, Bartoş and others had promised), Beuran quickly lost credit as the honest and dedicated person he tried to appear as.

In turn, Dr. Cintează (president of the College of Physicians and a very outspoken opponent of Minister Bartoş) managed to create the impression of the existence of a strong conflict of interests between the different groups in the healthcare system (Subtirelu and Valcu, 27 May 2003). Apart from him, many other hospital directors tried to take advantage of the crisis to solve pending problems and bring controversial issues to the public's attention. Though many were right, it soon became obvious that each hospital director had his/her own interests and that there was a concealed chain of influence and command in each hospital. The healthcare sector appeared to be in deep chaos.

In sum, apart from the institutional deficiencies, there was a clear leadership crisis. Individuals in charge were unable to act as catalysts of change and improvement. Both in terms of public image and actual personal crisis management capacity, none of the leaders involved was able to influence the evolution of the situation positively.

Information Management and Communication

Failure to identify the signals that forecasted a crisis and the unwillingness to risk political image capital in exchange for genuine reform resulted in a disastrous management of the crisis by the Ministry of Public Healthcare and Family. Contrary to what they should have done, the actors attempted first to preserve their own prestige, then that of their institution and only last of all, the integrity of the system as a whole.

For the government, the crisis resulted in a significant image loss. After the worst healthcare crisis in 60 years, no one was found guilty under the law or even sanctioned despite much finger pointing at hospital directors and family doctors and promises of arrests and dismissals. Making such statements without being able to support them was a serious error. Such claims were credible in the eyes of the public given the widespread corruption in the country, but when the Ministry of Public Healthcare could not bring the culprits to justice, then the impression it left was that the Ministry was unable to put order in the system or generate accountability. If official rhetoric only aims to obtain image benefits, then the momentary gains will be neutralized by public disappointment in the long run.

Although most efforts were concentrated on creating the illusion of efficiency, the hollowness of the claims and promises was already all too transparent for an audience that had witnessed such attempts time and time before. In terms of public image, even Beuran's nomination relied on the hope that he would be miraculously well-received by the medical profession, the media and the public given his professional reputation and the fact that he represented a more credible institution (the presidency) and his experience as a spokesman in the previous government. He was quite at ease with the media and he made his debut at a meeting with journalists by handing them his business card with his private phone number and insisting that he could be called at any time. Though that looked quite pretentious, it helped him win over the journalists at first. However, his lack of substance and the fact that he was quick to contradict his own efforts of seeming honest and open when confronted with accusations of plagiarism,¹⁴ led to his removal from office just a few months later.

¹⁴ Later in his office term, he was accused of plagiarism for a book he claimed he wrote himself, but it was revealed that he had copied the material from a book of a French specialist.

Officials from the Ministry made contradictory public statements, revealing the tensions among the individuals and groups inside the institution and the fact that they were trying to serve their own private interests rather than public ones. Other times, they simply demonstrated incompetence. After declaring that only the debts that were justified by the provided medical services would be reimbursed at the end of April, the officials announced that all debts would be paid by the budgetary rectification, but then changed their minds again in July and reiterated their initial position. In March they also hailed the idea of financing hospitals according to the number of cases solved, but then changed their minds in April and decided that fixed budgets would be allocated.

Communication with the media was poor and there was no initiative on the part of the authorities to take a stand and come out in the open to inform the public about the situation. This would have perhaps given them the advantage of having their side of the story presented first. Instead, dissatisfied patients, physicians, hospital directors and pharmacists spoke first and thus got the public on their side. TV images of elderly people, prescription in hand, feeling ill after marching throughout the entire city in search of a pharmacy where they could purchase their medicine or news about dying patients who did not have access to treatment stirred public anger. Turning the tables in favor of the authorities after all this would have been very difficult, even in the presence of objective evidence in support of the Ministry's arguments. Authorities lost the game from the very beginning on the image level.

Conclusions, and Lessons to Be Learned

The present analysis aims at reviewing the underlying causes of the 2003 crisis and uncovering the flaws in the Romanian healthcare system, which lead to recurrent deadlocks. In my opinion, the ultimate reasons for the problems in 2003 were the lack of crisis prevention, crisis management systems, and preparedness. I have suggested some possible solutions.

The healthcare crisis revealed malfunctions in the sector; many of its branches have collapsed because of the fundamental problems in the very structure and organization of the system. The deadlocks experienced in the system organization and crisis management were symbolic of Romanian society.

The healthcare sector is certainly underfinanced. The causes can be found in the country's overall stumbling economy, improper allocation of resources, the reduced attention given to the healthcare sector, a faulty tax-collecting mechanism, and the lack of autonomy of the managing institution of the health insurance funds. There is also an imbalance between the types of expenses (with personnel expenses being very high) together with a marked difference between medical and non-medical staff and salaries below the average national level.

The importance of human resources has been neglected. Efficient budgetary planning is lacking, especially on a long-term basis. Small sums are allocated for investments, and expensive medication is excessively prescribed. The system is crippled by the absence of an integrated computerized monitoring system, which makes it impossible to manage costs and exert proper financial control.

The decision makers are willing to reform the system. Corruption thrives in the absence of strong legislation, law enforcement and control, and is favored by the existence of private interests for personal benefits. Centralization favors political influence and corruption as well. Private initiatives are not encouraged for creating a competitive environment. There is no coherent, sustainable development strategy.

Talking about the short-term perspectives, the Healthcare Committees from the upper and the lower houses of parliament have decided, against the recommendations of their own government, to practically take hospitals out of the control of the Ministry of Public Healthcare, by bringing essential changes to the Hospital Law. The restructuring of medical units, if it is ever carried out, will only affect a small number of those units (about 10% of the total number) that are actually in need of restructuring, thus resulting in a savings of only 5%. The public remains disillusioned that things will probably not change very much: bribery will stay the same, doctors and other medical staff will continue to be rude, treatments will be inadequate, and so forth. The allocation of a fixed budget for each hospital may result in the hospital authorities refusing hospitalization to patients who really need it, once they have reached the limit of their budget, just like some pharmacies only release subsidized and free drugs in the first days of the month until they reach their maximum limit for funds reimbursed by the National Health Insurance House.

As far as the management of the crisis is concerned, there was little anticipation on the part of the government of its imminence and no solid scenarios to apply in that case. Identification of the existence of a crisis, of its causes and effects, and of possible approaches was therefore very slow. Decisions were politically influenced and therefore not professional or speedy. They were also inconsistent, because of the absence of an integrated strategy. The decision makers were more concerned with face-saving measures and more interested in keeping their privileges than in salvaging the system and ensuring public welfare. Communication with the public and the press was inadequate and there was no attention paid to the crisis management potential of individual figures who could have been assigned certain roles. There was no genuine resolution of the crisis, which creates the possibility for a new one to break out anytime. Reform was greatly inefficient and only temporarily useful, although premises for long-term reshaping of the sector have been established.

A better management of the crisis would have probably involved first of all the reimbursement of debts in order to ensure that patients received their necessary medication and services. There were two possibilities: the negative one – applying strong financial constraints (which was chosen by the authorities and caused dissatisfaction from physicians and patients) and the positive one – drawing external financial resources, in a free market environment (a strategy used in the Czech Republic and Slovenia). In the latter case, the budgetary surplus of the National Health Insurance House can be deposited into a separate account, through which long-term international funding can be obtained. Another important measure would have been reducing medical costs by using cheaper medicines.

Overall, there was no strategic management of the crisis, but rather a series of desperate attempts to gain time and to counter the effects of a situation that threatened to turn into a disaster. At present, the crisis continues, but in a less acute form. The government did suffer an image loss and the healthcare sector has lost even more of its credibility. In fact all sides have lost, and only a series of well-coordinated measures can change that in the future.

On the level of crisis response capacities, a strategic reorganization of the system is necessary, so that there is a qualified and able centralized command with each part having its own well-defined function. Thus, routines can allow for swifter and more precise action, and there are less marginal costs in the operation of the system. Conflicts of interests among actors need to be taken into consideration and attempts made to balance them in a way that would avoid generating insurmountable internal differences and tensions. Measures should also be taken to prevent individuals from manipulating their power to serve their own interests, which undermine the higher goal of overall efficiency.

At the same time, more careful consideration should be given to the role of leadership and public perception/image of different key actors. Just as there are specific tasks assigned to ministers, top officials and other decision makers, there should be clear crisis management routines for dealing with public opinion and public image, because very often public misperception and public pressure can hinder genuine efforts aimed at solving the problems at hand.

Monitoring of the system needs to be coupled with more advanced planning for “break point” situations, to allow for early warning for possible “hot” crises and envisage scenarios for their resolution. Such early warning systems should function continuously, and measures implemented at each stage to prevent such situations from occurring.

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PART III
ACUTE DOMESTIC CRISES

Chapter 5

Bribery in the Government

Ionuț Apahideanu and Bianca Jinga

Introduction

On the night of October 18–19, 2002, Fănel Pavalache, an employee of the Romanian Government's General Secretariat run by Minister Șerban Mihăilescu, was arrested and charged with influence peddling. According to the investigating prosecutors, he had asked for a US\$4 million bribe from the former President of the International Bank of Religions, Ion Popescu, in exchange for influencing a favorable judicial decision in the bank's liquidation process.

Recalling the crisis definition outlined in the introduction of this book, Pavalache's arrest immediately after receiving US\$20,000 (as an advance of the four million allegedly requested), triggered a serious crisis of image and credibility for the government. Although post-1989 Romania had witnessed several cases of corruption and influence peddling, this disclosure challenged the credibility of the whole state apparatus extremely seriously, given two aggravating factors: the domestic and international context in which it occurred, and the unprecedented high level of the officials involved.

The aim of this paper is to construct an analysis of the crisis management from a political perspective that we expect to clarify the overall goals and strategies of the decision-makers in the interplay of their perceived opportunities and constraints. Following the guidelines of the approach outlined by Stern

and Sundelius (2002), our analysis is structured in four steps: placing the crisis in its historical, institutional and political context, alongside the domestic/international distinction; its chronological framing and synthetic narrative; reconstructing the events on the basis of decision occasions; and selecting and prioritizing of the relevant analytical themes in order to extract appropriate general lessons for the management of crises.

A necessary preliminary observation points out to the fact that the empirical underpinning of this four-step analysis is strongly related to the nature of the crisis, one predominantly of image and credibility, which oriented us towards sources that are first and foremost mass media related. Another reason for this choice was the media itself: if at the beginning it simply sent messages delivered by the government, gradually it became more involved, taking a more proactive role, and ended up as one of the actors of the case. Surely, certain limitations imposed by such an empirical documentation have to be acknowledged; that is, having access only to public evidence and sources outside the decision units makes it difficult to establish what information was known by the particular actors during the crisis, which options were deliberated, or what informal mechanisms shaped effective decisions. Moreover, some speculations made in the media of that time remain impossible to verify in reality, but nevertheless should be taken into account when interpreting the events. Hence, the risk of approximating the experience of the involved actors implies an inherent degree of uncertainty attached to all conclusions. Still, we have hopefully overcome this obstacle by an extensive monitoring of the central newspapers of that time, and the use of cross-references allowed us to more accurately reconstruct the events.

In a second observation, it should be noted that the crisis also uncovered a latent politico-bureaucratic conflict between older and newer institutions: the main actor of the crisis appeared to be the Government's General Secretariat, but by a domino-like effect, the crisis rapidly spread over the whole government, made up exclusively by members of Social Democratic Party. Furthermore, the National Anti-corruption Prosecution Office (NAPO) had recently been established, and the legitimacy of the institution was contested by the opposition parties, which investigated the Pavalache case. Bureaucratic tugging and hauling was revealed in the primary analysis of the available information released to the public by the institutions involved and of the legislation meant to regulate such conflicts.

International Context

The crisis occurred in a quite sensitive context of the relationship between authorities in Bucharest and the EU. The 2002 Regular Report on Romania

released by the European Commission (hereafter EC) just a few days before the eruption of the crisis (on October 9) mentioned the persistence of a high level of corruption as one basic problem in Romanian society. In a more general perspective, corruption actually remained a severe problem throughout the legislature in 2001–2004 and state authorities apparently could not effectively address this issue.¹

In this context, all of the European Commission's reports on Romania, beginning with 1997, identified various shortcomings in eradicating the phenomenon of corruption. In 1997 for instance, EC stated that "much still remains to be done in rooting out corruption, improving the working of the courts and protecting individual liberties from the activities of the police and secret service campaign or in the course of criminal proceedings" (quoted in EC, 2002: 19). Then, the 2001 Regular Report acknowledged that the efficiency of the legislature had "improved considerably", but also warned that "corruption remains a serious problem that is largely unresolved" (EC, 2001: 16). Finally, the Commission's 2002 Regular Report mentioned surveys indicating corruption as a "widespread and systemic problem in Romania that is largely unresolved". It admitted positive steps taken by Romania's government such as the adoption of a National Plan and Program for the Prevention of Corruption, but once again judged the reform of the judiciary as limited and warned about "the involvement of the executive in judicial affairs". Finally, the report concluded that Romania still needed "to improve the functioning and independence of the judiciary" and that it could not be "said to be implementing an integrated strategy for the fight against corruption" (EC, 2002: 24, 27, 142).

Domestic Context

In the analysis below, there are three elements that may help us properly understand the domestic circumstances in which the crisis emerged: corruption as a core feature of the Romanian society and the related role of the newly established NAPO; the judicial liquidation process of the International Bank of Religions (hereafter IBR); and the ongoing "attrition war" between Ion Iliescu, at that time Romania's President, and Adrian Năstase, Prime Minister and President of the ruling Social Democratic Party (hereafter SDP). Although the first impression is that these events are not clearly linked to each other or to the evolution of the crisis (especially the latter two), in the following we will try to show why and how these three elements should be taken into the account of our analysis.

1 See in this regard the evaluations of Freedom House (2005) and Transparency International (2002, 2003, 2004).

NAPO as the controversial means to solving systemic corruption

As repeatedly asserted by the European Commission's regular reports, corruption remained one of the most common problems reported in commercial operations and in dealings with public bodies and politicians in Romania. As such, the phenomenon significantly eroded the popular trust in state institutions and represented a major obstacle on Romania's way to steady economic development. EC's position was not the only organization to think so. For instance, in Transparency International's chart "Corruption Perception Index 2002" Romania ranked 77th out of 102 surveyed countries, with a score of 2,6 on a scale ranging from 10 (highly clean) to 0 (highly corrupt) (Transparency International, 2002).² Even more relevant, a poll conducted between October 10–22, 2002 (thus also covering the first days of the crisis), showed that 79% of the respondents were moderately or strongly unsatisfied with the government's activity in reducing corruption. According to the same poll, 43% of the people asked thought that corruption had increased since SDP had come to power, while 36% believed it had remained at the same level (OSF, 2002).

In order to combat corruption, the Romanian Government had adopted in October 2001 a National Plan and a National Program for the Prevention of Corruption (EC, 2002: 27). Both meant to provide legal instruments and draw sector-strategies for fighting the above-mentioned phenomenon. A few months later, following an initiative of the ruling party, the government's Emergency Ordinance No. 43 of April 4, 2002,³ had established the National Anti-corruption Prosecution Office (NAPO).

The new institution, that was to later investigate the "Pavalache case", became operational on September 1, 2002, and was meant to replace the then-acting anti-corruption section of the General Prosecutor's Office, which had proven inefficient. Though generously designated to have a countrywide range and to investigate corruption cases and related issues involving amounts over 100,000 euros,⁴ NAPO became the target of heavy criticism by both the media and the political opposition. They considered it a parallel, politically dependent and futile institution. NAPO was (and still is) acting under the authority of the Minister of Justice (a person nominated by the head of the government) with its Chief Prosecutor being installed by Romania's President on the basis of a proposal made by the Minister of Justice, and its other prosecutors being appointed directly by the same Minister on the proposal of Romania's

2 The CPI score indicates the degree of corruption as perceived by business people and risk analysts.

3 See http://www.cdep.ro/pls/legis/legis_pck.htm_act?id=35775

4 Whereas cases falling outside NAPO's central jurisdiction were to be taken over by its regional branches attached to the 15 Courts of Appeal in Romania. For NAPO's current statute, see its official site <http://www.pna.ro/rum/frames.htm>

General Prosecutor. NAPO subsequently generated negative reactions from the opposition parties.⁵ Among them Emil Boc, at that time Vice-President of the opposition Democratic Party, stated that, given the circumstances, SDP did not intend to get involved in a real crusade against corruption, but rather to resort to legislative subterfuges in order to protect its corrupt clientele by imposing an ineffective and politically guided institutional mechanism.⁶

Under these circumstances it seems interesting that NAPO's role in the crisis was made instrumental by the actors involved as an opportunity to promote themselves. This was done while providing the authorities with proof that their initiative of establishing NAPO was useful; the arrest of Fănel Pavalache also motivated the political opposition and the media to closely monitor the evolution of the crisis as well as to search deeper into the case.

The judicial liquidation process of the International Bank of Religions

Two years before the Pavalache crisis on June 29, 2000, the National Bank of Romania had requested the Bucharest Municipal Tribunal to declare the bankruptcy of IBR, a bank whose transactions were said by numerous journalists to involve important former members of the *Securitate* (the secret police under the Ceaușescu regime prior to 1989). Following the favorable decision of the tribunal, the company "Reconversie și Valorificare Active S.A. (*Reorganizing and Winding Up* Company, hereafter abbreviated RVA SA) became the judicial liquidator of IBR. After an unsuccessful appeal in the Brașov Appeal Court, IBR had contested the decision in Romania's Supreme Court of Justice, a process still open in October 2002 when IBR's liquidation had reached 40%.

Surprisingly enough though, there was not a single exception made to the executive's interference in judicial affairs,⁷ in the spring of 2002 Romania's General Prosecutor Joița Tănase himself (an alleged close friend of President Iliescu) had asked the Supreme Court of Justice to annul the bankruptcy procedures on IBR (Fortache, 2002). Immediate repercussions of his action were discernable in the European Commission's following Regular Report, which

5 The compromising of the independence and consequently effectiveness of NAPO's investigations, given the considerable role played by the Minister of Justice and the overlapping and unclear institutional arrangements in the field of justice, was similarly underlined in the European Commission's 2002 report (EC, 2002: 27).

6 For his statement and other reactions from the political opposition, see the article "PSD face o propunere șoc: înființarea unui al doilea CNAICCO" in *Ziua*, January 16, 2002.

7 In the spring 2001 for instance, after 6 years of trials, the government had got involved in the case of "resuscitating" the Dacia Felix Bank. In an official note signed by Minister Mihăilescu, the government asked the Cluj-Napoca Law Court to suspend the bankruptcy procedures of the bank. The request generated a huge scandal in the media at that time, but the government still managed to save the bank by an emergency ordinance issued three years later, in April 2004.

warned about pressures exerted by the executive over the judiciary, explicitly mentioning the executive subordinate General Prosecutor who had continued to bring appeals against judicial decisions (EC, 2002: 25). In the IBR dossier, the stakes were big, as a potential annulment of the bank's liquidation decision would have meant unfreezing some US\$100 million for the bank. In this scenario, the US\$4 million bribe supposedly requested by Pavalache did not seem so high anymore as it did in the beginning.

The ongoing "attrition war" between President Iliescu and Prime Minister Năstase

The prolonged political dispute between former President Iliescu and Prime Minister Năstase⁸ was mostly neglected by the mass media during the crisis. However, later events such as Pavalache's open letter to Iliescu written from prison in June 2003 or the scandal on the appointment of NAPO prosecutor Adrian Miculescu (who handled the Pavalache case) as deputy of the General Prosecutor of Romania in 2004 revealed the *post hoc* importance of this latent conflict.

In the context of this dispute, the autumn of 2002 began with the arrest of the American historian Kurt Treptow, whom the Romanian media regarded as a close friend of Ioan Talpeș, the President's national security advisor. When the American was finally charged with pedophilia at the beginning of October the same year, Talpeș riskily went public in defending him, necessitating later his own advocacy by President Iliescu. Asked by the press, Prime Minister Năstase sarcastically stated, "I wouldn't like to comment, because I might do it, and then Mr. President Ion Iliescu will tell me that I commented erroneously" (O.B., 2003). After a week, it was Iliescu's turn to openly criticize the government's project for the 2003 state budget for its austerity in the field of social protection. Then, on October 10, another scandal on a SDP member and MP Ristea Priboi erupted. Priboi, close to Adrian Năstase, had been accused by the media of involvement in the repression of a workers' anti-regime manifestation in 1987. Promptly, Iliescu went public in attacking Priboi and also criticized the Năstase-backed rumor of a proposal for anticipated parliamentary elections.

8 This attrition war actually continued until the SDP National Congress in May 2005, when Iliescu lost in his run for the party presidency to Mircea Geoană, while Năstase was elected executive president. In a short, it was right after the November 2002 visit of the American President George W. Bush to Bucharest that former revolutionary leader Dan Iosif (also advisor of Iliescu) organized a protest manifestation in front of the Victoria Palace, accusing the government of not properly treating the Revolution heroes. Then, in January 2003, after the government's initiative for reorganizing the country's regions was sent to Iliescu's opposition, the President's proposal for a progressive taxation system was in turn rejected by Năstase. Another acute episode of the conflict occurred after the 2004 local elections, when, criticized by Iliescu for SDP's weak performance, Năstase threatened to submit his resignation.

In a broader perspective, the Iliescu-Năstase political rivalry over supremacy in the SDP and over the very government was nothing new, but in the autumn of 2002, shortly before the eruption of the bribery crisis, it seemed to reach its climax. Equally true, this rivalry continued, at different levels of intensity, for a good period of time after the crisis, which logically raises questions whether the very crisis episode somehow contributed to the prolongation or even intensification of the dispute between the two leaders. But regardless of the future evolution of events, the arrest of Pavalache – taking place after at least three more or less direct “clashes” between the President and the Prime Minister within a very short frame of time – was later considered in some newspapers (Dobran, 2002; Nistorescu, 2003; Nițeanu, 2003) as a determined retaliation of Iliescu and Talpeș against the government. This scenario was additionally fueled when some media (see Levant, 2002b) claimed that IBR President Ion Popescu had visited the President on October 15 and complained that a government employee subordinate to Năstase was asking him for a huge bribe.

Chronology

The discussed crisis emerged on Sunday evening, October 20, 2002, with the announcement of Pavalache’s arrest in a press release from the Ministry of Public Information (hereafter MoPI). It lasted for about a week and afterwards de-escalated gradually in favor of other events. Prior to the crisis, on October 15, 2002, Ion Popescu, former president of IBR supposedly (we need to emphasize that it was never officially admitted) visited President Iliescu complaining that Fănel Pavalache, an employee of the government’s General Secretariat, had demanded from him a bribe in order to facilitate the annulment of IBR’s judicial liquidation process. According to the same unofficial sources (Levant, 2002b), the presidential advisor Ioan Talpeș informed persons close to him working within NAPO, so that later Ion Popescu, together with Nicoleta Gema Bobârnea,⁹ denounced Pavalache’s claim to NAPO. Subsequently, the prosecutors, accompanied by officers of the Romanian Intelligence Service (SRI), planned to catch him in the act of receiving the bribe.

On October 17, Pavalache postponed a scheduled meeting with Popescu and Bobârbea for the next day in the latter’s villa in the suburbs of Bucharest in order to get the requested money. On the evening of October 18, Pavalache and his wife arrived at the villa, where Bobârnea and Popescu expected them. Under

9 A client of IBR who mediated between Pavalache and Popescu. Her involvement may have been used for two reasons. First, if the bankruptcy of IBR was to be annulled, she would have kept her apartment (hosting her medical office) within the IBR building, which at that time was property of the liquidating company RVA. Secondly, by cooperating with the judiciary in denouncing Pavalache, she might have hoped to get out of various trials she was involved in.

audio-visual surveillance of SRI agents, Pavalache received US\$ 20,000 as an advance on the 4 million (though the latter's sum accuracy remained controversial throughout the subsequent trial). Right after midnight, the Pavalache couple left the villa, but their car was stopped by police officers some 300 meters away. The \$20,000, marked with ultraviolet ink by NAPO, was found in the purse of his wife, together with compromising pieces of paper that Pavalache, aware his phone might be bugged, had used to communicate with Popescu (according to the transcripts of recordings made by the SRI and attached to the trial dossier).

While nothing was released to the press on Saturday, the crisis erupted on the evening of October 20, when MoPI announced in a press release the news of the arrest, mentioning that Pavalache was detained for influence peddling, as "he had asked some persons for money in exchange for some services" (Mediafax, 20 October 2002; *Adevărul*, 21 October 2002). A few hours later, the SGG issued its own press release, which stated that Pavalache was employed on a trial basis in the institution as an expert in the Analysis-Synthesis Department and that his action had nothing to do with his professional activities (Mediafax, 22 October 2002).

On October 21, with all central newspapers spreading the news of Pavalache's arrest and enumerating several companies that he owned, the leaders of the ruling party SDP met at the regular weekly meeting of the Permanent Delegation (the leading body of the party). In the subsequent press conference, the party's general secretary Cozmin Gușă confined himself to stating that NAPO was "doing its job" sending a "signal of lowering corruption." He also said there was no connection between the fact that Pavalache was working with the government and the fact he had donated large amounts of money for SDP's 2000 electoral campaign, and that the party's leadership had encouraged the SDP Tulcea local branch to exclude Pavalache from the party. Finally, Gușă expressed the party's willingness to get rid of any criminal members and further "clean the house" by planning to only accept future donations from "safe persons" (SDP, 2002).¹⁰

Three other events of the same day are worth mentioning. First, the political opposition began to firmly request explanations from the government's General Secretary Șerban Mihăilescu.¹¹ Second, a press release from the SGG later on the same day (reproduced in Zara, 2002) announced that Pavalache had been suspended, though it still claimed that he was working on a trial basis. Third, the Executive Bureau of the SDP Tulcea branch issued a press release commu-

10 The transcript of the conference is available at SDP's website <http://www.psd.ro/presa/afis-pres-a-doc.php?idpresa=390>

11 See for instance the position of Adrian Iorgulescu, Vice President of Right Forces Union (in R.A. 2002).

nicating its unanimous decision to exclude Fănel Pavalache from the party, on the grounds of the preliminary investigations of NAPO (Mediafax, 21 October 2002).

On October 22, the morning press unveiled other hidden aspects of Pavalache's corrupt business adventures pointing out other officials involved, such as Alexe Costache Ivanov (State Secretary within the Justice Ministry and formerly associated with Pavalache at one of his companies) ("Cine s-a...", 24 October 2002). Later on the same day, NAPO chief prosecutor Ioan Amarie declared that his institution had strong reasons to believe that four other persons were involved in the investigated case, persons among whom the bribe was to be distributed (Fotache, 2002; Pătrășcanu, 2002). In the meantime, opposition voices such as the ones of Emil Boc and Puiu Hașotti had become more vigorous in requesting Minister Mihăilescu's resignation, considering the Pavalache case to be an illustrative symptom of the corruption within SDP and urging NAPO to go all the way in denouncing all officials involved (B.P., 2002; O.B., 2002). Finally, in the evening, Iliescu and Năstase met privately at President's Cotroceni Palace. Though impossible to verify (both abstaining from any comment), it is common sense to assume that the Pavalache case was probably discussed. This could be especially relevant in light of the ulterior involvement of Iliescu in the crisis, starting the following day.

While the newspapers of October 23 went further in uncovering Pavalache's criminal past and also details of the IBR dossier related to the case (Artene, 23 October 2002), Mihăilescu admitted in an interview (Purcăreanu, 2002) that the man arrested was his personal advisor at the SGG, and he also expressed his preparedness to resolve any conflicts of interest affecting his employees ("Șerban Mihăilescu vrea...", 23 October 2002).

On October 24, the SGG published in another press release parts of Pavalache's resume, finally clarifying his position in the government from the beginning of his collaboration in January 2001 until October 21, 2002, when Mihăilescu fired him. On the same day, the government's spokesman announced the Prime Minister's decision to screen all councilors working for the government, while the Ministry of Justice approved NAPO's criminal pursuit of two magistrates, Maria Navala and Cristina Negru, who had been involved in the IBR files (Cezar and Fotache, 2004).

An unprecedented move took place on October 25, when all the magistrates of the Bucharest Municipal Tribunal refused to participate in two trials between the National Bank of Romania and the IBR as a result of the over-popularization of the case (Artene, 26 October 2002; N.C., 2002). Accordingly, a central newspaper's headline spoke of a so-called "Pavalache effect", signifying the fear of the magistrates to preside in this controversial trial ("Efectul Păvălache...", 26 October 2002).

Beginning on the weekend of October 26/27, the crisis gradually de-escalated as it was surpassed by other events and was to be resuscitated at a lower level of intensity on October 30, when NAPO announced the expansion of its investigations concerning a group of 7–8 magistrates whose trip to Belgium in 2000 had been presumably paid by RVA SA, the judicial liquidator of IBR (Ștefan and Fotache, 30 October 2002). On the same day, the SGG issued another press release meant to exonerate Mihăilescu from corruption accusations brought up in the media the day before.

Afterwards, the Pavalache dossier was partially discussed in the media. First it was recalled in the media in March 2003, when Pavalache was initially sentenced to four years of prison after a one-month trial, and both Pavalache and NAPO prosecutors appealed the decision at the Bucharest Appeal Court. Secondly in June 2003, when Pavalache's open letter¹² to President Iliescu seemed to confirm the media's earlier speculations on the latter's involvement in the case, as Pavalache accused NAPO prosecutor Adrian Micleanu for exerting, supposedly on behalf of the President, continuous pressure on him to obtain compromising information about Prime Minister Năstase and Minister Șerban Mihăilescu (Topală, 2003; Zara, 2003). The third occasion happened in November 2003, when some of the media accused SRI of destroying evidence in the trial and reiterated accusations of direct interests and involvement of its officers in the case ("Distrugând probe...", 5 November 2002). The fourth time occurred in April 2004, when the controversial prosecutor Miclescu (allegedly Iliescu's instrument in the case) became deputy to the NAPO chief prosecutor Ioan Amarie (Nițeanu, 2004). Fifthly, in September 2004, when Judge Maria Novala was excluded from magistracy by the Superior Council of Magistracy, although in the Pavalache dossier she had been declared not guilty, it was argued that her reputation was not proper for that of a judge. The final occasion was in October 2004 when Pavalache was sentenced to six years of prison by the High Court of Justice and Cassation.

Decision Occasions

In order to understand the process of how the responsible decision-makers and actors dealt with the crisis, we try to disaggregate and reconstruct the entire situation as a series of decision occasions. Each of these occasions will be dissected, within the constraints of the empirically verifiable information, according to the six steps enunciated by Stern and Sundelius (2002: 74–7), by identifying: *a.*) The initial impetus that generated the broad crisis phenomenon; *b.*) The definition of the problem from the perspective of the decision-makers;

¹² Also reproduced in *Ziua* on June 11, 2003.

c.) The effective decision unit formed to cope with the defined problem; d.) The range of possible options considered and deliberated by the decision unit; e.) The decision made for a certain action/inaction); and f.) The implementation phase, which can in turn become a trigger for a new decision occasion. Thus completing a backwards reconstruction of the events, we should get able to answer questions like: What have the involved decision-makers concretely done? What determined the time of action? Who made the actual decision? What determined the need for action?

The Initial Impetus: MoPI's Press Release

As already mentioned, MoPI's press release of the evening of October 20, announcing the arrest of Fănel Pavalache for influence peddling, triggered what was to become the main crisis. Promptly, journalists from *Ziua* contacted both Claudiu Lucaci (spokesman of the government) and Minister Șerban Mihăilescu (chief of the SGG) by telephone. The former considered it premature to announce an official position stating that the government was to probably suspend Pavalache during investigations, according to the Statute of the Civil Servants, and abstained from any further comments. Mihăilescu, at the time was out of Bucharest, emphasized that Pavalache's action had nothing to do with his work with the government and announced that Pavalache was to be suspended on Monday, the next day (Savaliuc, 2002). In an analysis of their reactions, interpreted as decisions, it remains unclear whether alternative options (like, for instance, abstaining from any commentaries) for acting had been considered by either of them.

Aside from this, it is worth noting that, although the arrest had taken place right after midnight between Friday and Saturday, the MoPI released the news on Sunday evening, some 40 hours later. Furthermore, given the position of the involved person, an employee of the Government's General Secretariat, it is common sense to assume that the prosecutors had informed the government right after the arrest. As for the SGG, it was only after receiving calls from journalists that it reacted and issued its own press release, stating that Pavalache was working at the Analysis-Synthesis Department on a trial basis and that his actions had nothing to do with his job duties. It still remains unclear why the government chose inaction for the first 40 hours, whose decision it was, and what alternative options were considered. A possible explanation for the delay in communicating the news may be that the government underestimated the public's interest in the case. Alternatively, since it was the weekend, it may simply have been a bureaucratic dysfunction: the government staff was not at work.

Responding to the Public Pressure

Although the government was prepared for the information released by MoPI, the public was surprised by it. True, corruption was not a new phenomenon in Romania, but in this case it hit the heart of the state apparatus. On Monday morning newspapers amplified the initial impetus by spreading the news on Pavalache's arrest and implicitly linking his SDP membership and work at the government to dubious aspects of his companies. The decision-makers (the Government and the SDP) felt strong pressure to show some form of responsiveness in dealing with the problem – the possible loss of the credibility of its fight against corruption both in the eyes of the domestic population and the EU officials.

Subsequent to the impetus, the day's first official reaction came from Prime Minister/SDP President Adrian Năstase, who, questioned by reporters, tried to make the best of the situation by praising the contested institution of NAPO; it was proving itself to be "an absolutely necessary institution" making Năstase believe that "everything that happened may have extremely positive implications" (Sadeanu, 2002; Ștefan, 22 October 2002). Then, other actors rapidly got involved in the crisis. First it was President Iliescu himself, SDP's founder and mentor, who firmly stated that anyone "no matter who it is," "who infringes the law, who behaves irresponsibly or contrary [...] to the duties of public offices has to be made responsible" (C.O. and A.M., 2002). Then, the political opposition entered the scene, as UFD vice-president Adrian Iorgulescu publicly demanded explanations from the government's Secretary General (R.A., 2002), at that time already nicknamed "Micky the Backhander" in the press (Someșan, 2002).

It was under these circumstances that SDP's ruling body The Permanent Delegation held its regular weekly meeting. During this meeting, the strategy of how to deal with the situation was worked out. Among other options for actions considered, which remain unknown, the strategy of the action chosen was apparently to dissociate the party from Pavalache and to communicate SDP's willingness to "clean the house" by getting rid of potential or proven criminal elements. This decision was mirrored in the subsequent press conference held by SDP Secretary General Cozmin Gușă. Moreover, another decision that seems to have been made was for all party members to abstain from any press commentaries outside the scheduled press conference subsequent to the meeting. Mihăilescu for instance, from whom everybody expected comments, fled the party's headquarters as soon as the meeting was over, while President Adrian Năstase and Vice-president Miron Mitrea refused to make any comments. Nicolae Văcăroiu, Vice-president of the party and president of the Senate, was the only SDP leader to talk to the press aside from the press confer-

ence. He accompanied Năstase in praising NAPO's "independence", admitted the need for "a little cleaning up within the party", but defended Mihăilescu as "a minister who has tens and hundreds of people behind him" (Meseșan, 2002a).

At this point, a possible question that arises is whether SDP's involvement was really necessary or rather a matter of choice. The fact that the party took up the matter in a press conference on the very first day of the crisis appears to suggest a clear "proactive" winning-oriented strategy, thus arguing in favor of the second version. But this interpretation fails in providing, from a motivational point of view, what was there to be possibly won by the SDP? As it appears to us, it was only a problem of mitigating an image crisis, we tend to give credit to the first version. This one regards the party's press conference as a necessary reaction in a strategy of minimizing the estimated image damage inflicted upon the party by the arrest of one of its members. Furthermore, it was not for the party to decide at that time to release the message for at least two reasons. First, since the Permanent Delegation met weekly, a decision to delay a press conference for a whole week was rather risky, given the proportions already reached by the scandal in the media (all central newspapers of Monday were discussing the arrest). Second, widely regarded as the most corrupt party, SDP had to react with a clear and collective statement to a bribery scandal involving one of its members who was working in the very core of the government.

The text released by the party and read by Gușă can be dissected into five points, three of them relating to the party and the other two to the Government. First, the party-initiated institution of NAPO was once again praised for "doing its job" and combating corruption. Second, Gușă announced that the Permanent Delegation had suggested its Tulcea Branch to exclude their member Pavalache from the party. Third, the SDP was said to have decided to no longer accept donations from "unsafe" persons, and only in smaller amounts.¹³ Fourth, although not clarifying what "unsafe persons" actually meant nor explaining how Pavalache had obtained his position in the Government in the first place, Gușă however underlined, "There is no connection between the fact that Pavalache made an important donation to the party and his work in the Government." Fifth, it was announced that the Prime Minister had urged all ministers of his Cabinet to closely screen their staff members.¹⁴

SDP's press conference did not seem to ease the pressure from the opposition. On the contrary, PNL member Puiu Hașotti warned that, by hasten-

13 As revealed by the press that morning, Pavalache's name had come up on a list of the so-called "Club 75" – an exclusive group of individuals who had contributed to SDP's electoral campaign with amounts larger than 75 million ROL.

14 The transcript of the press conference is available at <http://www.psd.ro/presa/afis-pres-a-doc.php?idpresa=390>

ing to arrest Pavalache, NAPO had let the “big fish” escape (B.P., 2002), and DP vice-presidents Emil Boc and Viorel Pană asked for Mihăilescu’s resignation, since they regarded the Pavalache case to be an illustrative symptom of the corruption within the ruling party (Levant et al., 2002; O.B., 2002). The Government and SDP reacted again later on the same day. The SGG issued a press release announcing that its employee Pavalache, who was on a trial basis, was suspended from his work activities during the investigation. Then, only a few hours after the “suggestion” made by the Permanent Delegation, the SDP Tulcea Branch announced that Pavalache had been excluded from the party (Zara, 2002; Mediafax, 21 October 2002). However, on the phone with a journalist, Mihăilescu made a most astonishing statement, which was to be repeatedly broadcasted by the media in the following days, “If Mr. Pavalache wanted to do this, he could have told us, and we would have remained friends, instead of doing investigations and other stuff now” (Purcăreanu 2002).

The Scandal Grows

The first three measures taken on Monday by the decision-makers (Pavalache’s suspension in the government, his exclusion from SDP and the message regarding the party’s willingness to clean up the party) failed in de-escalating the crisis. Speculations in the morning press (accompanied by Mihăilescu’s imprudent statement) generously delivered another trigger on October 22, thus amplifying the intensity of the crisis, and respectively transforming the media from a simple mirror of the officials’ declarations into a genuine actor involved in the events. The general theme in the newspapers was that the state authorities were trying to conceal the truth in the Pavalache case and that the Pavalache case was just a link in a long chain of interests that connected the high officials.¹⁵ Therefore, NAPO’s (supposedly deliberate) fault was that it had broken “Ariadna’s thread” (D.M., 2002), thus protecting the “big fish” (Nistorescu, 2002a). Speculations on the identity of those “fish” soon followed. Some journalists for instance recalled the controversial IBR dossier, out of whose “corpse” the Pavalache case was born, and even spoke of the US\$4 million requested as being only part of a far more complex deal involving top officials in the government and in the judiciary amounting no less than US\$100 million (Nițeanu and Anghelescu 2002). The central newspaper *Evenimentul Zilei* fueled this scenario when discovering two surprising facts. The first was the sudden resignation on October 10 (just a few days before the outbreak of the crisis) of Judge Maria Navala, president of the commercial section of the Bucharest Municipal Tribunal, the very section judging two trials between the National Bank of Romania and IBR. The second

15 See in this regard the articles of that day signed by Adrian Halpert (*Libertatea*), Cornel Nistorescu (*Evenimentul Zilei*), Mihai Ciorcan (*România Liberă*), and D.M. (*Ziua*).

one was the former involvement of Alexe Costache Ivanov, State Secretary at the Ministry of Justice, in Pavalache's business adventures (Levant et al., 2002).¹⁶

Other journalists began linking the case to the Iliescu-Năstase rivalry, considering the whole story a “payback” for the previous arrest of Treptow, a friend of Talpeș (Pătrușcă, 2002; Meseșan, 2002a). But it was another matter brought up in the press that seriously threatened the government's credibility: the police had investigated Pavalache in 1997 for fraud, use of false documents, and abuse of position. According to the prosecutors, he had contracted through one of his companies 1.5 billion ROL credit in 1995 using false documents and figures, never returning the loan (Cristian, 2002; Zara, 2002). All of this information framed a new situation the decision-makers had to deal with, as the press had explicitly or implicitly raised some key questions: What interests were behind the hiring of Pavalache in the government? What informal power did Pavalache have that enabled him to receive \$20,000 and ask for 4 million in the first place? Why did NAPO hasten to arrest him, thus eschewing to trace the real beneficiaries of the money? Whose interest was it to suspend IBR's liquidation process?

In the present reconstruction of the events, it seems that both the government and SDP chose inaction as an option. Instead, two other actors entered the scene. First it was NAPO's Chief Prosecutor Amarie, who tried to respond to the allegations in the press concerning his institution. He thus explained that the prosecutors had stopped “half way” because NAPO had difficulties in raising even the \$20,000 necessary for the pay-off, the possibility of providing an incredible sum of 4 million (which would have led to the final beneficiaries) being totally out of question. However, he mysteriously added that NAPO had strong reasons to believe that, aside from Pavalache, there were four other individuals among whom the sum was to be divided (Pătrășcanu, 2002). Then, Romania's General Prosecutor Tănase Joița suggested that the investigation of the case “should, however, remain confidential” in accordance with the legal provisions (Șuțu, 2002). A statement that risked to fuel an already developing public conviction that top officials of the state power were trying to hush the whole story in order to protect their corrupt clientele. Embracing this point of view, opposition leader Emil Boc demanded again, this time more vigorously, Mihăilescu's resignation, as “Pavalache has requested the bribe on behalf of his bosses”. Hence, he added, “NAPO has to find out” who were the “important state officials involved” (“Emil Boc cere...”, 23 October 2002).

Facing this growing pressure, the government still hesitated to react officially. It was only Mihăilescu individually who came out publicly. First, he announced that all experts and councilors working at the SGG were to decide between

¹⁶ Ivanov had been the partner of Pavalache for a short period of time at the company *Consulting Mileniul 3 Ltd.* holding 49% of the capital, the remaining 51% being Pavalache's.

pursuing business adventures and keeping their government jobs (Țigănescu, 2002). Then, in an interview taken on the same day, he finally admitted that Pavalache was indeed an employee at the SGG and not a simple collaborator on a trial basis, as maintained during the first two days of the crisis. Furthermore, saying that he had assumed full responsibility for the incident in front of SDP's Permanent Delegation on Monday, Mihăilescu anyway denied any business ties to Pavalache (Purcăreanu, 2002).

President Iliescu Enters the Scene

About the same time Mihăilescu was interviewed, Prime Minister Năstase paid President Iliescu a private visit at his Cotroceni Palace later in the evening. Their meeting certainly raises some questions since such private gatherings were by no means common practice. Nor was this one in particular previously announced. Although the Pavalache case was most probably on top of their agenda, no official statements were made. In fact, government representatives avoided making any kind of statements regarding the issue even the next day; however, President Iliescu did not.

The impression left in the aftermath of October 22 and supported by most comments in the media was that the government and (actually equated with) the SDP after having rapidly abandoned Pavalache were also ready, given the scandal generated, to sacrifice Mihăilescu on the altar of their alleged anti-corruption crusade. SGG's chief had undoubtedly become the main target of the accusers in the press and the opposition, but no official statement on behalf of the government/SDP was made to defend him. From this perspective, SDP's previously expressed commitment to "cleaning up the party" could have indicated the willingness to get rid of Mihăilescu himself from the government, and maybe even from the SDP.

This impression was to become even stronger on October 23, when the press revealed that in 1981 Pavalache had been condemned to prison for one and a half years for racketeering.¹⁷ Still, he escaped going to prison as President Ceaușescu pardoned racketeers from imprisonment by a presidential decree. In parallel, the media revealed other dubious aspects of the IBR dossier (which strongly resembled an earlier scandalous process of a bank liquidation, the Dacia Felix Bank, where the executive had also got involved) and talked about the fear of the magistrates to preside over the trial because of external political pressures (Purcăreanu et al., 2002). This same pressure contributed to Judge Navală's resignation (Artene, 23 October 2002). In this scenario, Pavalache's

17 As a student at the Metallurgy Faculty of the Polytechnic Institute in Bucharest, Pavalache bought electronic devices from international students enrolled in academic programs in Bucharest and then sold them in his native city Tulcea.

role seemed to have been as intermediary between businessmen and governmental decision makers in order to save BIR from bankruptcy in the same pattern used with Dacia Felix. To sum up in a more clear and general overview of the media comments, speculations were made on a possible chain of influence between businessmen, Pavalache, the Government, the Justice Ministry, and the judiciary (which automatically included Mihăilescu as a key actor).¹⁸

At the top of the organizational pyramid, the government's members were all SDP members, the image crisis formally affected both separated bodies. But again, with neither the government nor the SDP reacting, Mihăilescu went public and made a shocking statement. After admitting that four other individuals within his cabinet were involved in business adventures, Mihăilescu expressed his concern regarding the existence of a hidden plan undermining his position. Then he added that although other ministers were more deeply involved in business adventures, he was the only one hunted down, and finally he suspected IBR president Ion Popescu of no less than infiltrating the government with NAPO representatives (Meseșan, 2002b)! In spite of the seriousness of these allegations, still nobody within the government or NAPO reacted.

Left alone to face all criticism, Mihăilescu found an unexpected ally, President Iliescu himself. The latter stated that Mihăilescu's resignation was not compulsory, because a person could not be held responsible for individual mistakes made by his/her subordinates, and that Pavalache was the only one responsible for his crime (in C.O. and A.M., 2002). Subsequently, the next morning edition of the newspaper *Evenimentul Zilei* presented a detailed scenario according to which the crisis had been in fact "manufactured" by Iliescu and his advisor Talpeș, in another episode of the ongoing conflict between the Palaces Victoria (the government's headquarters) and Cotroceni (the Presidential residence) (Levant, 2002b). Though quite interesting, the scenario did not explain the reasons for Iliescu's latest intervention in favor of Mihăilescu, nor his change of attitude after having firmly warned two days before that all those involved were to be held responsible. As for Iliescu, he denied all allegations, clearly stating that he had no involvement whatsoever in the events.¹⁹

18 In this regard, Secretary of State Ivanov's former partnership with Pavalache gained more relevance not only because of the former's position in the Government, but also because of his connections with the controversial Arab businessman Ibrahim El Hams and Mihăilescu's daughter Livia Ana Mihăilescu (Purcăreanu et al., 2002).

19 At that time being on an official visit in Austria ("Panică în...", 25 October 2002).

De-escalation of the Crisis

On October 24, some of the media extended their investigations considering even the possibility that Pavalache's set up was an act of revenge by the SRI²⁰ (Amihulesei, 2002a). The Government finally acted, probably as a result of the pressure exerted by the media and the opposition for adopting the law of conflict of interests. First, the Prime Minister's decision to screen all governmental councilors was announced; then, Justice Ministry Rodica Stănoiu approved the penal investigation by NAPO of the two magistrates Maria Navala and Cristina Negru, who had been involved in the IBR files (Cezar and Fotache, 2004). During the next day, an unprecedented act took place; all magistrates of the Bucharest Tribunal refused to preside in two trials involving IBR. By invoking the over-popularization of the case (Artene, 26 October 2002), they indirectly argued in favor of the idea that the media had become a major actor in the crisis, which is not uncommon (Chifu, 2004: 41-3).

During the following days, some opposition leaders like Eugen Nicolăescu or Viorel Pană continued to ask for a responsible attitude towards corruption from the President of Romania as well as from the Prime Minister, and for Mihăilescu's resignation, given the his bad reputation in the international press (Mediafax, 26 October 2002).²¹ Some isolated articles in the media also mentioned other details of a possible involvement of the SRI. But such positions became rare and less severe, thus allowing the Government and the SDP to avoid any other major statements or measures. Accordingly, the crisis de-escalated gradually, being surpassed by other domestic and international events.

Analytical Themes

In order to draw possible lessons from the analysis of the way decision-makers, actors and stake-holders have (re)acted during the crisis, three analytical themes seem relevant and are accordingly discussed in the following section: the decision units, the political-bureaucratic cooperation and conflict, and the crisis communication and credibility. Though taken into account given the obviously different interpretations of the events by the various actors involved, the tempting analytical theme of problem perception and framing had to be excluded from our analysis, given the lack of adequate empirical evidence. As we explain

20 In this scenario, Pavalache, being the former liquidator of the SRI' supposedly controlled Columna Bank, had access to compromising documents. These speculations were repeated in some newspapers (Amihulesei, 2002b, Dobran, 2002) and especially during Pavalache's trial, when the service was accused of destroying evidence, but the SRI has to this day never made any official statement on the matter.

21 In this regard, *Le Monde* had previously published an article on Ministry "Mickey le Bacshish"

in the following section, no transcripts of SDP and government meetings on the crisis events are available. Only the official press releases of the authorities are available but these do not highlight the perceptions of those involved and only present the final decisions agreed upon. Similarly, as no records of relevant telephone conversations or private statements by the decision-makers are available, we can only speculate on how the actors involved framed the situation, without any empirical evidence supporting our scenarios.

Decision Units

Clarifying how and where decisions were made in the management of the “bribery crisis” represents by far the most interesting, but equally difficult task within the analytical themes considered in this chapter. The main reason for this lies in the particular combination of formal and informal factors that shaped the decision-units during the crisis. Generally speaking, official positions expressed in press releases and formal decisions communicated by organizations to the public represent only the dependent variable, the outcome of a complex interplay between institutional rules and procedures on the one hand and informal structures, communication, and behavioral routines on the other (French and Bell, 1999; Gortner, Mahler and Nicholson, 1997). Therefore, focusing only on the visible outcomes and on the codified institutional requirements may have little relevance in explaining both how and where decisions were actually made and how the decision-makers framed the problems. Equally true, any analysis of the informal factors risks to be significantly obstructed by the lack of transparency in the decision-making process, a feature *par excellence* of the SDP. No transcripts from the SDP Permanent Delegation’s, government’s, or SGG’s meetings during the crisis are available; the cause (an independent variable) remains largely unknown. This obstacle was partially removed due to the time elapsed since the crisis, during which several disclosures provided by the media and other actors involved have partially filled in this gap of information. In the following section, the decision units engaged in the crisis management will be analyzed by judging both formal and informal factors, separately and in their interplay.

From an institutional point of view, a formal distinction should be made between the two decision-making units: the government on the one hand and the ruling party SDP on the other. Within both of these units, there are decision centers and decision-makers located at different levels. Within the government, according to Article 107(1) of Romania’s Constitution (1991), the Prime Minister (as the main decision-maker) and his subordinate Ministers were situated at the upper level during the crisis, while the Mihăilescu-led SGG was located at the lower level.

The institutional distinctions between the government and the SDP and between the hierarchic levels of the SDP²² were apparently reflected in the behavior and the decisions made by the units. The government, SGG, the Permanent Delegation (hereafter DP), and the party's Tulcea branch seemed to have separately identified distinct decision-making occasions, being triggered by different impulses and accordingly addressing different problems. The DP organized a press conference expressing the party's unified position; it was SDP's Tulcea branch to exercise its statutory right to exclude their member Pavalache. The Prime Minister made statements on behalf of the government in accordance with his status as government chief. Justice Minister Rodica Stănoiu made decisions within her own sphere of competence, subordinate to the Prime Minister, and Mihăilescu issued press releases concerning himself or the SGG.

In taking a closer look at the membership of the formal decision-making units and at the related processes, however, questions both the relevance of these institutional distinctions and the assumed autonomy of the decision-making process. Three observations appear helpful in this regard. First, all 27 members of the government (Prime Minister and Mihăilescu included) were members of the SDP. Second, Adrian Năstase was not only Prime Minister, but also president of the whole party, of the Central Executive Bureau, and of the latter's DP. Third, 12 members of the government (Năstase and Mihăilescu again included) made up the absolute majority of the 21-member DP and occupied its key positions of president, executive president and secretary general, thus comfortably controlling its decision-making structure.

Given this significant overlapping of membership at the top level, the formal distinction between government and the SDP serves rather a theoretical purpose, being relevant only from an institutional point of view, but not very helpful in understanding the decision-making process and structure. The decisions, at first impression, made separately by the government and by the DP belonged most likely to the informal structure of the 12 members of both structures and led by Adrian Năstase (actually only 11, as we explain in more detail

22 Regarding the SDP, its Statute (SDP 2001) provides an extremely complicated structure along four organizational levels: local, territorial, county and national. At the national level, SDP's leading body is the National Congress, meeting every four years under the chairmanship of the party's President (Art. 54). During the National Congresses, the leadership of the party is provided by a National Council, made up by 351–895 members elected on a four-year term and meeting every six months or whenever considered necessary (Art. 55). Furthermore, a Central Executive Bureau, made up by the party's president, vice-presidents, Secretary General, the President of the National Council, and other members (to a total of 25–81), meets every four months or whenever necessary in order to exercise the operative leadership of the party (Art. 58). Finally, the Statute stipulates that a Permanent Delegation of the Central Executive Bureau, comprising the party's President, Vice-presidents, Secretary General and the National Council's president, is to meet weekly or whenever necessary in order to assure the coordination of the party's ordinary activity (Art. 62).

below). This common decision-making core may explain why in the SDP's press conference on October 21, exonerations of both party and government were made alternatively.²³ It may also clarify why Năstase preferred to make a decision within the regular DP meeting instead of calling for a meeting of the hierarchically superior Central Executive Bureau. True indeed, he had this statutory right (Art. 58(6)) and the already increased threat for the party's image entitled him to address to the higher organizational level, but then again, the Bureau did not offer him the comfortable majority that he had in the DP.

The distinctions between decision-levels within the two units may also be more carefully revisited. Within the SDP for instance, the Tulcea local branch's decision to exclude Pavalache seemed to be in full accordance with the party's statute, which grants local branches full autonomy in admitting/excluding party members. But more relevant for our analysis, this procedure of apparent delegation of authority from level (1) to level (3) could suggest a premeditated strategy to contain the crisis or at least divert the media's attention by signaling the insignificance of a case to be solved by a local branch of the party.

Still, three observations could be made in this regard amending this hypothesis. First, it should be noted that the party's statute (SDP, 2001) stipulates no right or obligation of the DP to make "suggestions" like the one addressed to the Tulcea branch. Moreover, the municipal branch hastened to announce Pavalache's exclusion, though, according to Article 12(1) of the same statute, the decision still had to be approved by the hierarchical superior county branch. Thus, the decision of the branch seems rather a prompt implementation of an informal decision made at a superior level than a genuine expression of SDP's formal decision-making structure. Second, the party/government chose to react from the very first day, even though it could for instance have waited for a meeting and subsequent decision of its Central Executive Bureau. Hence, it was considered that the situation was perceived as important and necessitated an immediate response. Third, it chose to react with a message delivered at the press conference on behalf of the whole party, with exonerations made of both the government and the SDP. Alternatively, if the aim was to suggest an insignificance of the events, the party/government could at least have: reacted with an individual statement made by, let's say, the party's spokesman; or/and waited for a few days to see how the situation was to evolve; abstained from visibly "dictating" the Tulcea branch what to do; avoided to mention a collective clean up within the party and instead have referred to Pavalache as an individual. But none of this happened. And last, but not least, what may have been an intended strategy of "containment" failed anyway when the media (though not constructing counterfactuals as above) still amplified the scandal the following

23 Obviously, these common exonerations were also caused by the very questions of the journalists, who, like the political opposition itself, equated the government with the party.

days when disclosing several dubious aspects of Pavalache's past and speculating on the involvement of other state and party officials.

As for the government, Mihăilescu appeared to take decisions on the lower level of the SGG, thus suggesting a two-level decision-making structure of the Cabinet. But it should be noted that, with the exception of SGG's initial press release announcing Pavalache's arrest, his other decisions and actions were either individual reactions to external stimuli aiming to mitigate the deterioration of his personal image (thus having nothing to do with the decision-making structure of SGG), or mere executions of legal norms. Although not noticed by the media, the suspension of Pavalache did not stand in Mihăilescu's power to decide, but represented only an act of compliance with the provisions of Law 188/1999, Article 79(2-3) regarding compulsory suspension. Similarly, SGG's press release clarifying Pavalache's professional status was anything but a real decision. Furthermore, Mihăilescu's announcement that all councilors at the SGG were to decide between pursuing business adventures and keeping their government jobs was an informal one, lacking any legal support and thus suggesting another individual effort to regain some lost credibility. Likewise were his complaints about hidden plans aimed at undermining his position, and the SGG press release issued on October 30 in reply to a defaming article from a central newspaper.

To sum up, aside from the theoretical distinctions between multi-level separate decision units within the SDP and the government, a more plausible explanation of the decision-making during the crisis suggests the existence of an effective decision unit made up by the main decision-maker Năstase and the 11 subordinate ministerial members of the DP. This unit appears to have made decisions for both the government and SDP, like the one to exclude Pavalache from the party, which was implemented at the party's local level after top-bottom informal communication. Mihăilescu apparently played the role of a decision-maker formally still belonging to and participating in the decision-making structures of both the government and SDP, but actually acting individually after his isolation from the effective decision unit made up of the remaining 11 Ministers/DP members.

Politico-Bureaucratic Cooperation and Conflict

Along with the interesting decision-making structure, what is striking at first impression when reconstructing the crisis is the complex pattern of countervailing tendencies: cooperation/conflict, convergence/divergence, and parochialism/solidarity are identifiable at different levels between various pairs of actors. As a factor of the visible actions undertaken by the decision-makers and other actors, this network of interactions may provide, through proper identification

and explanation, further understanding of how the crisis evolved and was (at least intended to be) managed.

The opposition framed the crisis as a major political opportunity and related it to both the government/SDP and its “product” NAPO in a pattern of antagonism. Through the voices of its representatives, it rapidly moved from demanding just Mihăilescu’s resignation to accusing the entire ruling political power, as it considered Pavalache’s crime as another symptom of the generalized corruption within the SDP. Accordingly, NAPO was urged to denounce all the “important state officials involved” (Levant et al., 2002; O.B., 2002; B.P., 2002). This position was also embraced by the media, which transformed itself from a simple source of information into a genuine actor in the crisis by gradually unveiling hidden details of the case, pointing out other high officials involved. What may have been a surprise in the crisis was the media’s unified position as an opinion maker. Regardless of each one’s formerly alleged closeness/distance to the political power, all central newspapers and TV stations acted together as a unified actor in blaming the various governmental institutions supposedly involved in the case²⁴ and it was the effect of this shared position that may have been underestimated by the government at the beginning of the crisis.

On the “other side of the barricade” stood the SDP and the government with its subordinate agencies, which had become the common target of the opposition and the media’s harsh criticism. Though the accusations were aimed at the entire state apparatus, beyond the formal distinction SDP/government, the interactions between and within these two units were by far more complex than a simple “rallying around the flag”. Recalling the earlier detailed multi-level approach of the decision-making process may prove helpful in grasping the mechanism of these interactions. The effective unit led by Prime Minister Năstase and comprising the 11 Ministers members from the DP applied a strategy meant to mitigate the deterioration of its image and credibility in the eyes of the voters and acted throughout the crisis as a unified, highly cohesive body. An illustrative sign of the strong party discipline and cohesiveness was the prompt compliance at the lower level of the Tulcea Branch, which unanimously decided to exclude Pavalache from the party only a few hours after the informal “suggestion” made by the DP. Throughout the crisis, no individual member or group whatsoever expressed any distinct position/shade on the matter. Even the rare individual statements made by a few party officials (such as Vice-presidents Văcăroiu and Solcanu) were in accordance with the message outlined in

24 Obviously, text analyses may highlight different degrees in the critical tone of the newspapers (between for instance *România Liberă* – renowned for its enmity to the government of that time and respectively *Adevărul* – said to be close to the political power), but those shades should not obscure their common feature – the negative tone towards the government

the press conference that followed the Permanent Delegation, emphasizing the need for a “little clean up” within the party.

Within the government, however, inter-level conflict (and not cooperation) seems to have been the dominant interaction pattern. This impression, discussed in the previous section, was already evident at the beginning of the crisis, when MoPI issued a press release on behalf of the entire government, announcing Pavalache’s arrest in such a manner as if the SGG did not belong to the government. Soon after, SGG made its own press release, though this was not compulsory in accordance with the government’s internal regulations.²⁵ This impression was to become even stronger on the following days, when Mihăilescu appeared to have been left to face the growing public pressure alone. He thus issued several press releases on behalf of the lower level of SGG, trying to exonerate himself from the accusations of corruption brought up by the media, while no superior SDP/government official made any statement whatsoever trying to defend him. Moreover, both of the Prime Minister’s and NAPO Chief Prosecutor’s separate warnings that the Pavalache case was just the beginning of a further investigation and SDP’s collectively assumed need of “cleaning up” fueled some media speculation (Fotache, 2002; Meseșan, 2002b; Negruțiu, 2002) that Mihăilescu was doomed to join Pavalache²⁶ in playing the role of a sacrificed pawn, meant to protect other more important officials involved. Finally, strong proof of an inter-level conflict within the government was evident in the “blame game” played by Mihăilescu himself, when he lamented that though “other ministers [presumably some of the 11] are more deeply involved, [...] I am the hunted one” (Meseșan, 2002b).

Why no superior SDP/government official reacted to these allegations and why Mihăilescu eventually managed to keep his position in the government may have much do with President Iliescu’s involvement in the crisis. Framing the latter’s relationship with the decision-makers in simple terms of cooperation/conflict remains difficult, due mostly to the lack of adequate empirical evidence. The rivalry in his relationship with the Prime Minister was already well known at the time of the crisis, which caused some journalists to consider the Pavalache case as another episode of their ongoing dispute. A more recent revelation amplified such speculations; that is the open letter written by Pavalache from prison in June 2003, in which he accused the investigating

25 According to its statute (available at <http://www.publicinfo.ro>), MoPI is the government’s specialized institution that elaborates, promotes and applies the national strategy for the following domains of responsibility: public information, relations with Romanians abroad, and interethnic relations. It is directly subordinate to the Prime Minister and informs the international and domestic public about the government’s activities.

26 As discovered afterwards by the press, Mihăilescu had actually signed Pavalache’s recommendation letter to the government, guaranteeing for the applicant’s moral integrity (“Panică în...”, 25 October 2002).

prosecutor Miclescu of being backed by Iliescu in obtaining compromising information about Năstase. Since the supposedly manufactured crisis was likely to damage Năstase's image as chief of government, some questions still remain unanswered: What did the two talk about during their unusual private meeting on October 22? Was this their only discussion? Where and how is the result of that discussion to be identified in the course of the events?

Regarding the last question, what surprised some was Iliescu's change of attitude. On Monday, he firmly stated that no one involved should be pardoned, a statement implicitly covering Mihăilescu (at that time already considered involved by the media and the opposition). Then a day after his meeting with Năstase, he chose to defend the government's Secretary General against the media's allegations, as Iliescu considered Mihăilescu not guilty for a crime committed as an individual act²⁷ by one of his subordinates. One possible explanation for this contradiction would suggest that Iliescu identified an unique opportunity to further strengthen his advantage over his political rival: by saving Mihăilescu, who was likely to be sacrificed by Năstase (in what would have represented a remarkable "image-strike"), Iliescu gained an extremely precious ally, the very Secretary General of the institution led by his archenemy. As for why Năstase did not simply replace his subordinate, especially if he had noticed Iliescu's plan, there are two reasonable motives. First, according to article 85(2) of Romania's then acting Constitution (1991), a Prime Minister's proposal to replace a Minister requires the President's final approval, and second, going public to force such an approval would have been a high-risk move for Năstase, given Iliescu's popular support and simultaneous influence within the SDP as its founder and mentor. Thus, we can assume that Năstase was forced to keep Mihăilescu in the government.

Alternatively, we can think of a cooperation-pattern. The starting point could be Iliescu, who may have deliberately provoked the events in a symbolic effort to prove the effectiveness of NAPO and the genuine character of the authorities' anti-corruption fight in the eyes of the EU officials, who had just released their regular country report, again pointing out corruption as a widespread problem. In this scenario, though Iliescu may have skillfully generated the crisis, he also may have underestimated the subsequent public interest in the case; hence, the media's advancing investigations threatened to disclose other aspects, including the President's and other officials' less than moral involvement in the case. Furthermore, if Mihăilescu was to be fired, the scandal was most likely to amplify, not only because of the latter's foreseeable defensive reaction (which happened anyway), but also by encouraging the newspapers

27 Although not an object of our analysis, Iliescu's second statement points out a controversial issue regarding the principle of whether or not, when, and to which extent someone should be made responsible for a crime committed by one's subordinate.

to continue their investigations, as their initial allegations were proven to be right. Therefore, we can assume that during their closed-door meeting, Năstase and Iliescu agreed on avoiding any further measures that risked amplifying the crisis, which had already reached threatening proportions.²⁸

Among other involved institutional actors, NAPO appeared the most prominent. It too was criticized by the opposition of concealing the higher officials involved, though surprised by its unprecedented action of arresting a government employee (Negruțiu, 2002). Some media alternatively considered the possible autonomy of NAPO in this scenario, as the prosecutors would have been engaged in a war against the Mafia within the state administration, using IBR president Ion Popescu as a “Trojan Horse” (Pătrășcanu, 2002). However, the fact that Pavalache remained to this day the only one condemned in the dossier tends to contradict this claim in favor of the media and opposition predominant opinion that NAPO, led by a close friend of Iliescu, represented just another instrument of the President in his conflict with the Prime Minister.

To sum up, patterns of both cooperation and conflict characterized the “bribery crisis”. The “rallying around the flag” tendency within SDP’s highly centralized structure vividly contrasts the “blame game” initiated by Mihăilescu in his conflict with the upper level of SDP/government. President Iliescu, apparently motivated by his enmity to Prime Minister Năstase, seems to have reproduced this twofold pattern of interaction when he first resorted to his cooperative-like relations with NAPO’s Chief Prosecutor and then protected Mihăilescu in order to exert more pressure on Năstase.

Crisis Communication and Credibility

The maintenance of credibility and legitimacy with the media and the public being an essential task of successful governance in crises and normal situations alike (Stern and Sundelius, 2002: 79), the present analytical theme’s relevance to this study seems self-evident, especially as the nature of the here discussed crisis was essentially one of image and credibility for the government. At a

28 This alternative cooperation-based scenario with Iliescu provoking the crisis and then forcing Năstase to cooperate seems by far more plausible than a third one, advanced by other observers of the events (see Sadeanu,, 22 October 2002) who suggested that it had been Năstase himself who had orchestrated Pavalache’s arrest. In this latter case, we should doubtfully and simultaneously: 1.) Reject all partially sustained evidence about Iliescu and Talpeș’ connections in NAPO; 2.) Presume that, for some unknown motive, Iliescu didn’t take advantage of his rival Năstase’s vulnerable position as the head of an allegedly corrupt government; 3.) Believe that Năstase had riskily underestimated the public interest, not anticipating all the high officials that were to be incriminated by both the media and the political opposition; 4.) Assume that Năstase had a reason of his own for keeping Mihăilescu in the government when the crisis escalated; 5.) Foremost, totally omit Pavalache’s open letter written in June 2003 from prison, in which he denounced the pressures exerted on him to compromise Năstase.

time when the domestic opposition, the international community and opinion makers (such as the European Commission or Transparency International) were pointing out the high level of corruption within the state apparatus, the successful management of a crisis that hit the core of the government had become even more important in light of the country's efforts for EU integration. In this regard, the government's crisis management seemed ineffective in avoiding a serious loss of credibility. When issuing such a verdict, we consider three criteria for analysis: the extent in which it succeeded to mitigate the negative comments in the media; the public opinion's perception of the events as measured by pollsters and/or discussed by analysts, and comments undertaken by objective institutions analyzing the events, as in the case of the EC in its regular country reports on Romania.

Corresponding to the earlier distinction between the two decision-making levels, two approaches seem to have been chosen by the authorities in dealing with the crisis. Although of a different source and nature, both of them failed to produce a satisfactory outcome. The first approach, pursued by the "11 person decision-unit" led by Năstase was a proactive one, seeking to maintain the initiative in the communication process and in the course of the events. Thus, MoPI preceded the SGG in announcing Pavalache's arrest, thus initiating the crisis as the news became public. Then, albeit miscalculating the public's interest at the beginning, the government/SDP leadership tried to recover the lost ground the next day by promptly announcing Pavalache's exclusion from the party and emphasizing the need for a "clean up" before the opposition actually extended the blame upon the entire political power. Similarly, Năstase preempted another possible accusation when warning all officials tempted to jump between politics and business (Mediafax, 21 October 2002). Finally, on October 24, the Prime Minister's decision to screen all government councilors was announced and the Minister of Justice approved the penal punishment of the two magistrates presumably involved in the IBR files, though neither the opposition nor the media had demanded such measures.

Still, this proactive stance did not manage to prevent a serious deterioration of the government/SDP's image in the media. Nor did the implicit delimitation from Pavalache and Mihăilescu or the appraisal of NAPO's apparent independence help matters. And this is especially interesting when recalling that the Romanian media of the transition years was largely subordinated to the political power, to which it was linked by their owners' economic and political interests. However, in the particular case of the Pavalache crisis, though at different degrees of intensity, basically all written and audio-visual media went on to criticize the government and the SDP. As said above, corruption was not a new phenomenon in Romania. But the Pavalache case in particular still generated a significant loss of credibility for the government and the SDP for at least

five reasons, which may also explain the media's unitary position in the case. First, corruption had in this particular case hit the heart of the state apparatus, which triggered a massive public interest in the affair, stimulating the media to deepen their investigations. Second, the scandal occurred only a few days after the EC had again warned the Romanian authorities about how corruption was altering the domestic political and economic climate. Third, according to the allegations in the media, the case involved not only Pavalache as an individual, but the entire state apparatus, the judiciary, several businessmen, and even the SRI. Fourth, the political opposition reacted vehemently and unified like never before and also claimed that several high officials were involved. Fifth (and as a possible proof of the scandal's proportions), it was the first time that the SDP publicly mentioned the need "to clean up the party". In this light, one other significant reason for failing to contain the image crisis appears to have been the isolation of Mihăilescu, whose defensive stance only strengthened the public's impression that there was something suspicious with the lack of coordination within the government.

In contrast to the government/SDP leadership, the Secretary General reacted rather hesitantly to external stimuli then applied a consistent strategy in dealing with the situation. His multiple hesitations and contradictions not only placed him as a candidate for the worst practice status, but also affected the whole government. Thus, SGG's delayed press release on Sunday, October 20, falsely stated that Pavalache was not a civil servant, although the government spokesman Claudiu Lucaci had already told the journalists that the man arrested was probably to be suspended in accordance to Law No. 188/1999 regarding [specifically] the Status of the Civil Servants (Savaliuc, 2002). Then, Mihăilescu's announcement that all councilors working at the SGG were to decide between pursuing business adventures and keeping their government jobs (Țigănescu, 2002) was overshadowed by his ulterior dumbfounding statement "if Mr. Pavalache wanted to do this, he could have told us, and we would have remained friends, instead of having to do investigations and other stuff now" (Purcăreanu, 2002). Moreover, it took the Minister no less than four days to finally clarify Pavalache's professional status at the government, thus implicitly admitting that he had lied until that moment. Soon after came Mihăilescu's shocking statement that other ministers were also deeply involved but that he had been the only one hunted down (Meseșan, 2002b), served neither his nor the government's image; by playing the victim in this manner, he basically exported his culpability to the system he belonged to.

Aside from Mihăilescu's individual mistakes in managing the crisis, the media also forced some direct damage to the government's image. By assiduously digging for information and revealing hidden details of the case, it exerted high pressure on the main actors involved with particular emphasis on Mihăilescu,

who seemed unable to cope with the growing pressure. Thus, a serious loss of credibility was generated when a journalist from *Curentul* sent the SGG a memo asking for the names of the three councilors who were also businessmen. According to Law No. 544/2001, which grants all citizens access to public information, the SGG should have replied officially, even if negatively, within 24 hours. Instead, an SGG employee replied to the journalist on the phone that Mihăilescu, who had received the fax, refused to release the requested information. Not surprisingly, the next day the newspaper published another highly critical article (Dumitru, 2002).

In the end, the media highlighted a series of unanswered questions that compromised the SDP/government efforts to successfully manage the crisis: Why did the millionaire Pavalache need an underpaid job as a civil servant? Who were the four involved persons to whom NAPO Chief Prosecutor Amarie was referring? Who were the beneficiaries of the four million dollars requested? What was President Iliescu's real role in the events? What did he discuss with Năstase during their private meeting? Why were SRI officers monitoring Pavalache already three weeks before Ion Popescu denounced him (Dobran, 2002)? Why was Pavalache the only one condemned in the bribery dossier? All these unanswered questions, among others, were reasons for the media and the political opposition to believe that the authorities have sacrificed Pavalache, while carefully concealing the other important officials involved, in a time when the government was trying to convince the EU officials that it was genuinely engaged in combating corruption. Thus, in the end Pavalache was sacrificed.

As for the international bodies, EC's 2003 regular report on Romania again mentioned corruption as still "widespread", "a cause for serious concern" affecting "all aspects of the society" and undermining "the effectiveness and legitimacy of state institutions" (EC, 2003: 13, 20). And in regard to the NAPO, whom the authorities had tried to make the winner of the situation, EC considered that it was still limited in executing effective investigations. While in the broader perspective, the report acknowledged the creation of new institutional structures meant to fight corruption, but also underlined that they still lacked significant impact (EC, 2003: 20-1, 13).

Finally, judging the government/SDP's crisis management strategy under the scrutiny of the domestic opinion, a differentiation should be made between the individual Năstase as a key decision-maker and the collective government/SDP decision unit. The Prime Minister's proactive stance and preemptive-like strategy appears to have helped his public image a little; a survey undertaken by the CURS pollster a few weeks after the crisis surprisingly showed no less than 45% of the interviewed would have voted for him as president at that moment (whereas the second placed candidate amounted only 17% of the preferences). Comparatively, another poll previously undertaken in the period

October 10–22, 2002, showed a figure of 37% (OSF, 2002).²⁹ Although the SDP members had remarkably “rallied around the flag” during the crisis,³⁰ its public support a few weeks after the crisis was significantly different with a relative majority (33%) of the respondents considering it by far the most corrupt party in Romania³¹ (Ionescu, 2002). Paradoxically enough (but explainable not by SDP’s own performance, but rather by the weak performance of the other parties), 48% of the respondents would still have voted for SDP in eventual legislative elections, but even this figure shows a slight decrease in comparison to the 53% figure measured before the crisis by the first poll. Thus, judging comparatively, Năstase seems to have maintained an overall better image than his party.

Conclusion

Our concluded analysis aims to provide an explanation of how the involved decision-makers chose to manage in October 2002 the “bribery crisis”, regarding the arrest of a Romanian government employee for influence peddling. In order to achieve a clear understanding of the goals and strategies identified and pursued by the decision-makers in the interplay of the perceived opportunities and constraints, we have opted for the “four-step approach”, successively focusing on: the crisis context, its chronology, the main decision-occasions, and the most relevant analytical themes.

The nature of the crisis, one of credibility for the government, may be more properly perceived in the context in which it occurred. At the international level, Romania’s efforts to fulfill the Copenhagen criteria had been constantly accompanied by EU warnings about the country’s high level of corruption. The relevance of these international circumstances stem from the fact that Euro-Atlantic integration represented, as detailed in the present volume’s context chapter, the only constant in domestic politics with huge popular support, and thus it shaped (constrained) the domestic decisions of the political power. At the domestic level, the same problem of corruption, which the government had

29 The 2002 autumn edition of the biannual Public Opinion Barometer conducted by Metro Media Transylvania. In regard to the mentioned figures, it still should be noted that 37% of those interviewed would have voted for Năstase if Iliescu was not to run for presidency. However, according to the same survey, if Iliescu was to run, he would have been voted for by 32% at that moment, while Năstase, in second place, gathered only 20%!

30 It also showed that the party had learned to react more like a unified, cohesive body against an exterior threat than in previous cases, such as the scandal caused the Internet posting of the so called “Armagedon II” report on January 17, 2002 (for further details, see for instance <http://www.tradepc.co.nz/diasromnz/politica/htm>).

31 Unfortunately, the first poll, conducted by Metro Media Transylvania before the crisis, did not include a similar question that would allow a comparison.

addressed by establishing the controversial institution of NAPO, was related to the IBR judicial dossier, rapidly linked by the media to the Pavalache case and also to the prolonged political struggle for influence between President Iliescu and Prime Minister Năstase.

Lasting for a week, the crisis escalated rapidly due to public interest, probably underestimated by the decision-makers, but generously fueled by the disclosures on the case provided in the media and by the reaction of the political opposition. Following the initial miscalculation, the government, identical at its top with the SDP leadership, had to cope with growing external pressure along several decision occasions. Shaped predominantly by informal factors and choosing alternatively between action and inaction, the small government/SDP decision-unit was led by Năstase as the main decision-maker. It interacted with other actors and stakeholders in patterns of both cooperation (like within the highly cohesive SDP) and conflict (like between Năstase and Mihăilescu within the government, or between Iliescu and Năstase) with the overall goal of mitigating the deterioration of the two institutions' images.

Aside from the failed attempt to divert the attention of the critics to the appraisal of NAPO's claimed independence and usefulness and the proclaimed (but hardly credible) commitment to "cleaning up the party", the apparently main strategic decision was to informally isolate and potentially even sacrifice the government's Secretary General, after the both foreseeable and unavoidable exclusion of Pavalache. As the poll conducted afterwards showed, this decision failed however to produce satisfactory results in relation to the domestic image of the authorities involved for three main reasons. First, President Iliescu was involved in the crisis as a key-actor and apparently prevented the sacrifice of Mihăilescu by putting a "Trojan Horse" in his rival's headquarters, in spite of the media's general incrimination of the latter's involvement. Second, whereas it was foreseeable that the political opposition was not to be misled by SDP's attempt to divert attention towards NAPO's independence, but instead to expand their criticism to the entire state apparatus, the media's unified and incriminating position may have come as a surprise for the authorities. In this particular case, the media played an independent role³², possible given the huge public interest in the case, and distanced itself from the authorities whom it did not hesitate to accuse. Third, Mihăilescu's denouncement of the strategy and the "blame game" he initiated amplified the negative impact on the government/SDP's image.

Similarly, EC's and other international bodies' following annual reports continued to signal that corruption was still not being effectively dealt with by the Romanian authorities. Even though some alternative interpretations of the

32 Although the media's investigations obviously benefited the political opposition.

crisis pointed out a deliberate strategy of the Romanian government to sacrifice Pavalache (and, if necessary, even Mihăilescu), an attempt was made to send a costly signal to the EU that corruption was finally being taken care of and that justice (represented in this case by the controversial NAPO) was really independent of political interference.

In closing, we can extract some general lessons from our crisis analysis. Firstly, the events analyzed may offer a lesson on how a crisis situation can at least be reasonably mitigated, if not turned into a success, by immediately taking a stand, and making firm and rapid decisions, as was the case with the Prime Minister (by organizing the press conference after DP's Monday meeting and making the decision to screen all civil servants in the government), instead of adopting a defensive stance and waiting to react to the unfolding events, as was the case with the Government's Secretary General. Secondly, though sometimes ingenious, deliberately fracturing intra-institutional cooperation (in moves such as Mihăilescu's isolation) is often risky; the publicly perceived lack of cooperation and cohesion within an institution exerts a negative influence on its image and further threatens to amplify the crisis with a spill-over effect. Last, but by no means least, the evolution of this crisis highlighted the importance of the media. In a general overview of the last 15 years in Romania, the media appeared to be subordinated to the political power, regardless of who was actually in power. Still, in some situations, as was the case in the bribery affair, the level of public interest encouraged the media to take a genuinely independent position towards the authorities and serve the public's interests. Even though the government underestimated the opinion-making role, the media was the key factor in the crisis' rapid escalation, by the revelations it made. In general, by taking a more proactive role, the media can become a genuine actor in a crisis instead of simply mirroring the events and distributing information. This is especially true in a crisis of image, as was the case in the above analyzed bribery crisis.

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Chapter 6

The Jean Monet Bombing

Delia Amalia Pocan

Introduction

On November 6, 2002 a grenade exploded outside the Jean Monet High School in Bucharest. Five students were injured and taken to the Floreasca Emergency Hospital (“ Procesul Grenadierului...” , 11 September 2004). The bombing took place in the afternoon, at a time when students were leaving their classes. Jean Monet High School is a state education institution and recruits many of its students from Romania’s political elite. For example, Prime Minister Nastase’s son attended the school at the time of the bombing. The school is situated in one of the more wealthy areas of Bucharest, not far from the residence of the President. The situation required quick operational action from the police and hospital services. Due to the status of the target, the Secret Service was involved. The crisis immediately escalated to the top political level, engaging the President, the Prime Minister and several Ministerial departments. Promises were made to quickly find and convict the attacker.

The overall aim with this study is to examine how the involved actors perceived the problems at hand and what measures they took to resolve the problem. More specifically, I will analyze the level of mental and institutional preparedness, institutional cooperation and conflict, and crisis communication:

all essential dimensions in understanding the management of the Jean Monet crisis.

Defining the Crisis

Referring to the crisis definition discussed in the introduction of this book, I describe in what sense the Jean Monet bombing conforms to the three crisis criteria: perceived values at stake, uncertainty, and limited time available (Sundelius et. al. 1997). Obvious values were at stake, namely people's lives and health as a result of the explosion as well as the lack of public security at educational institutions. Yet it was not clear what this crisis was all about and how it should be defined. Was it a random incident that could have happened anywhere at any time, and the fact that it took place at this particular high school was a mere coincidence? Or was it the result of a vendetta between different criminal gangs? Was it an attack on the families of the top politicians in Romania? Or was it a terrorist attack, attempting to shake state security? The framing process of the crisis was highly political. It took place on the top strategic level with important implications for the operative measures in finding the perpetrator.

If we further consider uncertainty, the incident created a wave of instability in the capital city. An attack of this sort was a new phenomenon for the Romanian population as well as for the decision makers. The media had an important impact in terms of conveying the chaos at the scene, as well as putting strong pressure on the responsible actors to act. The Jean Monet explosion took place only two weeks after the hostage taking at Moscow's Dubrovka Theatre. With this tragedy still fresh in mind, the involved actors arguably felt a great deal of pressure to avoid a similar crisis in Romania.

In cases like the one at Jean Monet High School, action during the first half hour are of crucial importance: blocking the event's perimeter, rapid investigation of the streets and buildings, and gathering the primary information. The more time that passes, the harder it is to gather reliable evidence and identify the guilty party. Furthermore, there were few press releases from the officials in charge and the main actors had difficulty agreeing about the cause and origin of the crisis.

The Jean Monet crisis also created political opportunity for several actors: the President, the Prime Minister, and other actors such as the police. In the beginning, the crisis was considered an image-building opportunity; however, the management of the crisis resulted in the fact that the credibility of several actors was questioned.

Sources

There was a lack of available material in this study since most of the official documents written on the case were, and still are, classified. As for the Court files, almost 50 pages will be available for the public only after they have been declassified or after they have received special approval by the RIS or CSAT. This chapter is therefore mostly an analysis of how the event was reflected in the press. Several newspapers have been examined: *Libertatea*, *Nine O'clock Magazine*, *Ziua*, *Jurnalul National*, and *Curentul*. One particularly important source was the archive compiled by the “*Evenimentul Zilei*” newspaper right from the very beginning of the crisis.

Of course, the facts presented in the press at the time of the crisis were not objective and sometimes the information was adapted to suit the agenda of the individual newspapers. Therefore I tried to just pick out the facts and not the conclusions presented in the newspaper articles.

In addition a few personal interviews were conducted. Due to the sensitivity of the issue, the respondents have asked to be kept anonymous and thus I only refer to their institutional affiliation.

Context

Romania has undergone a tremendous transition over the past 15 years. Furthermore Romania is faced with new challenges and a new security environment. This is obviously a demanding task for any country, especially one with scarce resources and limited experiences of security cooperation. Although Romania may have human resources for such tasks, it is lacking technical support. As one of the people involved in the Jean Monet investigation declared: “It is pointless to try to have an investigation like those in the USA, because we do not have the technical support to do it. We go more on our feeling and intuition, and use psychological factors rather than the technical support we do have.”¹

Complementary to the technical equipment of leading a criminal investigation has to be the legal framework and the enforcement of the law. Depending on the intent of the crime, different state institutions are involved: just a simple incident may be investigated by the police, an allegation of terrorism is investigated by the SRI, and organized crime may be investigated by the Ministry of Interior perhaps in collaboration with foreign agencies.

1 Interview on 2003-03-20

Socio-Political Context

In the years following the 1989 Revolution, Romania has experienced an enormous transformation in all sectors of society. Although many of the Romanian governments have tried to fight against corruption and poverty and to create a better life for the Romanian citizens, the reality has proven more difficult and there is still a long way to go in terms of solving these problems. During the ongoing transition process, Romania has developed into a country of paradoxes. It is a country where it is common to see a poor old woman on the streets begging for money next to a brand new Mercedes. Romania is not poor, but most of the Romanians are. In the years after the '89 Revolution, a new social class gave way in Romania. Involved in all kinds of activities, more or less legal, these people enjoy a good life and their children have the same opportunities as children with more affluent parents, belonging to the political elite.

Forty years ago, the Yugoslav leader and writer Milovan Djilas² made headlines in the West when he published his book *New Class*,³ claiming that in the Soviet Union the ruling class was not comprised of the working class but rather of Communist bureaucrats. After the fall of USSR and the rise of Russia, he states that a new class of millionaires succeeded in just five years to acquire great fortunes and to control the majority of the national resources, enterprises, and banks. This phenomenon started in connection with Gorbachev's *perestroika*⁴, and the flip side of the reform was *glasnost*⁵, which many of the new actors did not like. Russia showed the way and broke the trend of more than 40 years of

2 Milovan Djilas, 1911- 1995- Yugoslav leader and writer. A Communist party member since 1932 and after WW II he was elevated to high positions in the party. His support for the Hungarian revolution (1956) brought him a prison term, which was extended in 1957 when his book *New Class* was published in the West. Released in 1961, he was imprisoned again in 1962- 1966. Although he welcomed the end of the Communist rule in Yugoslavia, he was critical of both Croat and Serb Nationalists.

3 The book is an abiding criticism of communism. In his opinion, communism was not the just and egalitarian social system that it claimed to be, but a grabbing of spoils and privileges by a small number of unscrupulous people.

4 *Perestroika* is the Russian word for the economic reforms introduced by the Soviet leader Mikhail Gorbachev. Its literal meaning is "restructuring", which referred to the restructuring of the Soviet economy.

5 *Glasnost* was one of Gorbachev's policies introduced in 1985. The term is a Russian word for "publicity" and "openness." The main goal of this policy was to make the country's management more transparent and open to debate and to change the fact that the main political and management decisions were made by a small group, the Politburo. In the late 1980s, the Soviet government came under increased criticism, as did Leninist ideology (which Gorbachev had attempted to preserve as the foundation for reform), and members of the Russian population were more outspoken in their view that the Soviet government was a failure. Glasnost did indeed provide freedom of expression, far beyond what Gorbachev had intended, and changed the citizens' view of the government, which finally led to the collapse of the Soviet Union.

Communism; soon thereafter, many of the Eastern European countries followed similar trends. Despite the fact that the evolution of the middle class looked differently in the Eastern European countries than in Russia, the upper class (“the capitalists” – owners of large private enterprises) emerged largely as it had in Russia. Ironically these *nouveaux riches* were mentally shaped and educated in the communist educational system, and thus, this 180 degree turn (from socialism to capitalism) is a fascinating research subject for social psychologists. Tens of thousands of people became rich overnight. “As long as accumulating private capital in the communist society was morally censured and legally forbidden, the new capitalists made a fortune at the state’s expense grabbing goods, equipment, and properties from the state enterprises and commercial organizations” (Brucan, 1998).

Brucan Silviu believes that after the 1989 Revolution in Romania the “symbiosis between the capital and the power” is rather natural and that the establishment of a new social class (i.e. a capitalist one) is the result of “a necessary and inevitable social process” (Ibid.). This new class could not have been created without the former state-owned properties and support from the authorities in power. On the other hand, the ruling class in power was not isolated from the new social environment created around them and it is no surprise that they ended up getting involved in “the profitable business that was going on right under their noses” states Silviu.

The Jean Monet bombing gave rise to a debate in Romania concerning this new social class and about its influence on Romanian society. It also raised questions about the power associated with money that this class owns and moreover about the capacity of the Romanian institutions to deal with the new problems created. Accusations of corruption have been intensely made in the media. Some scandals have occupied the first page headlines for months in a row. In the past few years, the Court of Justice and the Anti-Corruption Court have worked closely with the state institutions in fighting corruption and the spread of the monopoly, sometimes mentioning important names: Senators, Deputies, and government officials; see for example the bribery crisis (Pavalache in this volume).

Institutional Context

According to the institutional system built up to deal with events like the Jean Monet crisis, the Ministry of Interior is formally responsible for handling such matters. But due to the fact that it was the first incident of its kind and the fact that high state officials were near the scene of the bombing, the division of responsibility was in practice divided between the Ministry of Interior, Ministry of Justice, Romanian Intelligence Service, and Service for Special Guard and

Protection. Because Dana Nastase, the wife of the Prime Minister, was present during the incident, the event could have been classified as an attack against an official of the state. I make a brief presentation of the institutions and their responsibilities in the following sections.

Ministry of Interior and Administration

The Ministry of Interior has undergone a large reform process during Romania's transition process and its integration into the Euro-Atlantic institutions. The Ministry has various missions and programs designed to face the challenges and threats of the new environment. Its main responsibility is to prevent, uncover and combat the criminal street phenomena; protect citizens; and maintain law and order in educational institutions, parks and recreational facilities (Strategy for Public Safety and Order of Romanian Ministry of Interior and Administration, 2004).

Ministry of Justice

As one of the most important institutions in Romania, the Ministry of Justice has also been reformed to face the country's new challenges and simplify European integration. But the Romanian Ministry of Justice has been subjected to harsh criticism, regarding the reforms and transparency, by the European Commission in its annual country report. A study⁶ evaluated by the Ministry of Justice, the National Institute of Criminology and the Pro-Democratia Association has revealed that the Romanian judiciary system is one of the most dysfunctional in the country.

The Romanian Intelligence Service (SRI)

One of the significant steps towards the democratization of Romanian society was the restructuring of the Romanian Intelligence Service and its operations in 1989 (Law 51 of 1991 of the National Security of Romania). Its activities are exclusively carried out on national territory. The SRI organizes and conducts activities of collecting, verifying and assessing the intelligence necessary for identifying, preventing and counteracting the actions that, according to the law, are of a nature to endanger the national security of Romania, including terrorism prevention and control. In addition, the SRI advises decision makers in the matters regarding state security, among other things. The SRI does not

6 Source: An evaluation of the integrity and resistance to corruption of the judiciary made by the Ministry of Justice Directorate for the Relation with the Public Ministry and the Prevention of Corruption and Criminality

have the jurisdiction to carry out criminal investigations or arrest criminals (SRI, 2005).

Romanian Service for Guard and Protection

This is the state institution responsible for providing security and protection of the Romanian and foreign (during their residence in Romania) dignitaries, their families, their working places, and their residences. The intelligence activity in the purpose of fulfilling the mission has the character of “secrets of state” (Service for Guard and Protection, 2003).

Romanian Foreign Intelligence Service (SIE)⁷

The objectives of SIE are combating asymmetric threats: terrorism and trans-border crime, foreign counterintelligence, promoting Romania’s political and economic interests, foreign liaison etc. Another task is supporting the process of Romania’s European and Euro-Atlantic integration, by utilizing and cementing the partnerships forged with similar services in the West-European countries.

The features of the international environment and the reassessment of the security concepts after 9/11 have led to the reconsideration and extension of the responsibilities of the intelligence services in nearly every democratic country. SIE has established its own strategy, which provides the necessary framework for: identifying priorities, planning needs and development resources; making efficient use of international intelligence liaison with similar structures abroad, particularly in the Euro-Atlantic area; and adapting to present and foreseeable developments within the regional and international security environment.

The latest international developments have engendered complex challenges and imposed the diversification of the specific activities of the SIE in support of Romanian interests. The diffuse, multidirectional and unpredictable character of the threats to Romanian political, economic and general security objectives and the dynamic of the global phenomena outline the necessity of adapting the tasks and laying emphasis on: increasing the role and importance of anticipatory data and intelligence gathering; re-dimensioning the structure and the tasks regarding asymmetric threats; diversifying the specific means and methods and cover stories; developing the activities concerning economic security; foreign counterintelligence; and the protection of state secrets.

Terrorism and Romania’s Experiences

Although it is difficult to define a terrorist act, terrorism itself should be understood as an assault on a certain set of values. “Most terrorist acts have been

7 Much of the information in this section was found on the SIE’s home page at: www.sie.ro

carried out by specific groups with limited agendas, using small weapons, and within the boundaries of individual states. Transnational networks of the type that perpetrated the September 11th attacks are a relatively new phenomenon. Nevertheless, the international implications and linkages of the more traditional form of terrorism should not be overlooked. Terrorism in a single country can readily become a threat to regional peace and security owing to spillover effects, such as cross-border violence and the creation of refugee populations. Terrorism is a criminal act, but it is more than mere criminality. While subnational or transnational groups usually perpetrate terrorist acts, rulers have also adopted terror at various times as an instrument of control” (United Nations, 1999).

Romania has also experienced domestic terrorist threats both before and after the 1989 Revolution.⁸ In 1984 a Palestinian student with Jordanian citizenship, Ahmad Al- Hersh, killed the Jordanian diplomat Azmi Al-Mufti in Bucharest. The investigation lead by the Romanian authorities came to the conclusion that the killer was a member of the Abu Nidal Organization, which was supported by Syria had declared war on Jordan” (Papadie, 29 September 2004).

The following year, in 1985, a car exploded at Bucharest University killing two officers from the Special Anti-Terrorist Unit. Four members of the Romanian branch of the Muslim Brothers’ Organization (two Iraqis, a Syrian and a Jordanian) had planned the attack. The four intended to kill Syrian citizens identified as “enemies of the Muslim Brothers’ Organization.” (Tudor, 11 December 2003).

In 1991, the Indian Ambassador in Bucharest, Julio Francis Ribeiro, was shot by members of the Babbar Khalsa Group- an extremist group fighting for the establishment of an independent Sikh state in Punjab, India. In the attempt, one of the terrorists was killed and the others arrested (Ibid.).

Considering these experiences and current world experiences of terrorism, there is no reason to believe that the threat of terrorist attacks will simply vanish in the near future. Rather, it is even more important to take this threat seriously, especially now with Romania as a NATO member and will guard the NATO border to an area considered an “arch of instability” (namely the South Caucasus). It is hence important to the Romanian institutions to have functional mechanisms for fighting these new challenges.

The recent terrorist attacks around the world (especially those in Russia and in New York and Washington on September 11, 2001) have been warning signals for the Romanian government to develop a robust system for dealing with terrorism. As a result, two institutions (Romanian Intelligence Service and Foreign Intelligence Service) have been reformed and cooperation between

8 Before 1989, when the media was under strict government control, few people were aware of these threats.

them has been strengthened since they fight common challenges and threats: like national security, terrorism, and organized crime.

Chronology of Events

November 6, 2002

17:45 A grenade explodes in front of the Jean Monet High School.

18:15 Police and Gendarmerie arrive to the scene, alarmed probably by the officers from the Service for Guard and Protection who are already there escorting Dana Nastase (the wife of the Romanian Prime Minister).

Five children are injured and are taken to the hospital. One of them must be operated while the other four victims have minor injuries.

Members of SIE, SRI, Police and Ministry of Interior are present at the site of the incident.

18:45 A commission of experts from the Romanian Intelligence Service and Special Service for Guard and Protection (under the Romanian Ministry of Interior) arrive at the scene of the bombing. Soon thereafter, Senator Sergiu Nicolaescu arrives. Police authorities inform the media that the blast was caused by a handmade bomb (Fotache, 8 November 2002a).

22:00 Road blocks are set up by the police on all main roads. A black Audi is reported as the car of the attacker. (The black Audi was later confirmed as belonging to the father of one of the victims, Mr. Ciuraru, and had been parked in front of the hospital the entire time, according to unconfirmed sources.)

23:00 The latest news reports state that the black Audi is heading north of the capital. National Road 1 is subject to police checkpoints; even a Dacia belonging to a firefighter department is stopped. Two intervention cars block the way out of the city and they check all Audi cars (Ibid.).

The father of a wounded child, Nicolae Ciuraru (also known as “Giani”), is called in by the police for investigation and for details regarding his connection to another Nicolae Ciuraru (also known as “Nino”). Giani is asked about his possible connections with Nino, about any debts he may have, and about potential candidates seeking revenge against him. But he rejects all such suggestions. During the investigation it is revealed that Giani has a small enterprise in the village where Nino lives.

Likewise, it is discovered that a few days before the explosion a man trafficking foreign currency, called Nicolae Ciuraru, was arrested for belonging to the mafia. A few days later, a bomb explodes at a very prestigious high school in Bucharest and injures the daughter of another Ciuraru, who owns a small enterprise in the same village as the detained one.

The authorities try to determine whether the Jean Monet bombing was specifically targeted at young Mariana Ciurare (and thereby a vengeance crime) or whether it was simply a coincidence (Grosu, 8 November 2002).

23:30 All national roads out of Bucharest are blocked by the Ilfov police. They continuing searching black cars.

01:00 Nearly 150 police officers form new road blocks in Chiajna, Mogosoaia, Afumati and Chitila.⁹ The escape vehicle is like a ghost car: everyone is looking for it but no one can find it. Information is contradictory; the car is reportedly on National Road 7, in northern Bucharest, and in sector 3 of Bucharest (*Adevarul Archive*, 8 November 2002).

01:20 The general alarm is now advanced to the national level.

A suspicious car is found in Chitila. It has no plates. The car was seemingly abandoned near the police checkpoint. Witnesses give details regarding the number plates of the suspect car, which apparently match those belonging to Ciuraru (i.e. the black Audi).

01:30 The father of the wounded girl is called in for investigation at the Bucharest Court House. Shortly after 2 in the morning, he is released. Some rumors say that Ciuraru accused those people with whom he had had conflicts.

03:00 At the Emergency Hospital Bucharest the most seriously injured victim recovers after surgery.

04:00 Only the Bucharest Gendarmerie special vans are still on the streets of Bucharest. The empty streets are being patrolled by the Circulation Police Department.

November 7, 2002

There are police checkpoints on NR 1 and over 700 police officers are looking in the Prahova District for the attacker(s). The Prahova Police Department is also briefed on the situation. Damian Miclea, Head of the Prahova Police Department, coordinates a team of 12 police representatives and 24 officers.¹⁰ The preliminary findings by the forensic technicians point to the fact that the grenade is Romanian.

November 8, 2002

The police have managed to produce a composite picture of the suspect, based on eyewitness statements. The authorities, the Romanian Prime Minister, and some journalists make very emotional statements about the bombing, making

⁹ Chiajna, Mogosoaia, Afumati and Chitila are satellite villages of Bucharest.

¹⁰ ROMPRES brief in November 7, 2003.

November 6 appear like a Romanian September 11 (Chelemen, 23 January 2003).

November 9, 2002

The authorities returned to their initial hypothesis that the explosive object was indeed a grenade after finding the handle of the grenade. The police offer no concrete information regarding from where the grenade was thrown.

The Head of the Bucharest police, Gheorghe Mihai, regards the theories claiming that the incident was an act of terrorism, an attack targeted at the wife of the Prime Minister, or a Mafia reprisal as mere speculations.

Traffic in the area is resumed.

November 14, 2002

Police detain two suspects, but there is no legal basis for holding them for more than 24 hours (Levant et al., 14 November 2002. An additional 30 suspects have been picked up by the police and are called in for questioning.

November 2002 and February 2003

The police continue their investigation.

February – March 2003

Several other bomb threats are reported to the police. On February 20, 2003 the police receive an anonymous phone call announcing that a bomb is going to explode at the Jean Monet High School, however no bomb is ever found. On March 14, an unidentified person leaves a grenade in Cismigiu Park, which is located near another well-known high school (Lazar High School), but it fails to explode.

On March 23, four months after the Jean Monet bombing, the special police forces take Dragos Ciupercescu into custody and charge him with the high school bombing (“Teroristul de la Monnet,” 26 March 2003). According to the Minister of Interior, he had another five grenades hidden in his father’s grave and was apparently planning another attack. He is considered the most hunted man in Romania at the time. At first Ciupercescu rejects all allegations, but on March 25 he has a nervous breakdown and suddenly confesses to the crime (Carbunaru, 26 March 2003).

The prosecutor general’s office states that a five-day warrant has been issued for the arrest of Dragos Ciupercescu on charges of “acts of terrorism,” based on an emergency decree issued by the government in 2003 (*Evenimentul Zilei*, 25 March 2003). If found guilty of these charges, Ciupercescu faces a possible sentence of 15-20 years behind bars. According to the investigators the suspect

is a former military officer, who sometimes was hired on a contract basis by the Defense Ministry, but at present is unemployed (Ibid.).

Sources inside the Bucharest police say that the grenade found in Cismigiu Garden is similar to the one used in the Jean Monet High School explosion. The investigators try to establish whether the two grenades are part of the same lot (Ibid.).

Furthermore the investigators say there is evidence supporting the fact that Ciupercescu tried to blackmail the authorities for money. Apparently after the Jean Monet bombing, Ciupercescu sent a letter demanding 2 million dollars to the headmaster of the high school and after placing the other grenade in Cismigiu Garden, he phoned the police and demanded 10 million dollars.

March 2005

Three years after the Jean Monet bombing, the court sentences Ciupercescu to 11 years in prison; but since he has already served two years of imprisonment, he will only spend an additional nine years in jail (Torr, 9 March 2005).

Decision Making Occasions

An Explosion at the Jean Monet High School – Finding Out Who and Why

The alarm regarding the bombing at the Jean Monet High School reached the police soon after the explosion, but it took an hour before the special pyrotechnical team and police forces had blocked off the area. The delay meant that people were freely walking around the area for an hour (Militaru and Valcu, 7 November 2002).

The police began by questioning witnesses, securing evidence, and blocking off roads. There were numerous witnesses that claimed the grenade had been thrown from a black Audi by the school gate. According to one of the teachers, a group of boys was to blame for the incident (Ibid.).

The Ministry of Interior issued an order to block the country's borders, and police forces all over the country were looking for the Audi supposedly involved in the bombing. It was later revealed that the car belonged to the father of one of the victims and had apparently been parked in front of the hospital soon after the bombing, because the father had accompanied his daughter to the hospital.

Shortly after the bombing, Senator Sergiu Nicolaescu arrived at the scene of the attack and ordered it to be cleaned up. As a result, possible evidence was removed and the investigation was made even more difficult. This interference was long debated afterwards, since it had such negative effects. This illustrates how the strategic level, in wanting to show some determination and force-

fulness, intervened with the operative measures that in the end had negative consequences.

The information management of the crisis was also poor. On Wednesday evening the police authorities said that a defensive grenade had caused the blast, and the next day pyro-technicians said that it was a Romanian grenade. Later the public was informed that it was not a grenade. Then on Saturday, the authorities returned to the first assertion that the blast had in fact been caused by a grenade, after finding the handle of the grenade.

On the day after the bombing, the police investigated whether the get-away car was indeed the one belonging to the father. The findings were not made public (Nine O' Clock Magazine, December 2002). The Head of the Bucharest police, Mihai, publicly dismissed all allegations about the incident being a gang fight with the target being Niculaie Ciuraru's 13 year old daughter, Mariana Ciuraru. Nevertheless, investigators checked Niculaie Ciuraru's connections with certain mobsters and he was interrogated by the police; however, he firmly denied all involvement in criminal activity.

An Attack on State Institutions – Defining the Problem

As soon as the information about the explosion reached the different actors, the important question was how the event was to be framed and defined. Was it a "normal" crime falling under the responsibility of the police, or was it to be seen as a terrorist attack aimed at threatening national security? This strategic choice of defining the issue was not self-evident, and yet of utter importance for continued management of the crisis.

Parallel to the operational work in the field, a framing process immediately started on the highest political level. The impact from the strategic level came to have an initial strong influence on the crisis management process. The fact that it was framed a common criminal act one week after the incident delayed the investigation and made it even more difficult. This should have been done the day after the bombing and the case should have been given to the investigators with special assignments. The fact that it was not represents a fault in the system and in the involved institutions.¹¹ Nevertheless, there were strong reasons to believe that this was a terrorist attack, targeting the Achilles heel of the top politicians (i.e. threatening their family members). It is a well-known fact that Prime Minister Nastase's son was attending Jean Monet High School, as well as children of diplomats and state/government officials. In addition, the residence of President Iliescu is situated less than 400 meters from the high school. The President's wife, Nina, was at their home at the time of the bombing.¹²

11 Individual interviews conducted on May 15, 2003.

12 She was evacuated from the house, but had no physical injuries.

Also, it should not be forgotten that the bombing in Bucharest occurred only two weeks after the Chechen terrorist attack in a theatre in Moscow, where 800 people had been taken hostage and at the end of the incident 120 hostages were killed by the special forces of the Russian police. This event, still fresh in the minds of many, arguably impacted the problem framing.

Prime Minister, Adrian Nastase, during his visit to the hospital on the night of the bombing, announced that measures were to be taken for the protection of children in schools. The next day Head of the Rapid Intervention Brigade of the Romanian Gendarmerie, Colonel Lucian Pahontu, stated, "All educational institutions are being guarded by the Gendarmerie" (Oancea, 8 November 2002a). But he did not state whether the measures would be implemented in the entire country. In the days following the incident, the security of schools was tightened.¹³ In addition, BAT (the Antiterrorist Brigade)¹⁴ was called in following the Jean Monet bombing in order to protect against any potential terrorist attacks.

Two days after the incident, on November 8, 2002, the Prime Minister stated at a video conference that he demanded increased security measures against possible "terrorist actions" and that dams, airports, bridges, the defense industry and communications required tighter security. In his opinion the situation was created by the fact that security guards receive little training in fighting terrorism (Ruse, 9 November 2002). In January, all of the security guards at the educational facilities were removed, mostly due to the fact that parents were the ones paying for them (Chelemen, 23 January 2003).

A clear indicator of the attention this crisis received was illustrated by the number of top level officials who visited Jean Monet High School following the bombing: Gabriel Oprea (Bucharest's Prefect), Sergiu Nicolaescu (SDP Senator), Ecaterina Andronescu (Minister of Education), and Prime Minister Adrian Nastase. On the night of the bombing, the Head of the Supreme Court of Justice (Tanase Joita) was in Germany at a meeting with her German counterpart but quickly returned home in order to visit the scene of the attack just 24 hours after the incident had occurred (Fotache 8 November 2002b).

13 One of the gendarmes who guarded the Jean Monet High School for 24 hours after the blast said that it was useless to guard schools with gendarmes. "What could two or even 100 gendarmes posted in front of schools do, if somebody throws a bomb? I am telling you, there is nothing we can do, and we would only be cannon fodder, nothing more" (Adevarul Archive, 8 November 2002).

14 In 1990, USLA (Special Unit to Fight Terrorism) changed into BAT (Antiterrorist Brigade). It is a central unit within Romanian Informational Service (RIS), capacitated to organize and execute prevention, neutralization and annihilation of terrorist activities on Romanian territory. It developed cooperation agreements with MI, MoD, Ministry of Justice, MFA, Ministry of Finances, SIE and SPP.

The Public Demand for Quick Results

Pressure from the media was strong and the police had difficulties in demonstrating the degree of effectiveness and forcefulness the public was demanding. This was devastating for the credibility of the police in the long run. Although most of the pressure was directed towards the Romanian Police, the investigation was mainly carried out by the Ministry of Interior and Romanian Secret Services.

The general prosecutor, Mihai Gheorghe, promised “that in three days time, the guilty party will be held responsible,” although at the time of his announcement there were no clear facts pointing to one suspect, let alone any conclusive evidence. Gheorghe seized the image opportunity and wanted to show that the situation was under his control (Nine O’clock Magazine, December 2002). Yet by making promises that were unrealistic to be kept was a clear sign that the officials were not fully aware of the magnitude of the crisis.

In the months that followed, police called in various suspects in order to feed the media’s hungry demands. Petty criminals with shady backgrounds were used to cover up the police’s, in particular, and the Ministry of Interior’s, in general, lack of efficiency. The police searched deep into the world of criminals and Bucharest’s “bad neighborhoods.” The police had hoped that under pressure some of the criminals would reveal useful information about those responsible for the bombing and that gang members would in a sense “help” find the villain for fear of being convicted themselves. The police tried for months to assure the media and the public that they were doing something about the case, but they had no results to show. The main prosecutor, Florin Sandu, confessed to the Senate Commission that they had no real leads: “We have a new circle of suspects, which has been questioned. We also have some previous hypotheses, but no definite lead” (Ruse, 28 November 2002). Thus, the investigation was drawn-out and this led to the demise of the Head of the Bucharest Police and a few prominent prosecutors.

Aftermath

It was not until mid March that the police took Dragos Ciupercescu into custody, first for only five days because of a lack of evidence. Later on when more conclusive evidence had been collected, he was arrested and charged on several points. After undergoing a medical examination, it was established that he was fully aware of and responsible for his actions,¹⁵ and therefore able to stand trial.

15 Individual interviews conducted on April 21, 2003.

Prosecutors suspected that Ciupercescu had stolen defensive grenades and ammunition from one of the army's depots, which had been broken into (Ziua, 14 October 2002). He was regarded as an expert in explosives (Ibid.). He had apparently disassembled the grenade and took out some of the gunpowder so that the explosion would be less damaging. The Prosecutor in charge of the investigation, Mihai Iacob, used the "bluff" technique to make Ciupercescu confess, since he was originally reluctant to cooperate with the prosecutor (Niteanu and Artene, 27 March 2003).

On November 4, 2003, Dragos Ciupercescu became the first Romanian ever charged with terrorism. Despite the earlier confession, in court he claimed he was innocent. Ciupercescu faced eight charges: theft, breaking seals, breaking the arms and ammunitions law, attempt of aggravated murder, attempt of aggravated murder with severe consequences, destruction of the public property, and terrorist acts (Ziua, 14 October 2002).

Thematic Analysis

After having analyzed the most interesting parts of the decision-making process, it is now time to put the pieces together again. I will now focus on the general patterns of the management of this crisis in an attempt to provide an understanding of not only what the actors did, but also why they made the choices they made and what consequences they had. I have used four theoretically based categories for analyzing the crisis management of the Jean Monet case: crisis preparedness, institutional cooperation and conflict, crisis communication, and lessons learned.

Crisis Preparedness

Prevention measures are important for managing crisis situations in terms of minimizing the effects. The mere existence of standard procedures for crisis management, when they do exist, is not a guarantee for success. Success may depend on several mechanisms, such as the flexibility of the existing procedures and the resources available for their implementation. Information management and a will to use the existing procedures are other important factors (Stern and Bynander, 1998, p.319).

There is little previous experience of a similar incident (of a terrorist nature or a bombing) in Romania. Generally, Romania may be considered a peaceful country, where people are more concerned about their daily bread than terrorist activities in the world. Yet, in the past years certain Romanian institutions have had a growing preoccupation for terrorist threats. In practice, Romanian decision makers have had little exposure to terrorist threats and gang fights. They

have traditionally been perceived as distant realities, of which Romania was not a part. This lack of previous experience, and absence of mental preparedness among the involved decision makers, had significant consequences for the management of the Jean Monet crisis.

The bombing was a situation that required quick answers and decisions yet with limited time and incomplete information (uncertainty on the source and reason for the attack). Evidence had been gathered in a hurry, the area had not been properly blocked off, and the ones who were supposed to collect the first hand information (i.e. SPP) were unable to do it. Due to the sense of uncertainty concerning what had been the target for the attack (i.e. whether it was aimed at the family of the Prime Minister, a terrorist attack, or just a random incident), it was not clear what kind of measures should be taken and by whom. The fact that it took a week to classify the case and, only after that, proceed with the investigation was devastating for the outcome of the case and for the image of the decision makers.

The SPP and SRI are two separate institutions, which have a common interest in protecting national security. The Service for Guard and Protection (SPP) was responsible for the safety of the Prime Minister's wife at the time of her visit at Jean Monet High School. The President's wife was also nearby. Considering this, the SPP should have been able to quickly secure the area.¹⁶ Questions were raised about this fact during the investigation.

The Romanian Intelligence Service (SRI) is a Romanian authority for intelligence collection and assessment. Romanian Intelligence Service experts provide assistance in criminal investigations, especially in those cases against state security, as in the case of the Jean Monet bombing (Romanian Intelligence Service, 2005). The SRI investigated the accusations of terrorism and organized crime in Jean Monet case.

During Romania's political transitional process the Romanian Intelligence Service was marked by changes and there was a need for a new image and a new spirit in the organization. It is important to mention that during its transition, the SRI collaborated, as still does today, with the police forces.

A new department for collecting and improving information from the witnesses was created in the Romanian Minister of Interior, called the Office for Witness Protection. The department was, however, not operational at the time of the Jean Monet bombing. Witnesses in such incidents are often fearful and thus reluctant to report their observations. In the Jean Monet case, one of the few witnesses that did testify provided valuable information about the get-away car (Militaru and Valcu, 7 November 2002).

16 Individual interviews conducted in March 2003

Reforms were meant to update the Romanian institutions and provide them with the necessary know-how and capabilities to face modern threats. After 9/11, it was apparent that there was a significant gap in the Romanian institutional framework in the fight against terrorism and thus changes were implemented in an attempt to bridge this gap. In addition, there were changes in staff members, but simply removing a person and replacing them with someone else does not mean the system has actually been changed. It was obvious after the Jean Monet bombing that theory and practice do not always go hand in hand; although there was theoretical expertise in Romania, practical experience was lacking.

Institutional Cooperation and Conflict

The Jean Monet crisis required the coordination of different services and ministries. The institutions officially involved in managing the crisis were the Minister of Interior, the Bucharest Police, SRI, SIE, and SPP. A commission was created ad hoc for running the investigation with members of the Ministry of Justice, Romanian Informational Service (SRI), and Ministry of Interior (MI) (Fotache, 8 November 8, 2002b).. SIE was also called into the investigation because there were speculations of foreign gang fights.¹⁷ Although Secret Services were involved in the investigation and could have played a crucial role in preventing the incident, they were very silent in the first days after the incident. SRI refused to assume responsibility for the incident, since it was considered a police matter.

Since there had been few such incidents in Romania before, the commission had to start from the scratch. Each institution defined their own objectives: The Police Forces and the Gendarmerie were in charge of maintaining order and gathering the empirical evidence, and the Romanian Intelligence Service was in charge of defining the nature of the attack.

Bureaucracy and the sluggishness of the system delayed the investigation and had severe consequences for all the involved institutions in. In Romania, only a few institutions formally have special agreements regarding collaboration with other state institutions. In this particular case, one of the most severe consequences regarding the lack of coordination surfaced the night of the bombing, when the scene of the crime was not immediately blocked off and public access to the area restricted. As a result, valuable evidence were destroyed or lost. In fact, the media was reporting live from the scene even before the investigation team had arrived. Secondly, the authorities made contradictory statements: the

¹⁷ Some Iraqs were reportedly making counterfeit money and laundering it in Romania. The investigators believed that Nicolae Ciuraru was dealing with them and questioned whether the attack was a settling of accounts between the two parties.

President Iliescu and Prime Minister Nastase claimed the bombing was of a terrorist nature while the Minister of Interior said the nature of the attack was unknown thus raising the public's concern that it was terrorist related.¹⁸ Thirdly, the press was the first one to announce that the police force had jurisdiction of the incident and not the SPP guards. This illustrates that the communication mechanism between institutions faced serious problems.

Crisis Communication

The Jean Monet bombing also became a communication and credibility crisis. The incident created a great deal of fear. The image of the children with bloody clothes, screaming in pain, and the faces of desperate parents crying for the lives of their children made the front page of every newspaper. The authorities did little to calm the public's fears and in fact simply amplified them.

In an attempt to satisfy the public's demands for quick answers and rapid results, prosecutor Gheorghe announced that it would be only a matter of days before the responsible person was found and arrested. In the end, this statement proved to be fatal for the credibility of the Romanian police. So when the blame game began, Mihai Gheorghe was naturally the first target. The dismissal of Gheorghe was a symbolic action, a seemingly concrete measure taken by the Police leadership in order to communicate that they were doing something.

There are also other examples illustrating how symbolism came to be an important dimension of this crisis. The Jean Monet bombing immediately escalated to the top political level. The reasons were arguably the clientele of the students and the location of the school, but also of course contextual factors, such as the recent Moscow drama and the up-coming state visit by Bush. The President and the Prime Minister made visible appearances. President Ion Iliescu visited Floreasca Hospital on the night of the bombing, along with the Prime Minister who was photographed shaking the hand of Niculaie Ciularu. The fact that Ciularu was later suspected of criminal activity by the police had serious consequences for the credibility of the institutions these two persons represented. The President and the Government were not formally involved in the process of finding the guilty party, but nevertheless they were criticized. What was considered originally considered an image opportunity, later on proved to be a factor of uncertainty for the credibility of the top officials. The newspapers commented extensively on Iliescu's declaration that the incident was a terrorist attack. While the Prime Minister might have been emotionally involved due to the fact that his son and wife were near the bomb when it exploded, it was argued that he made statements without the correct information. President Iliescu said: "We must not exaggerate. However, acts like this one remain ter-

18 Interview conducted on April 10, 2004.

rorist acts” (Tudor-Popescu, 9 November 2002). In his opinion, the attack was terrorism, although a different kind of terrorism. In many minds, terrorism means Middle East, Bin Ladens, hijacked airplanes and masked attackers. But terrorism is a much more complex phenomenon. Terrorism can also be the explosion of a grenade in front of a public place, like in the courtyard of a high school. Such an act can create panic among parents and students in an entire country, no matter what the true intentions of the bombing were.

Another aspect of symbolic crisis management was the image that Romania communicated internationally. With the Moscow hostage crisis just two weeks earlier, Romania was the focus in the European media. Wanting to integrate into the Euro-Atlantic structures, Romania was trying to change its international image, going from a country with a communist past to a country able to have democratic institutional reforms and face international threats.

Likewise, at the time of the Jean Monet bombing Bucharest was arranging a state visit from US President George W. Bush. He arrived in Bucharest on November 24, 2002, for a four-hour visit to extend a NATO membership invitation to Romania. Special security measures were taken: streets and squares were cordoned off, detours put into place, extra police called in, and motorcades arranged. Ensuring the security for the American delegation (especially in light of the recent Jean Monet bombing) was a big challenge for the Romanian institutions and yet a confirmation that Romania could guarantee security for a big political delegation.

Lessons Learned

After the Jean Monet bombing, Education Minister Ecaterina Andronescu declared that school safety was to be tightened (Oancea, 8 November 2002b). She admitted that over the past few years there had been threats made on schools, but the authorities had simply regarded them as jokes. Thus, the Jean Monet incident changed the authorities’ mind frame and helped them to develop an “it can happen here” attitude.

Within the Ministry of Interior, obvious mistakes were made and attempts were made to correct them although one could argue that most of the changes were superficial. For example, some people were forced to change positions. Although important, these changes did not directly affect the system or the mechanisms for preventing or managing crises. Replacing individual decision makers is often the result of a blame game and not necessarily a sign that lessons have been learned. It can in fact be a substitute for learning. In fact, it can delay learning since the involved decision maker, who had experience and insight into the problems of the organization, is removed. It is much easier to fire an individual than to start the painful process of institutional reform.

In March 2003, the Head of the Romanian Intelligence Service said that even if Romania is not likely the direct target for terrorism, the country could not exclude this threat, especially considering its global implications. He also stressed prevention in the fight against terrorism and the need to cooperate and communicate with the other components in the national system, mainly the Ministry of Interior, SPP, SIE and Ministry of Defense” (Timofte, 27 March 2003). Since September 11, 2001, institutional and civil involvement in actions regarding counter terrorism have been stepped up in Romania and the country is trying to draw lessons from experiences in the West.

At the end of November 2003, President Iliescu had a meeting with the Heads of the Secret Services, the Ministers of Defense and Interior, and Prime Minister Adrian Nastase at the Cotroceni Palace. “Taking into consideration the events that have taken place in the recent past, special measures are necessary, as long as there are international terrorist actions near the border of our country” (Radulescu, 27 November 2003). Furthermore the President stressed that Romanians should be objectively informed in real time about crisis situations and educated in what to do in certain situations, but no practical measures have yet been taken to fulfill these goals.

A new process of adaptation was initiated after the Jean Monet bombing, but we will never know for sure which lessons have been learned until a new incident occurs. “Did we really learn something?” or better yet “Are we ready to face criminal or terrorist dangers?” Only time will give us the answers we need in order to feel truly secure.

Conclusions

Today, more than ever, we realize that we live in a world of globalization as the central organizing principle of the post-cold war world and even defined through them. Now, more than in the past we feel one of its outcomes every day, when bombings in the UK, Turkey, Egypt, Spain and Russia provoke panic and terror in the world. As a country aiming at joining the most important Euro-Atlantic alliances, Romania learned that accession and integration as well as the entire globalization process imply benefits, but also costs. In the equation Romania faces terrorism, certain constants cannot be changed over night. Romania’s foreign and domestic policy has been set on a straight track, with no turning back. Since the 1989 Revolution, Romania has focused on integration into the Euro-Atlantic structures and closer partnerships with the other member countries. One limitation is the fact that Romania’s prevention methods are modest considering the human and economic means for supporting them. With almost 15 years of political, economic and social changes, Romania has

experienced a difficult transition process to a market economy, a democratic political system and a social system.

It is true that a strong economy can find the resources to invest in prevention, preparedness and training. However in a transition economy or a fragile market economy, these financial resources rarely find their way to such destinations. Thus if little can be done before the disaster, something must be changed in the way in dealing with the crisis after it has occurred (i.e., planning, organizing and acting). A country (especially one enduring a drawn-out transition like Romania) needs regulations, institutions and persons to strengthen and improve crisis management capacity and legislation.

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Chapter 7

1998–1999 Miners' Crisis

Cornelia Gavril

Introduction

The miners' strike was known as the revolution of the “black faces.” They marched to Bucharest claiming to symbolically remake the march Mussolini made to Rome, or in the communism context, the forcing of Mao Tze Dong to Beijing. It was a real social war against the regime that was threatening to close the mines for economic reasons. The police forces were attacked by thousands of miners, and a state of emergency was declared. The army was called in to shoot at the miners. This was the 1999 miners' crisis in Romania.

This chapter concerns the *coup d'état* attempt concealed as a social crisis and generated by the reform in the mining sector. It starts with the Prime Minister's decision on December 4, 1998, to close down the unprofitable units, and ends with the arrest of the miners' leader, Miron Cozma, on February 17, 1999.

During the crisis, the decision-making actors changed as the situation escalated. In the first stage, when the crisis was considered a labor conflict, responsibility was taken by the Minister of Labor and Social Protection and the Minister of Industry and Trade. When the miners threatened to use violence, the Minister of Internal Affairs and the police intervened. Later, when signs of a *coup d'état* attempt were obvious, President Emil Constantinescu and the National Council of Country Defense declared a state of emergency.

The study examines how the central actors reacted and what measures they took in order to find a solution. The analysis also includes the relationship between the different actors, the role of some opposition political parties and their leaders, and the international aspects of the crisis, which influenced its management. The study also explains some previous relevant miners' crises, and the decision-making process in which the key players coped with value conflicts.

Although there was one crisis situation from December 4, 1998 to February 17, 1999, three phases of the crisis can be distinguished. The first phase was when the miners started the strike and marched to Bucharest in an attempted *coup d'etat*. The second phase started on January 18 and consisted of a chain of events, including President Constantinescu's decision to declare a state of emergency on January 20. The third phase was generated by the conviction of the miners' leader, Miron Cozma, for subverting the state in 1991; the miners' went to Bucharest to fight on his behalf. The process ended with Cozma's detention and imprisonment on February 17, 1999

I used only public sources for this study: primarily newspaper archives, but also written analyses of the event. The initial planning of this study also involved interviews with officials or incumbents from the involved ministries, but after a number of unsuccessful attempts to book a meeting with them I had to limit my research to existing resources. Thus, the study has limitations concerning the type of sources used, especially since no official feedback from the decision makers was included.

Defining the Crisis

A crisis is defined as a situation in which "important values are on the line, limited time is available and the circumstances are marked by a great deal of uncertainty" (Sundelius et al., 1998).

In this case, the miners' intention to march to Bucharest, receiving help from opposition parties as PDSR (Social Democratic Party) and PRM (Greater Romania Party) in an attempted *coup d'etat*, was a threat to fundamental values. They tried to take power by using violence, and their actions had to be suppressed. Their actions represented an infringement on free elections, endangered people's lives, and produced material destruction and economic losses.

The combination of failed negotiations with the miners' leader and their repeated threats to march to Bucharest increased the pressure on the Government to make a statement from which both national and external observers should understand that this kind of action would not be tolerated in the future. Because the repeated requests for ending the march to the capital were not met, the crisis

escalated to the highest political level: President Emil Constantinescu declared a state of emergency.

The level of uncertainty was generated by the fact that the government representatives did not have the ability to properly evaluate the miners' strength or the contribution of the opposition parties (like the PDSR and the PRM with strong ties in the area and along the route to Bucharest). There were signals from the Security Services that an attempted *coup d'état* had been prepared with the help of the miners and their leaders, but they did not have any good measurement instruments at their disposal to offer a clear picture of the situation. Issuing a state of emergency allowed for all measures for preventing the miners' arrival in Bucharest (including army intervention) and could have led to a number of casualties.

Some very important values were also at stake: On the international level, this type of response could affect the Romanian image abroad, as a stable and democratic country, and interfere in the NATO and EU integration processes. Moreover, Bucharest was about to begin important negotiations with the IMF to gain financial help for continuing economic reforms. The Government was very much aware that if it failed to resolve the miners' crisis, it would send a poor image to the IMF authorities and could very well collapse the upcoming negotiations. Even if it survived the moment, its economic program could certainly be disastrously affected.

Historical and Social Context

The history of miners in Romania and some specific events (such as the Lupeni strike in 1929) significantly shaped the way the miners regard themselves in relation to other groups. First, after the communist regime of Gheorghiu-Dej was installed, the miners were to be applauded as an important contribution to the working class and as descendents of the Arian race, enjoying the myth of great fighters.¹

Second, an historical process that had a huge influence upon the mining industry started with the national communism of Gheorghe Gheorghiu Dej and continued during Ceausescu's era (from 1965 onwards). The military generals stated that the defense strategy demanded a high level of cooperation between the regular military forces and paramilitary organizations, such as patri-

1 Two of those writers, Mihail Davidoglu (*Miners* theatre play, 1949) and Dan Desliu (*Maramures Miners* ballad, 1951), transformed miners into legendary figures: a type of Hercules with iron strong bodies fighting for the party and for communist ideals with the desire to transform Jiului Valley and Sorrow Valley into an Eden paradise where God was symbolically the mountain in which the miners would dig. Moreover, their work was addressed to a new era, the building of the communist civilization.

otic guards and the military formation of youth. After the Russian invasion of Czechoslovakia in 1968, a doctrine called “The War of an Entire Nation” dominated Romania’s strategic plans until Ceausescu’s fall. The National Defense Law stipulated, “the materialization of the principle of the whole nation to participate in the fight to reject any aggression (...) assuring the mobilization of all economic, human, scientific, and moral forces in the [Romanian] nation for the improvement of the defense capacity of our country.”² As a result and in connection to the economic forces, the miners won military status and had weapons at their disposal that could be used in the event of a national threat.³ Due to this fact, Jiu Valley has always been an area of social and political unrest, even before the 1989 Revolution and now in the post-communist era.

Third, the miners were the first professional group that protested against Ceausescu. And this became a legitimating element for the later crisis. The huge number of protesters, almost 35,000, was a sign that there was not such a strong bond between the miners and the Communist Party, and this could have a big impact on the public in instigating an anti-Communist general strike. Miners didn’t want to negotiate with any other representative, other than Nicolae Ceausescu himself.⁴ The tense situation forced Ceausescu to the region, with his security guards close beside him, and he pretended to go along with the miners’ requests. The regime knew how to deal with the miners. Confident in the promises made by the communist leader, the miners ended the strike and returned to work. But members of the security forces infiltrated the area and arrested the miners’ leaders. In addition, people from other regions in the country were moved here, and the miners’ families in Jiu Valley were transported to other areas.⁵ A fair number of workers were hired to replace the “trouble makers” and to work as informers for *Securitate*.⁶ An intensive psychological program was put into place in order to (re)build the idea that the working class and the mining sector were close allies of the Communist Party.⁷ This was how the political police prevented a similar conflict in 1977.⁸

Fourth, during the Ceausescu era, development of the mining sector was considered the most proper way to produce energy, when the new general trend in the world economy was replacing heavy industry with light industry.⁹ By the disappearance of the Council of Mutual Economic Exchange (CAER) in 1990,

2 Petri, A. (1974) p. 379

3 Chifu, I. (1994), p.190

4 Ceserenu, R.

5 Ibid.

6 Roustel, D. (February 1999)

7 Cesereanu, R.

8 Roustel, D. (1999)

9 See <http://dntb.ro/sfera/67/mineriade-4.html>

Romania lost an important market¹⁰ and was confronted with a decreased demand for energy consumption. Together with previous inefficiency of the extraction policy, the mining sector had to deal with overproduction. All these economic and political changes required a radical reform of the mining industry.

But reforms were not undertaken immediately. The government installed after the 1989 Revolution, with Ion Iliescu as President, was not that new and included members of the previous regime¹¹ who had been transferred from the old *Securitate* to the Secret Services, or from the old *Militia* to the police or the Ministry of Interior, or from the old communist army to the Ministry of National Defense. They were people who didn't want to lose their social and political status and used the miners to stop any attempts of reform. As a result, the miners' leader, Miron Cozma, was involved in several actions instigating the miners to use violence during 1990 -1994 and to destabilize the state of law, actions known under the name of *mineriade*.

The first two of them (January 29 and February 28, 1990) occurred before elections were held in May 1990, and had the same goal: to stop any opposition to Iliescu's regime which had been installed in December 1989; the beneficiaries were Ion Iliescu and his supporters. In January there were street protests that degenerated in violent encounters between Iliescu's party (National Salvation Front) sympathizers (including the miners) and those of the historical parties (PNL – National Liberal Party and PNTCD – Christian Democrat Party). Attacks were made on the two opposition party offices, and in February there was an attack on the government's office and Victoria Palace.

On April 22, 1990, people (mainly students and university teachers) gathered on University Square protesting against neo-communist phenomenon: the participation and installation of former members of the Communist Party and *Securitate* into the political life after 1989.¹² This protest was named "University Square Phenomenon" and lasted until June 13, when thousands of miners came to Bucharest and with the third *mineriada* ended the protests. The miners' arrival in the capital was a reply to Iliescu's call, and the Secret Services (previously the *Securitate*) and the police surrounded the strikers. The so-called miners took the University building and interdicted the teachers and students to enter the building. They destroyed everything inside using weapons (such as wooden and metal sticks and hatchets) in an attempt to restrain the Romanian *intelligentsia*.¹³ The prosecutors later revealed that the Secret Services had dressed up as miners and took over the command of the operations in order

10 Roustel, D. (1999)

11 Patapievici (January 12-18, 1999)

12 Miculescu, C. (2002) p. 15

13 Lupu, C. (June, 1990)

to stop the protest movement against the ruling power. The miners were also commanded by the senior engineer Nicolae Camarasescu (an ex-officer in the Securitate) and engineer Miron Cozma. During this *mineriada* on June 13-15, 1990, seven people died and almost one thousand were injured.¹⁴ The reaction of President Iliescu was astonishing:

I congratulate you for what you have done during these last days and for your high civic conscience. So I thank again all of you for proving that you are a powerful force with strong civic discipline. We can count on you for better and especially for worse. Once again you proved how important working solidarity is for all of us. With strong civic and patriotic principles, you sensed the difficult moment and exemplarily you proved your solidarity for the new elected power. I want to thank you once again for the solidarity you have shown these days.¹⁵

This speech proved once again that he was the one who called the miners in to Bucharest. It is clear that the *mineriadas* have been used to serve political motives. In this case, the miners, led by Ion Iliescu,¹⁶ were used to stifle the opponents (National Salvation Front).

The fourth *mineriada* happened in September 24-28, 1991. Iliescu's warm welcome addressed to the miners' arrival in Bucharest showed that he was not the supporter for radical economic transformations, as was the Prime Minister of that period, Petre Roman. The Government led by Roman tried to impose an accelerated rate of economic reforms. Miners attacked again, but this time against the Government of Petre Roman, forcing its resignation. Roman then repeatedly denounced the duplicity of Iliescu whom he accused of having used the miners as a popular militia. In response, Petre Brait (formerly Cozma's right-hand man) stated, "We were infiltrated by people pretending to be miners, who told us the places to attack. We'd set off with 24 demands and we came back before the Prime Minister fell, but still our demands weren't met. Iliescu used us."¹⁷

During the attack upon Victoria Palace, three young people died and many were injured. Even if this *mineriada* had had a syndicate pretext, its character remained mainly a political one; it ended the conflict between President Iliescu and Prime Minister Roman. The latter wanted to increase the reform process, yet the former one opposed such actions, and the miners helped Iliescu to overthrow Roman's government.

14 According to <http://www.9am.ro/revistapresei/Politica/1682/RUSINE-Eliberindu-l-pe-Cozma-Iliescu-si-Nastase-isi-bat-joc-de-Romania>

15 Fonta, V.

16 Ibid

17 Ibid

Despite the political changes in Romania, cognitive information has remained in the collective minds of the miners: the idea that they can produce power changes, are heroes and have special status. Until Ceausescu's fall, they had military structures with weapons at their disposal and were trained to protect the country and to consider themselves the ally of the Communist Party. So the fact that the miners participated in breaking up the 1990-1991 strikes can in part be explained by their previous unique military status and their long-standing support for the Communist Party leaders (who in 1990 had changed their names but were still in power). Rumors were spread that the *Securitate* had infiltrated the miners and others claimed that the miners had been manipulated by the power installed after 1989 and by their trade union leaders.¹⁸

The miners were more than simply a working group; they acted as a paramilitary one. They were organized (to make a trip to Bucharest in huge numbers takes time and requires planning) and had trains at their disposal to come to Bucharest. People (pretending to be miners) gave them orders on how to act and which places to attack, and they used force against the selected targets. An important role was played by Miron Cozma. There are people¹⁹ who believe that Miron Cozma had the ultimate goal of becoming the Prime Minister, and probably this was the promise made by President Iliescu to get Cozma to come to Bucharest and force the government to resign. The successive governments of the Iliescu era stood firmly against any notion of reform or industrial reconversion in the region, and, as a result, the miners' requests were reviewed positively and their salaries were raised in spite of the losses in the mining industry (23-27% of the total loss of the Romanian economy per year²⁰). The situation changed, however, when the new right coalition (CDR) took power and started some important economic reforms, even in the mining sector.

Political and Economic Context

After elections were held in November 1996, the new center right coalition took power and changed the priorities in the country's domestic and international policies: firstly, radical political and economic reforms, and secondly, integration to NATO and EU, which pulled resources away from the domestic reforms.²¹

The active members of Ceausescu's regime tried to become part of the democratic landscape after his fall (by becoming members of the Social Democrats/

18 Ibid

19 Professor Mihai Tanasescu, a member of "The Victims of the 1990-91 *Mineriade*" Organization, told me this in a conversation we had.

20 Fonta, V.

21 Miculescu, C. (2002) p.236

PDSR and the Greater Romania Party/PRM) in attempt to keep or improve their political influence.²² In connection with the country's political reform, the Democratic Convention (CDR) started a debate about opening the government's archives and the *Securitate* files. Thus, legislative reforms were proposed by the new elected power and an independent institution was scheduled to open (the CNSAS – National Council for Study of the *Securitate* Archives). Yet permanent delaying and political pressures suggested that not only a part (mainly, the Social Democrats or the Greater Romania Party) but the entire political elite was embarrassed by the subject. This is one of the reasons why soon after winning the election, President Constantinescu said, "I won the elections, but not the power."

Those enthusiastic reform plans were unrealistic if one considers the level of the governmental leadership and its lack of experience. Firstly, there was a lack of a serious protocol between the parties of the right wing coalition CDR (the Democratic Convention of Romania, made from Christian Democrats/PNTCD, Democrats/PD, Liberals/PNL, and representatives of the Hungarian minority/UDMR) regarding different crises on the political level. After the elections were won. The coalition was unable to find the proper political balance to share the power and make coherent decisions.²³

Secondly, the first Prime Minister, Ciorbea, and his successor, Radu Vasile, delayed the reform process. Moreover, the fact that these two members of PNTCD (Christian Democratic National Peasant Party) were even nominated by the President is another example of the leadership quality. Neither one of them fit the profile of a Prime Minister with the duty to lead a market reform.²⁴ On the one hand, Ciorbea was a strong supporter of trade unions, and on the other hand, Radu Vasile, had many times supported projects opposed to those of the coalition.²⁵ Under these circumstances, even President Constantinescu did not know very well what the role of the new Prime Minister.

This lack of governmental leadership resulted in multiple meetings between the Ministers and the President in an attempt to mediate the diverse political conflicts²⁶ and to find solutions to end them. No progress was made in bridging the political differences, which further delayed the political and economic reform process. Parties in the coalition tried to gain dominance and the Democrats had many opposing perspectives on the reforms.²⁷ This was also the result of not having a coherent and precise economic program before the elec-

22 See http://www.romaniaculturala.ro/interviuri/2005/iulie/06_mircea_stanescu.html

23 Miclescu, C. (2002) p. 246

24 Pavel, D.

25 Andreescu, G. (1998) p. 43-44

26 *ibid.*

27 Miclescu, C. (2002) p.235-252

tions. After the elections were over, economic measurements were presented in the negotiations with international financial organizations²⁸

During this time, living standards of the population deteriorated and people started to lose confidence in the coalition as a reform factor, compared to the previous two years. According to the polls, people invested a lot of trust in the Government after the CDR took power (from 26 percent in October 1996 to 45 percent in 1997), but those numbers decreased proportionally with the economic and political results. Therefore in July 1998, only 29 percent claimed they trusted the Government. The rapid succession of two Prime Ministers and the delay in the reform process served to discredit the Government.²⁹ The situation for the President was similar. The trust that people had invested in the President also changed from 60 percent after the 1996 elections to 40 percent in July 1998.³⁰

These numbers did not change because people no longer trusted the institutions themselves, but rather because institutions were and still are highly personalized by their leaders. In those numbers we can see in what manner people lost their confidence in the Prime Minister(s) and in the President. Moreover, this trust was transferred to the opposition, mainly to the PDRS (and its leader, Ion Iliescu) and to the PRM (and its leader, Corneliu Vadim Tudor). As a result, in June 1998, the PDSR had 22 percent voter support³¹ (Iliescu – 11 percent³²) and the PRM tripled its number of sympathizers³³ (Vadim – 7 percent³⁴). What made things even more complicated is the fact that the PDSR and the PRM were strong allies; members of the two parties sympathized with each other³⁵ and jointly opposed others' reforms, both economic and political. As mentioned earlier, members of these two parties were largely the old Communist members or ex-*Securitate* officers, people who did not want to lose their status and who had interests at stake.

Also Miron Cozma worked a lot on his image to gain prestige. During the 1996 elections, Cozma was an independent candidate for the Senate Chamber of Parliament. Although he won 25,000 votes, this was not sufficient for a senate chair. The situation could have been different if he had run for Deputy as a member of a political party. The refusal for doing this was more because of his personal ego.³⁶ Cozma never claimed to be a left-winger or a socialist and

28 Ibid., p.236

29 Ibid., p. 146-148

30 Ibid., p. 148

31 Ibid., p. 73

32 Ibid., p. 87-88

33 Ibid., p. 82

34 Ibid., p.87-88

35 Stefan-Scalat, L.

36 According to http://www.24oremuresene.ro/article.php/Miron_Cozma/7466/

moreover, he stated that trade unions should be apolitical. But during the elections he advised the miners to vote for the right wing coalition (the Democratic Convention of Romania). In addition, Emil Constantinescu addressed a letter to the miners in connection to the elections where the future president promised the miners that they would not lose their jobs. During 1997-1998, Cozma was imprisoned for attacks on state institutions. At this time, Corneliu Vadim Tudor showed his interest in Cozma becoming a member of his party, the Greater Romania Party, which Cozma later did after finishing his prison term.

In July 1998, the polls suggested that the population had also lost confidence in the institution of public order and this can explain why the people gave their support to the miners in their confrontation with the gendarmerie, police and special troops. The police, Secret Services and the Ministry of Justice were historically perceived by the public as institutions of oppression and absolute control (associated with the old *Militia* and *Securitate*) rather than institutions protecting human and individual rights. Moreover, 30 percent believed the Ministry of Justice was corrupt and 27 percent of the police.³⁷

Knowing the changes in public opinion, the opposition took action and in December 1998 the main opposition party (PDSR) with the support of the nationalist parties—PNUR (the Party for the National Unity of Romanians) and PRM (Greater Romania Party)—gathered a majority of signatures from deputies and senators to withdraw the confidence granted to the government in a *motion of censure*. A number of deputies and senators condemned the government, and some charged that Prime Minister Radu Vasile's ten-month old government had allowed social conditions to deteriorate beyond an acceptable limit and had fostered internal divisions and cronyism. Before the vote, Prime Minister Vasile negotiated to keep his position by agreeing to give up his fight to ratify some highly controversial laws, including amendments to property laws, and to establish a Hungarian language university – a problematic issue for a while. The other coalition parties' lack of support for the establishment of a Hungarian language university nearly caused the UDMR (the Democratic Alliance of Hungarians in Romania) to leave the coalition on several different occasions. After these negotiations, the opposition's motion failed.³⁸

After this failed motion, another motion was initiated, this time by the Government with the purpose of restructuring the government ministries and offices. Passed by a majority vote, it eliminated seven ministries and reduced the number of state secretaries by half, but later these people reappeared in other governmental institutions, such as government agencies. Although restructuring resulted in almost no true staff reductions, the purpose of it was to show the

37 *Public Opinions Polls and Faces of Changes*, p. 145

38 Constitutional Watch (1999)

IMF – with which negotiations for a new standby agreement were to begin in January 1999 – that the Government had become more efficient.³⁹

The State Telecommunications Company, a refinery, and a bank were privatized by the end of December in 1998. Despite these economic successes, this was not enough to convince the EU, which was committed to pay a part of Romania's foreign debt if agreements with the IMF and the World Bank were signed. The World Bank said that it would renew its restructuring-support program only if it came to the conclusion that the restructuring process was complete in Romania. To raise more money, the government passed an ordinance in late December. It increased property taxes by nearly 300 percent; at a time when Romania only had a per capita income of around \$ 100 month.⁴⁰

In this context, the announcement of closing down non-profitable mines was an attempt to cut the mining sector's losses. This ultra-liberal program was not accepted by the miners. During the Dejeu era the miners were heroes, during the Ceausescu era they were fully employed and had many facilities, and during the Iliescu years, they were exempted from the restructuring process. The miners had been easily manipulated by those who did not want reform. Members from the PRM and the PDSR (involved in many trials regarding corruption and illegal business) along with their supporters from the communist regime tried to use instruments other than democratic ones to stop reforms. The result became a *coup d'état* attempt with the risk of provoking a civil war.

Chronology of Events

December 4, 1998 – The Romanian Prime Minister, Radu Vasile, decides to put in place an economic program for closing down those units that are not profitable.⁴¹

December 9, 1998 – The Minister of Trade and Industry, Radu Berceanu, reports huge losses of about \$450 million in more than 30 units from 140 companies, including three units from the mining sector: The National Society of Lignite, The National Company of Pitcoal – Petrosani (NCP Petrosani), and The National Society of Coal – Ploiesti.⁴² The closure decision is followed by street protests, which last through the winter holiday.⁴³ Reelected as president of the Mining Trade Union League of Valea Jiului (MTULVJ) on **December**

39 Ibid.

40 Ibid.

41 *Evenimentul Zilei* (December 5, 1998)

42 *Evenimentul Zilei* (December 10 and 11, 1998)

43 Balkans Chronology (1999)

12, Miron Cozma threatens the government with protests and marches on Bucharest if mines are shut down.⁴⁴

January 4, 1999 – The miners from Jiu Valley start a general strike. Miron Cozma gives an ultimatum with a deadline for the next day: Prime Minister Radu Vasile or a governmental commission (including Minister of Trade and Industry, Radu Berceanu) should come to the area to discuss a 30-point list of demands. The Prime Minister fails to go to Jiu Valley.⁴⁵

January 8 and 12, 1999 – Corneliu Vadim Tudor makes accusations against President Emil Constantinescu and addresses a letter to the miners, encouraging them not to give up their fight against the Constantinescu regime.⁴⁶

January 12, 1999 – Before the day's march, Miron Cozma announces that he temporarily resigns from PRM.⁴⁷ Cozma asks other labor leader to support the strike⁴⁸ and 11,000 miners sign up for the march to Bucharest. About 500-600 unarmed miners, using Mining League buses, leave Jiu Valley for Petrosani in an attempt to test the police's reaction on the road.⁴⁹ The negotiations fail between some leaders in Valea Jiului and Minister Berceanu.⁵⁰

January 15, 1999 – The Supreme Court of Law declares the miners' strike illegal.

January 18, 1999 – Almost 10,000 miners decide to go to Bucharest to voice their demands. They are better organized than the special troops, police and gendarmes. Minister of Transport Traian Basescu stops all train access from the Jiu River valley. The miners break the barricades from Jiu Path and Costesti, receiving the local population's support. A local Greater Romania Party leader sympathizes with the miners and shows his support for the strike.⁵¹

January 20, 1999 – The Minister for Internal Affairs, Gavril Dejeu resigns and he is replaced the next day by Constantin Dudu-Ionescu. After an urgent meeting with CSAT (the Supreme Council for Country Defense), President Constantinescu declares a state of emergency,⁵² and army intervention, if necessary, is approved.⁵³

44 *Evenimentul Zilei* (December 14, 1998)

45 *Balkans Chronology* (1999)

46 Miclescu, C. (2002) p.227-228

47 *Evenimentul Zilei*, January 13, 1999

48 *Balkans Chronology* (1999)

49 Miclescu C., (2002) p. 228

50 *Evenimentul Zilei*, January 15, 1999

51 *Evenimentul Zilei*, January 20, 1999

52 Miclescu C. (2002) p.228

53 *Evenimentul Zilei*, January 22, 1999

January 21, 1999 – Prime Minister Vasile meets with Cozma at the Cozia Monastery and signs an agreement.⁵⁴

February 2, 1999 – The Huneadoara Law Court reviews the appeal formulated on January 15 by the MTULVJ, when the strike was declared illegal. An irrevocable decision is made stating that the Valea Jiului miners' strike is illegal.⁵⁵

February 15, 1999 – The Supreme Court of Justice convicts Miron Cozma to 18 years of jail for subverting the state in 1991, with no room for appeal. Some miners decide to make another trip to Bucharest in an attempt to stand up for their leader, Miron Cozma.⁵⁶ After some confrontations in Costesti, the miners are defeated and Cozma is imprisoned on **February 17, 1999**.⁵⁷

Important Decision Makers

Emil Constantinescu	President
Radu Vasile	Prime Minister
Radu Berceanu	Minister of Trade and Industry
Gavril Dejeu and Contantin Dudu-Ionescu	Ministers of Internal Affairs and Administration
Victor Babiuc	Minister of National Defense
Valeriu Stoica	Minister of Justice
Alexandru Athanasiu	Minister of Labor
Nicolae Staiculescu	State Secretary, Ministry of Trade and Industry
Viorel Catarama	President of Economic Commission, Senate Chamber
Miron Cozma	President of Mining Trade Union's League of Valea Jiului
Corneliu Vadim Tudor	President of Greater Romania Party

Decision Making Occasions

1. The government's decision to close the mines
2. Government refused to meet Miron Cozma, the President of the Mining Trade Union's League in Valea Jiului
3. Decision to stop miners from marching to Bucharest with barricades.
4. Order not to use force (the Bumbesti-Jiu and Costesti confrontations)
5. President Emil Constantinescu enacted a state of emergency
6. The Cozia agreement

⁵⁴ *Evenimentul Zilei*, January 23, 1999

⁵⁵ *Evenimentul Zilei*, February 2, 1999

⁵⁶ Miculescu C., (2002) p.229

⁵⁷ *Evenimentul Zilei*, February 17-18, 1999

7. Debate about outlawing the PRM (Greater Romania Party) and the procedure for lifting the parliamentary immunity of its leader, Corneliu Vadim Tudor
8. Miron Cozma sentenced and the miners threaten to defend him (the Stoenesti confrontation)

1. The Government's decision to close the mines

The dilemma in the minds of the decision makers was closing down the entire employing capacity in a mono-industrial region, at a time when a new standby agreement with International Monetary Fund (IMF) was to be signed. The IMF talks were especially important as it was supposed to grant a new loan to Romania that would encourage foreign investors. Thus, the government wanted to convince the IMF with concrete evidence that economic reforms were in progress, including the closure of uneconomic plants.⁵⁸ But the concessions to the miners and to others affected by the reforms turned out to be difficult. Also the World Bank said that it would only renew its restructuring-support program if there was evidence the restructuring process in Romania was complete, and the European Union was only committed to paying a part of the Romanian foreign debt if agreements with the IMF and the World Bank were signed.⁵⁹

As negotiations with the IMF were approaching, the Prime Minister asked for a realistic plan for reinforcing the national economy. After consultations between trade unions and employers, on December 3, 1998, a program of 14 economic measurements was released and presented to Radu Vasile by the Economic and Social Council, in the presence of the Governor of the National Bank, Mugur Isarescu, and the Minister of Finance, Traian Remes.⁶⁰ At the end of discussions, Prime Minister Vasile agreed with the program's measures and later he received support from the Parliament.

Prime Minister Radu Vasile wanted to quicken the process of closing down the unprofitable plants in order to send a clear message to the international organizations that reforms were being made. Some analysts claimed that the Government's decision was made without a detailed analysis and that the coalition did not have a coherent and a precise economic program for fostering future negotiations with the IMF.⁶¹ The Minister of National Defense, also the Vice-President of the Democrats, Victor Babiuc said that, "When the president

58 Balkans Chronology (1999)

59 Constitutional Watch (1999)

60 *Evenimentul Zilei*, December 5, 1998

61 Cornel Miclescu, (2002) p.236

of the State Property Fund,⁶² Radu Sirbu proposed to postpone closing down the unprofitable plants by April 1999, the Prime Minister asked him to do by December 20, 1998.”⁶³ But other members of government did not agree, such as the State Secretary of the Ministry of Labor and Social Protection (PD), Norica Nicolai. She said the postponement was needed due to the fact that the list was “a managerial mistake. Closing down a plant is only done after you have made an analysis. It is possible that some of the plants do not need to be closed down, but rather divided.”⁶⁴

But Radu Vasile strongly affirmed his intention to support the process no matter what, “The Government will follow this process till the end and has the capability to succeed in this objective in the long run, which is in the interest of our country, our citizens and our economy.”⁶⁵ For reducing the state budget losses, as required by the IMF agreement, three mines (with total losses for just 1998 estimated at about \$450 million) were put on the shutdown list: National Society of Lignite, National Company of Pitcoal Petrosani, and National Company of Coal Ploiesti.⁶⁶ The restructuring process started in 1997 and left more 18,000 miners without jobs and no other prospects in a mono-industrial area.⁶⁷ There was no final or elaborated strategy for the laid-off miners, and no social protection program apart from some compensation guaranteed by the 22/1997 Governmental Decree (if the miners agreed to being registered as “not suitable for work”⁶⁸).

The Minister of Trade and Industry, Radu Berceanu, also had a strong clear position that left no room for appeal, “I don't care if is about Dilja or another mine. I'm only interested in the fact that from Monday [December 21], the losses reported by NCP Petrosani are decreased by 30 percent. Any other discussion concerning this matter is irrelevant.”⁶⁹

In order to make the decision more acceptable for the miners, who had lost faith in any compensatory salaries,⁷⁰ Labor Minister Alexandru Athanasiu announced that the 1997 Decree would be modified to give the laid-off workers investment opportunities in the mines. In the Minister's opinion, the mining sector was an investment possibility, since the region was mono-industrial.⁷¹

62 The State Property Fund had released a list with more than 30 plants experiencing economic losses, including coal and other mines (Balkans Chronology, 1999).

63 *Evenimentul Zilei*, December 7, 1998

64 Interview in 22 Review, December 15-21, 1998

65 *Evenimentul Zilei*, December 10, 1998

66 *Evenimentul Zilei*, December 11, 1998

67 Early Warning Report made by UNDP and Romanian Academic Society, Volume 7, 2001

68 Roustel, D.

69 *Evenimentul Zilei*, December 16, 1998

70 Roustel, D.

71 *Evenimentul Zilei*, December 7, 1998

But the possibility of investing money in the mining sector was not enough to convince the miners to give up their jobs.⁷² In order to attract investors in the region, who could provide jobs for laid-off miners, the Government proclaimed the Jiu Valley a “disadvantaged area” and offered a 10-year tax break to all potential investors.⁷³ Radu Vasile pointed out⁷⁴ that the Government tried to show its interest in the region, “In our last measures, we offered 15 billion lei for public utility investments in Petrosani. The Government has shown consideration to the citizens in this region.” But none of these measures satisfied the miners.

2. Government refused to meet Miron Cozma, the president of the Mining Trade Union's League in Valea Jiului

Reassigned on December 12 as president of Mining Trade Union's League of Valea Jiului after finishing his two-year prison sentence, Miron Cozma was from the very beginning against the Government's decision to close down the mines, “We will defend our rights, with or without their will.”⁷⁵ The Government refused to meet Miron Cozma because of the 1990-1991 *mineriade*, his prison record, and his personality. His credibility was doubtful and the Ministry of Trade and Industry representatives had already started negotiations with more reliable mining trade union leaders.

First, the government decision to not receive Cozma with the rest of the mining trade union delegation was based on the fact that he had lost permission to enter Bucharest. Minister Radu Berceanu stated, “I don't have any intention to open a dialogue with Miron Cozma, who brought so many losses to Romania due to his actions and external fame.”⁷⁶ So, during the negotiations between Minister Berceanu and 18 other trade union leaders scheduled for December 18, 1998, the Minister's security officers were commanded by Berceanu to not allow Cozma to enter the building because he “has a legal restrictions on entering Bucharest.” Prime-Minister Vasile was not willing to meet the miners' leader either, but he tried to excuse himself, “I didn't give any disposition [to stop Cozma]. This is Mr. Berceanu's decision, but I think it's just related to the legal restrictions on Cozma entering Bucharest.”⁷⁷

Second, the Government's refusal to open a dialog with Cozma was justified by the miners' unrealistic demands and forceful position. Having more influence due to his Greater Romania Party membership and his leading posi-

72 Roustel, D.

73 Balkans Chronology (1999)

74 Interview, 22 Review, Number 3, January 19-25, 1999

75 *Evenimentul Zilei*, December 14, 1998

76 *Evenimentul Zilei*, December 16, 1998

77 *Evenimentul Zilei*, December 19, 1998

tion in the Jiu Valley, Miron Cozma gave an ultimatum on January 4, when the miners from Jiu Valley started a general strike. They demanded that Prime Minister Radu Vasile or a government commission (including Radu Vasile and the Minister of Trade and Industry, Radu Berceanu) come to the area to discuss a 30-point list of demands, otherwise they would start their march to Bucharest the next day.

Hours after the miners started their protest, Vasile's Government issued a strong-worded statement, slamming the ultimatum as unacceptable; "Faced with this ultimatum... the Government will not conduct any dialogue [with them]. We regret the situation created by the Jiu Valley mining unions, whose policy of force can only scare off prospective investors."⁷⁸ Radu Berceanu, whose dismissal was one of the miners' demands,⁷⁹ also said:

We exclude the possibility of the common thief [Miron Cozma] being a part of any delegation. This list does not even have one innovative idea and is not realistic. The losses from the mining sector are the same for the PRM (Greater Romania Party) or for the PD (Democratic Party). Moreover, they look more like political requests, since they include some party aspects on their list of trade union requests, which may seem not only null and void but also dangerous. Some requests are outrageous: the request related to improving the Valea Jiului pensioners who never even contributed to the pension fund.⁸⁰

The requests related to the PRM generated a lot of discussions about the previous *mineriades* in 1990 and 1991, which were led by Miron Cozma in Bucharest and ended with Petre Roman's Government falling. Roman, the President of the PD (the party of Minister Berceanu), issued a press release where he criticized the violent language used by Cozma and his "new intention to destabilize the country."⁸¹

When the Prime Minister replied with a refusal to Miron's ultimatum, the President of the Senate's Economic and Social Commission, Viorel Catarama, felt that his commission would be the most appropriate in mediating the conflict between the Government and the miners. The same commission had conducted successful negotiations with another plant in November 1998, which finished with a protocol accepted by the Government. Due to its previous success, Viorel Catarama expressed in the media his interest to also conduct negotiations with the Jiu Valley miners.

Accordingly, the Mining Trade Union's League sent Catarama an invitation, on January 5, to come to Valea Jiului to analyze "the situation and the perspec-

78 Balkans Chronology (1999)

79 Ibid

80 *Evenimentul Zilei*, January 5, 1999

81 Ibid

tives on the mining industry in Romania and also, to try, in the limits of its authority, to solve the conflict in Valea Jiului.”⁸² Responding positively to the invitation, Catarama and some other commission members went to Valea Jiului on January 6. They were welcomed with enthusiasm by the miners in front of NCP’s court and Miron Cozma declared, “We thank the commission members for their support and for talking with us.”⁸³

After more than 15 hours of negotiations, a protocol was finally signed, but Catarama’s statements suggested that it was very difficult to negotiate with Miron Cozma and the miners. “I will make a public statement to let everybody know that nobody can make a deal with you. I will tell everybody not to negotiate anymore with you, because it is not worth it!”⁸⁴ This statement was yet more proof that Cozma was not truly interested in real negotiations and his claims were not actually related to a labor conflict. The Government rejected the protocol signed by Cozma and Catarama, making it clear that the Government was not willing to have any kind of dialogue or negotiations with Cozma. Furthermore, Catarama was forced to resign from the Liberal Party, also a symbolic action.

The government representatives tried to negotiate with more reliable trade union leaders, but even they were all under Cozma’s influence. This became even more evident after Cozma’s second ultimatum when Victor Badarca, his executive, was sent to the Ministry of Trade and Industry to a meeting with State Secretary Nicolae Staiculescu. When negotiations ended, Badarca said, “The results of the negotiations do not satisfy our basic demands and thus they are not acceptable for putting an end to the conflict.”⁸⁵ Applying the *coup d’etat* theory, Radu Vasile⁸⁶ gave other explanation for why the negotiations failed:

The dialogue with State Secretary Staiculescu was a dialogue for the deaf. It went like this. The mining representatives would negotiate for 10 minutes with the Ministry’s people, leave the conference room, and immediately contact Miron Cozma and discuss matters with him for half an hour. No matter what had been negotiated, Cozma refuses and makes counter-demands. It is clear that the dialogue is not wanted (...) and Miron Cozma doesn’t want anything else but the escalation of the conflict (...) Miron Cozma is only a pawn with a certain type of personality. That’s why this conflict has political origins, but uses real problems and manipulates them. Moreover, all the information that we have suggests that it is a very well organized action and, in my opinion, it can’t be made by one single person (...) It is clear that someone from behind

82 *Evenimentul Zilei*, January 6, 1999

83 *Evenimentul Zilei*, January 7, 1999

84 *ibid*

85 *Evenimentul Zilei*, January 15, 1999

86 Interview made by Gabriela Adamesteanu, In 22 Review, Number 3, January 19-25, 1999

is telling them [the miners] to continue the conflict, push it to the limits (...) This is the biggest problem in Jiu Valley and there's no one to talk with.

Miron's demands, coming from a non-profitable sector, were unacceptable: demands for writing off the local mining company's debt, for raising the miners' monthly pay to the equivalent of \$346 from \$231 (when the average monthly wage in Romania was \$120), and the equivalent of \$10,000 in cash handouts to miners taking voluntary layoffs.⁸⁷ But Cozma convinced the miners that their requests were realistic, and the fact that previous regimes had given the miners preferential status,⁸⁸ simply strengthened the miners will to strike.

3. Decision to stop miners from marching to Bucharest with barricades.

Miners were offended by the Government's proposal to send another representative, Nicolae Staiculescu, other than the Minister himself, Radu Berceanu, to the negotiations, and they considered this as undermining the importance of the protest.⁸⁹ There was also a subtle message in this symbolic action, mainly the miners were no longer considered a group with political clout. Fueled by this attitude from the state authorities and manipulated by the information they were receiving from their leaders, the miners decided that the only way of resolving the problem was to totally obey their leader, Cozma, who was also the Vice President of the PRM. The President of this party, Corneliu Vadim Tudor, encouraged the miners to resolve the situation by replacing the ruling power with a government comprised of miners, "My dearest miners, the country stands by your side (...) I will install you in the lavish offices of Bucharest, and I will put into the mines those rascals who ruined the country."⁹⁰

The miners made it clear that if the Prime Minister didn't come to Petrosani, they would continue their march to Bucharest. In order to be able to do that, they made a request to the Capital Police for a six-day permit, January 18 to 24. No positive reply was given, since the police could not guarantee that the citizens of Bucharest and the participants could be protected. The Chief of Police, Radu Balici, stated⁹¹ there was a precedent: previous miners' marches in Bucharest ended with many injuries, deaths, and devastation.

In an attempt to end the protests, the responsible ministers declared that they would stop the demonstration by force. Minister of Interior, Gavril Dejeu,

87 Balkans Chronology (1999)

88 Rodica Palade, *Miron Cozma and his miners/ The fear of Bucharest*, in 22 Review, Number 2 (464), January 12-18, 1999

89 *Southeastern Europe Regional Country Analysis Brief*, December 2002

90 Tudor, C. V., *Manifest for the miners*, in Romania Mare (Greater Romania) Review, Number 444

91 *Evenimentul Zilei*, January 18, 1999

stated on January 11, “We will keep any demonstration that violates the law under control, even strikes, manifestations of insubordination, violence, and any attack upon the democratic values. We will sanction any misbehavior.”⁹² More than 5,000 police officers and gendarmes (plus the special troops for intervention: the DIAS) were already installed in Jiu Path. On January 16, Traian Basescu, the Minister of Transportation empowered by the Prime Minister, made the risky move to block all means of transportation to the state capital, but this just made the miners even more determined to proceed with their actions. Twelve trains were canceled, and all national roads in the area were closed⁹³ and blocked with stones.

The decision to block the way to Bucharest was not very effective. First, it did not stop the miners; they simply found other means of transportation from other trade unions and from the PRM. Second, it set the tone for other non-democratic ways of dealing with the conflict (the PRM provided necessities for the miners and the DSR opposed any intervention against the miners and asked for the public’s support in the matter). Third, the Government’s poor strategy in dealing with the escalating conflict took an unexpected turn: increased public support. This meant that even those actors that did not support the miners’ point of view took their side anyway in protest of the Government’s behavior.

For example, Bogdan Hossu, the President of Confederation of National Syndicates (Cartel ALF) stated that the Cartel did not support the wage demands of the miners but “their actions were predictable (...) their reaction is totally justified, but the politicians’ attitude is incomprehensible. It is their right to come to Bucharest if they want, the banning of the right to movement is absurd and its source is the administration’s incapability.” Constantin Baroi, the President of the Confederation of Democratic Trade Unions of Romania (CSR) blamed the “dictatorial attitude” of both the Ministry of Interior and the Ministry of Defense, “We are convinced that the only possible solution for solving the conflict is dialogue, otherwise the situation can be inflamed.”⁹⁴ In a press release, the President of the Oltenia Federal Union of Mining Syndicates (UFMSO), Nicolae Gerou stated that he did not agree with using force against the miners and said the troops should be withdrawn.⁹⁵ Later he expressed his support for transporting the miners to Bucharest.⁹⁶

Hundreds of miners from other regions, Oltenia for example, reportedly joined the march. Schoolteachers in the regions of Neamt and Maramures also went to strike. The Black Sea harbor workers also joined the strike, and 8,000

92 *Evenimentul Zilei*, January 12, 1999

93 *Evenimentul Zilei*, January 18, 1999

94 *Evenimentul Zilei*, January 6, 1999

95 *Evenimentul Zilei*, January 15, 1999

96 *Evenimentul Zilei*, January 18, 1999

workers at two tractor and truck factories in Brasov called on the Government to resign.

4. *Government order not to use force (the Bumbesti-Jiu and Costesti confrontations)*

Having confidence and public support, the Jiu Valley miners left Petrosani on January 18. The barricades in their way were easily passed. People from a nearby village, Bumbesti-Jiu, (most of them also working for mining utilities) joined the miners. Support from the public complicated the crisis management and radically changed the Government's strategy since they did not expect such public support: the citizens were not only tolerating the strikers, they were actually helping them!

As a result, at around 9:00 on January 19, the miners started an attack against the police, gendarmes and DIAS special troops led by General Gheorghe Lupu. The strikers were well organized and were determined to fight "like our ancestors in Posada." The miners, their families, and people from Bumbesti-Jiu surrounded and defeated the police forces in just a couple of hours. In the State Secretary's opinion, the miners "acted as a very well organized group, with a five-star strategy." The most important decision in this defeat was the government order "not to use force" (understood as using firearms).

When confrontation began in the morning, Gorj Prefecture's representatives appeared. After that, the miners were allowed to continue their march. General Lupu said that this was the result of the order received from Under-Prefect Tanasescu, yet Tanasescu claimed that the decision not to use force was General Lupu's.

Referring to the miners' victory against the police forces in Jiu Path, the State Secretary of the Ministry of Interior, Teodor Zaharia, explained his subordinate's decision:

Apparently more than half of the miners arrived in Bumbesti-Jiu [on the night of January 18] and started their walk to Petrosani. In fact, they spread out in the nearby woods, marching all night, and succeeded to circle the Gendarmes troops in the area. In the morning [of January 19], the miners attacked the police forces, throwing stones above the hills, as their ancestors did at Posada, dividing the troops' corridor in four. General Lupu was in the first group, face to face with the miners that had stood there all night, and no attempt to stop the miners was necessary (...) the area was not favorable for the troops in their confrontation with the miners.⁹⁷

97 *Evenimentul Zilei*, January 20, 1999

The miners had made a promise, during the negotiations on January 8 with the Ministry of Interior authorities, to implement a non-aggression pact. Yet the miners had obviously not respected this pact. No one had received any information from the Police Security (Military Unit 0215), because this unit was full of members from the old *Securitate*, who had strong contacts with the PRM and PDSR organizations. Communications were also impossible due to the fact that there was no reception in the Jiu Path area.⁹⁸

Leaving Bumbesti-Jiu in glory, the miners moved towards Tirgu-Jiu and reorganized in Prefecture's Square. There, the president of the GRP branch in Hunedoara, Costel Avram, showed his support for the strike and sympathized with the miners. At the same time, Cozma held a speech in front of the crowd gathered in Prefecture's Square and demanded the resignation of four ministers, "We never wanted to overthrow the present power, but the lying, deception, insincerity and the nastiness of those who rule us, must stop." This speech indicates that the crisis was not really a labor conflict, but rather a *coup d'état* attempt by those who did not want to lose their privileges and status due to the reforms initiated by the Democratic Convention.

After this first victory, on January 20, the miners prepared to go to Rimnicu Vilcea. In Costesti, before Rimnicu Vilcea, more than 6,000 police officers, special troops and Gendarmes were waiting. The night between January 20 and January 21 was experienced very differently by the two sides (the law enforcement forces vs. the miners) and is interesting to analyze for the purpose of seeing the physical and mental state of the two sides prior to the conflict. The troops slept on the icy ground and the miners slept in their vehicles or in the homes of local supporters. The troops ate cold canned food, in small portions; whereas, the miners received warm cooked meals prepared by the villagers, local trade unions, and political party members. The troops had been on the road waiting for miners for more than two weeks so they were tired and anxious. The miners were surrounded by a positive and spirited atmosphere with the first victory in their pocket and so much local support, both of which served as a confirmation that the miners were still a strong force and had the capacity to transform things. These aspects cannot be neglected for understating the way the incident in Costesti repeated the Bumbesti-Jiu episode, although some representatives from the Interior Ministry repeatedly said that the miners would be stopped in Costesti with all necessary means.

Eventually an order was issued: use whatever force needed to stop the miners from entering Bucharest. But things did not happen as planned, probably because the commanders did not send a clear order or probably because of the strong public presence in the conflict area complicated things. Use of force

98 Private sources of the author

could have led to a civil war; the miners could not be distinguished from the local civilian population. But the law enforcement's non-action is not very hard to imagine considering the fact that the miners, acting as a paramilitary force, were well armed and had good leaders. The miners with wooden sticks, stones, and weapons taken from the police and special troops in the previous confrontation at Bumbesti-Jiu (smoke bombs, rubber bats, crash helmets, etc.) succeeded in encircling the police once again and forced them to surrender, taking almost 2,000 prisoners.

The law enforcement forces apparently experienced some internal disagreements. One officer declared, "I wonder why our commanders didn't let us do our job? Why did they subject us to extermination by a low alimentary regime, and kept us in the cold without any rest? I especially wonder where most of the commanders disappeared to during the confrontations? We were practically without leadership."⁹⁹

What does this mean? That the commanders did not follow their orders, that there was a third actor giving conflicting orders, or that they were afraid to use armed force against the miners when they were so strongly supported by the civilian population? One of the new Ministry of Interior staff members was General Anghel Andreescu, chief of the Gendarmes. His view of the situation was:

Looking at the way the miners in Costesti executed their orders, from a military perspective, one is impressed. For example, they were perfectly organized on their way to Rimnicu Vilcea. We're not talking about the organization here, but about something more. Apparently, their leaders were in command, but I doubt they knew much about military principles. So, in this instance, we are talking about some other forces- probably, some staff members from I don't know what Ministry, stood in reserve.¹⁰⁰

Who could have this third actor been? Someone who knew military principles, but who could have also easily slipped into the crowd? After the second victory, the miners reorganized in Rimnicu Vilcea, where people welcomed them gladly, and the PRM review "Romania Mare" (Greater Romania) was distributed to the participants.

The evolution of the events in Bumbesti-Jiu and Costesti revealed that the illegal use of violence by the miners increased over time and that the people from the two areas gave the miners significant support during the confrontations. The political authorities were unable to stop the miners' march

99 22 Review, February 2 – 8, 1999

100 22 Review, February 23 – March 1, 1999

to Bucharest and this led to the resignation of the Minister of Interior, the dismissal of General Zaharia, and the investigation of General Lupu.¹⁰¹

5. *President Emil Constantinescu enacted a state of emergency*

In the public's eyes, the police and government leaders were trying to stop the miners from overthrowing a corrupt and weakened coalition. In addition to the miners' strike and their supporters, many non-governmental organizations announced that they would also protest, calling for the "defense of democracy." A first protest was organized in Bucharest, with more than 10,000 participants, mainly students and academics. Popular opinion was divided between supporting and condemning the miners' actions. According to the IMAS polls (January 20-27), 58 percent expressed opposition to the miners' actions, while in Bucharest the disapproval of the actions reached 90 percent.¹⁰²

The problem was also put in different terms: if the miners did not start their retreat from Valea Jiului, the President would invoke a state of emergency. Because there was some legislative uncertainty about declaring a state of emergency after the adoption of Constitution in December 1991, other decisions were taken on the January 21 and January 22 (i.e., an Urgent Decree). Due to its nature, a state of emergency means the abolishment of some rights that need to be clearly explained to the population.

Nonetheless, the mismanagement of the law enforcement forces and the public's disapproval of the miners' actions encouraged President Constantinescu to announce a state of emergency on January 21, in accordance to his constitutional rights as stated in Article 93.¹⁰³ The state of emergency would be automatically installed on January 22, depending on the miners conduct. Although a state of emergency did not stop the miners from marching to Bucharest, it became operative without intervention from the authorities. In his statement, the President did not specify what exceptional measures needed to be imposed in a state of emergency situation. One of the most important decisions in this type of situation would be the restriction of any protests. But this decision was not taken because, when the Government and the President were preparing the adoption of the state of emergency, some organizations announced their intention to organize protests against the miners (in Bucharest and Timisoara) the next day, on January 22, when a meeting between Radu Vasile and Miron

101 Campeanu P., *Cozia: Before and After*, in *Sfera Politicii*, Number 67, available also at <http://www.dntb.ro/sfera/67/mineriade-2.html>

102 *Evenimentul Zilei*, January 23, 1999

103 According to Article 93 of the Constitution, "The President of Romania can, according to the law, institute a state of siege or emergency in part of or in the entire country, and shall request the Parliament's approval of such a measure within five days."

Cozma was scheduled. Thus the authorities did not want to interdict the counterprotest, since it served their interests.

Protests are prohibited during a state of emergency because they can amplify conflicts. But the reaction of civil society on January 22 contributed in a decisive way in confronting the political forces involved, directly or indirectly by intimidation. At the same time, there was evidence of a weak state: mismanagement led to an extremely dangerous escalation of the crisis, and yet the public institutions needed influence and legitimacy from civil society.¹⁰⁴

6. *The Cozia agreement*

The state had exposed its weakness and thus had to find another solution to stopping the miners from reaching Bucharest. The decision to negotiate with Miron Cozma was a political solution, which could break the deadlock. Prime Minister Vasile assumed this responsibility and decided to meet Cozma on neutral ground, at the Cozia Monastery. Choosing the Cozia Monastery had strategic advantages and symbolic ones as well.¹⁰⁵ It was not the typical place for negotiations, nor were the events surrounding them. As a sacred institution, it provided symbols of reconciliation and peace and was also a place with strong historical ties. Prime Minister Vasile knew this when choosing the meeting place and he used these symbolic tools to make peace.

After four hours of negotiations, the parties signed three protocols (peace treaties), and teams were established to implement them. The decisions made during the negotiations were not classified as confidential yet they were not made public. Thus, it was difficult to analyze the decisions without the official material at hand. The only information available was public statements from some of the involved negotiators. The three agreement protocols were different for the miners from Jiu Valley, Oltenia, and Transylvania. They each signed one copy.

After negotiations, Prime Minister Vasile announced the closure of the conflict and that:

We reached a compromise consisting of a series of solutions which are due to be finalized after 30 days, and programs will be presented for reorganizing and cutting the losses together with the National Company of Pitcoal and the company leaders. We believe this will calm the spirits in Romania and help avoid other confrontations. Cozia Monastery was not randomly chosen for the negotiations; it is a strong symbol for the

104 Ibid

105 Adamesteanu, G., January 26 – February 1, 1999

Romanians. Nobody won but the conflict that has confronted our country has now come to an end.¹⁰⁶

The only person with all of the details in hand was Miron Cozma, but he decided not to go public with the protocols. He remained silent. So, the intriguing question is why did Cozma not read the protocol to the miners, who had followed him in hope of economic gains? A possible reason is that there were probably not so many advantages gained by the miners. As it appeared, the only commitment from the Government was a pledge for the amnesty of the miners involved in the illegal actions. A part of the protocol, which was signed by the miners from Oltenia, was printed in the newspaper, "The Romanian Government will not initiate any legal procedures against the participants and their trade union leaders who were involved in the manifestations on January 4 to 22, 1999."¹⁰⁷

A plausible explanation for the *disappearance* of the protocols is the fact that none of the parties involved wanted to look defeated,¹⁰⁸ and they agreed to this solution. In an interview, State Secretary Nicolae Staiculescu pointed out that:

(..) from a governmental point of view, economical requests were not negotiated in Cozia. The two mines [Dilja and Barbateni] will remain in exploitation, because this was a special request on the miners' list of demands. We also established that the miners should propose means for a 20 percent cut in the current budget for the upcoming years (...). The necessity of closing down some mines remains open (...). We didn't reach an agreement for pay raises. Any possible raises will be decided by the company's management.¹⁰⁹

In connection with the adoption of the State Budget Law, Minister Berceanu made the statement, "We cannot find what was promised at Cozia in the state budget,"¹¹⁰ because pay raises could only be obtained if either the mining industry became more productive and profitable, or if some miners were laid-off. So, what really made Miron Cozma stop his march to Bucharest? Probably the fact that they had not planned on a state of emergency and intervention from the army.¹¹¹

106 *Evenimentul Zilei*, January 23, 1999

107 Lefter I. B., 1999

108 Ibid

109 *Evenimentul Zilei*, January 25, 1999

110 *Evenimentul Zilei*, February 13, 1999

111 Campeanu, P., (1999) and Constitutional Watch (1999)

7. *Debate about outlawing the PRM (Greater Romania Party) and the procedure for lifting the parliamentary immunity of its leader, Corneliu Vadim Tudor*

The debate about outlawing the PRM and the procedure for lifting the parliamentary immunity of Senator Vadim Tudor was raised regarding the involvement of the party and its leader in supporting the miners' strike. Members of Parliament enjoy parliamentary immunity, according to Article 69 of the Constitution. The civil society and political parties of the ruling coalition tried to take action against Tudor, because previous attempts at such revocation had failed to muster the required two-thirds majority. For example, in 1996, Tudor's immunity was lifted regarding a defamation case, but the justice system was so slow to prosecute him that he was reelected senator again, thus regaining his protected status.

After some discussion with members of civil society, especially a group of analysts from 22 Review, Minister of Justice Valeriu Stoica considered banning the extremist PRM altogether. After openly calling for a coup d'état, the party could hardly be considered constitutional.¹¹² The accusations against the PRM included: infringement of constitutional principles of democracy; incitation to public violence; violations of law and order; instigation to national, racial and religious hatred; and instigation against political pluralism.¹¹³ However the fact that 20 percent supported Tudor and there was no concrete evidence against him, a ban could have involved serious risks. So the case of PRM was closed. But the case against Tudor himself was not.

On January 11, the Prosecutor's Office from the Supreme Court of Law heavily criticized the President of the Great Romania Party, Corneliu Vadim Tudor. In his letter addressed to the miners, "The manifest for the miners," Tudor encouraged the miners to revolt against President Emil Constantinescu, Democrat leader Petre Roman, and Minister Radu Berceanu. The Prosecutor's Office also accused the PRM President of immorality and sexual affairs with the actress Rona Hartner (he had a so-called journal of the actress where intimate details were presented), and threatened to put him in jail in the same cell where Cozma had been imprisoned. Without evidence for sustaining his allegations against Tudor (the so-called journal of Rona proved to be a fake), everybody came to the conclusion that this sort of thing should not happen again and a new procedure for lifting the parliamentary immunity had to be advanced. The total number of penal files involving Tudor was 11. Something needed to be

112 According to Art. 37, "Political parties . . . which, by their aims or activity, militate against political pluralism, the principles of a state governed by the rule of law, or against the sovereignty, integrity, or independence of Romania shall be unconstitutional."

113 Andreescu, G, *Extremism in Romania*, available at http://www.edrc.ro/docs/docs/extremism_ro/IntregulVolum.pdf, pp. 33-34

done in order to lift his parliamentary immunity¹¹⁴ and the National Liberal Party strongly supported such a proposal.¹¹⁵

The Senate Judicial Commission voted for lifting the parliamentary immunity of Tudor and also changed the procedures for obtaining this: fewer votes were required from the session, from two thirds to an absolute majority (72 votes). Ion Iliescu, President of the PDSR, expressed no intention of imposing its Parliament Members to vote against Tudor. Thus, the only thing that happened to the PRM and its leader, Corneliu Vadim Tudor, was a 30-day time out for Vadim from Parliament sessions.

8. Miron Cozma sentenced and the miners threaten to defend him (Stoenesti confrontation)

Cozma's direct participation in the miners' strike explains the Supreme Court of Justice's harsh sentence for him. He was convicted in absentia of "subverting the state" for his 1991 *mineriada*, an offense that left no room for appeal. The court was chaired by Sever Moisescu, a judge who was Attorney General (1997–98) and an adviser to President Constantinescu. The high court upheld Cozma's conviction for illegally possessing firearms, undermining state authority, and jeopardizing railway traffic. In addition to extending his sentence, the court also banned Cozma from entering Bucharest and Petrosani for five years after his prison term had been served. The Supreme Court did not explain why the sentence had been changed.¹¹⁶ Various parties within the coalition and analysts expressed their satisfaction with the sentence, while the PRM claimed that it was politically motivated.¹¹⁷ The Supreme Court of Justice's decision was a final gesture to rehabilitate itself and the state of law.¹¹⁸ If the Supreme Court had asserted itself the first time and Cozma had been sentenced after his first *mineriade* in 1990-1991, the events from 1999 may not have happened.

After the Interior Ministry spokesman Ion Petrescu announced that Cozma would be arrested shortly, Cozma appeared in front of the coal mining company in his home city of Petrosani. Around 300 miners gathered there to support him and shouted, "Down with the Government!" and "We'll fight to our death to protect Cozma!" In Petrosani, Cozma told the miners, "They gave me 18 years in prison for what? For demanding your rights! Let's get organized and get ready to leave for Bucharest. This time we will go all the way!" (referring to the negotiated end of the January march, which had ended just before the

114 *Evenimentul Zilei*, January 13, 1999

115 *RADOR*, January 29, 1999

116 Catterson, J., (1999)

117 Constitutional Watch (1999)

118 Campeanu, P.,

miners had reached the capital city).¹¹⁹ Moved by their leader, the miners were encouraged to start a new march to Bucharest.

A trade union should be a professional organization, but there was again evidence that the Mining League of Jiu Valley was something else; the miners were ready to use illegal violence again to get their demands met. Convicted to 18 years of prison, Miron Cozma decided that the best way to preserve his status was to use the miners to overthrow the ruling coalition, justifying to them that the imprisonment decision was really caused by a labor conflict. He had several options before him: surrender, stay in Petrosani and wait for the police to arrest him, hide, or try to leave the country. But he chose confrontation, attempting again to overthrow the government with violence.¹²⁰

With a new staff, the Minister of Interior had become more efficient, at least in terms of repressing illegal violence. Some reforms made after the Costesti episode, provided the Gendarmes Troops with more influence in the decision-making process. For example, at the Stoenesti confrontation only the Gendarmes Troops and special police troops (DIAS) were sent in. The Chief of the Gendarmes, General Anghel Andreescu, pointed out that this was the main difference between Costesti and Stoenesti: more effective command.¹²¹ After some confrontation, Miron Cozma was imprisoned, together with his cohorts.

Thematic Analysis

Crisis Preparedness, Prevention, and Mitigation

There was evidence that the government decision makers knew already in December 1998 that the miners' strike was not directly related to a labor conflict because Secret Services had provided information about an attempted coup d'état. Likewise, Mircea Gheordunescu, Deputy Chief in SRI (Romanian Intelligence Service) stated¹²² that the SRI "made a duty to always inform in due time." President Constantinescu alluded several times to a possible coup d'état.¹²³ For example, on December 8, the National Day of Constitution, Constantinescu asked the public and democratic institutions to take a stand against those (referring especially to Corneliu Vadim Tudor) who were trying to "threaten with rebellion and dictatorship." On December 16, the National Day of Solidarity, the President repeated that "inside the Parliament there are members who preach for dictatorship, freely and openly proposing the infringe-

119 Catterson J., (1999)

120 Campeanu, P.,

121 In 22 Review, February 23-March 1, 1999

122 In 22 Review, January 26-February 1, 1999

123 Lefter, I.B., January 12-18, 1999

ment of Constitution and citizens rights (...) showing hatred to traditional Romanian and European values, in the name of fake patriotism.” Regarding these types of attitudes and actions, Constantinescu promised on New Year’s Eve that in the following year of 1999 he would defend “with all his power, the protection of the state institutions.”

Although the strike was illegal, the repeated threats of Miron Cozma to march on Bucharest meant that the Minister of Interior and the police had to plan and prevent any use of illegal violence. They waited almost two weeks to confront the miners, for the first time at Bumbesti-Jiu and Costesti. The management of the troops was poor; they were not permanently positioned and not properly dressed. This led to unnecessary anxiety and tiredness, which hampered their preparedness and performance. The situation was improved for the troops in the last confrontation at Stoenesti because the Minister of Interior managed the situation better and there had been some restructuring and internal reforms.

Miron Cozma was considered nothing more than a common thief and not regarded as a responsible and realistic leader. Thus he was not allowed to participate in any negotiations. As a result, the government representatives conducted negotiations with more reliable leaders from Jiu Valley, such as Victor Badarca. But during the negotiations, Badarca took many pauses in which he communicated the Government’s offers to his superior, Cozma, who advised him to refuse and counterproposed unrealistic demands. So even though Cozma continued to threaten to march to Bucharest if the Prime Minister did not come in person to negotiate in Jiu Valley, Vasile persistently refused him. Otherwise, the credibility of the Government would have been seriously compromised in future negotiations with trade unions. If they yielded to Cozma’s demand, it would have created a precedent through which any striker could summon the Prime Minister on the spot. This attitude was even firmer after the strike was outlawed on January 15. Nonetheless, the Prime Minister was forced to reconsider the possibility of open negotiations and in order to preserve some honor he made arrangements to meet Cozma at the Cozia Monastery.

Problem Perception and Framing

When making decisions or considering a problem, actors do not always act according to rational calculations of an objectively defined reality. Rather, the perception of a situation is a social construction based on previous experiences, organizational and political culture, and contextual factors (Sundelius and Stern, 2002). Individual characteristics as well as institutional features impact the problem framing. It often takes place on the intuitive level, but might also be a result of a conscious strategy by the involved actors. The problem framing

might vary over time as well as between different actors. At the core, however, problem framing is essential as it impacts how an issue is dealt with initially, and thereby also has consequences throughout the crisis management process.

Initially, the miners' strike was framed as a labor conflict by the government representatives; that is, the Prime Minister had decided to close the unprofitable mining units. This resulted in a misperception and later mismanagement of the crisis and led to further criticism starting with the reelection of Miron Cozma as President of the Mining Trade Union's League of Valea Jiului. Cozma promised to his miners, "We will defend our rights with or without their will."¹²⁴ The negotiation process reframed the government's perception of the miners' crisis as a social movement and an attempted *coup d'état* provoked by opposition parties (PDSR and PRM) to overthrow the newly elected power and to reinstall, by force, members of the previous regime. The strikers' demands were not so much related to labor issues, but rather had "political origins, using real problems and their manipulations," as Radu Vasile stated.¹²⁵ In the 1990 and 1991 *mineriade*, Iliescu encouraged and thanked the miners for coming to Bucharest. This time Corneliu Vadim Tudor took on this role, and thus the government representatives considered this a *coup d'état* attempt.¹²⁶

By reframing the crisis, other political leaders and civil activists were also encouraged to come forward. Defending the miners' right was just a way to use violence, claimed the PD (Democrat Party) members. Petre Roman, also a member of the Democratic Party and a Senator, encouraged the Prime Minister and the Minister of Industry and Trade, Radu Berceanu, to take a firm stand against the miners, claiming that the miners often succeeded in switching their priorities during their *mineriades*. Leading the chorus against the miners were groups like the *Group for Social Dialogue*, which proclaimed to be defenders of the state law and supported the thesis of an anti-state rebellion and was looking for traitors in the police ranks (mainly those generals, who had failed to confront the miners at Bumbesti-Jiu and Costesti). Yet, there was no concrete evidence linking the PDSR, PRM, and police with the miners', despite the various precedents during Iliescu's regime.

Leadership

During the crisis, the decision actors had to deal with the escalation of the situation. In the first stage when the crisis was considered a labor conflict, the responsibility belonged to the Ministry of Labor and Social Protection and the Ministry of Industry and Trade. When miners threatened to use illegal violence,

124 *Evenimentul Zilei*, December 14, 1998

125 Interview made by Gabriela Adamesteanu, In 22 Review, Number 3, January 19-25, 1999

126 According to their statements in *Evenimentul zilei*, January 5-22, 1999

the Ministry of Internal Affairs and police intervened. When there were clear signs of a *coup d'état* attempt, President Emil Constantinescu and the National Council of Country Defense enacted a state of emergency.

Multiple negotiations proved that the miners did not truly have the intention to resolve the conflict. Moreover, unrealistic demands and support from the opposition parties were proof that the crisis was not generated by a labor conflict, but by an attempted *coup d'état*.

Before the beginning of the march to Bucharest, Minister of Interior Gavril Dejeu tried to preserve the state of law: "All measures were taken to prevent the miners' arrival in Bucharest [including use of force] (...) We will keep every manifestation against the law under control, even strikes, if they are violent and represent an attack upon democratic values. We will not sanction any misbehavior."¹²⁷ Due to the institutional context that did not provide a clear distinction of tasks regarding the use of force, several departments considered it their task to deal with public order: BAOLP (Brigade for Public Order), DIAS (Detachment for Special Actions and Interventions), Gendarmerie troops, and Military Unit 0215. Ministry of Interior and Military Unit 0215 were strongly populated with members from the old *Securitate* with strong ties to the communist regime. Military Unit 0215 was not under parliamentary control and thus was able to employ members accused by Romanian Intelligence Service as old members of the *Securitate*. Its actions were better characterized as those of a political police.

Since the strike was outlawed just before the march started, the best way to stop the march was to send some special troops to apprehend the miners' instigator, Miron Cozma. But Jiu Valley quickly became an area characterized as "a state in a state," where popular support was a barrier in capturing the leader since he was all the time surrounded by his men. The protection that the miners had under Iliescu's regime also contributed to the escalation of the crisis: no legal actions were ever taken against previous miner strikes. In fact, the miners had previously been requested to come to the capital by Iliescu, and President Constantinescu took no urgent actions.

Minister Dejeu's intervention proved to be of a symbolic leadership style, since the institutional context of the order and the communication failure in the area made it difficult to follow the order of using force. Transformed into a blame game between the police and politicians, the mismanagement of the crisis also opened opportunities for others to obtain cheap political points. For example, Miron Cozma and Vadim Tudor gained popular support by using the order to accuse the ruling power of killing miners.

¹²⁷ *Evenimentul Zilei*, January 12, 1999

Failing to preserve state order, Gavril Dejeu was forced to resign from his position in an attempt to clean up the image of the police force. His successor, Constantin Dudu Ionescu, tried to impose a much more active approach. One of the first things he did was to issue a press release in which all the rumors about the excessive use of force were strongly denied:¹²⁸

On the morning of January 19, groups of miners violently attacked the police forces who were trying to stop the protesters from going to Targu Jiu, according to the country's laws and the orders they had received. After a series of aggressive acts, nine police officers were injured, and one of them is in a critical condition. The soldiers under the Ministry of Interior used only tear gas and absolutely no firearms. So the rumors about miners being killed and bloody repressions are simply fabrications to create a tensed social atmosphere. In addition, the most recent statements by some political leaders, such as Miron Cozma, make us believe we are witnessing incitation to ruin the democratic regime of this country, which was decided by the majority of citizens in Romania.

At the same time, Emil Constantinescu and CSAT (National Council of Defending the Country) intervened to install a state of emergency. This was a transformation from a more abstract and distant leadership style (previously observed) to a more operational one. Moreover, Constantinescu sent the message that he was a victim since the intelligence services had not provided him with information and that the mass media had done a better job regarding this issue. His previous statements "I won the election, but not the power" and later "I have been defeated by the system," can lead us to believe that Constantinescu felt that he did not have control as President.

Polls indicated an increase support for Cozma as a member of PRM, so it was not surprising to find Corneliu Vadim Tudor urging the striking miners to continue their protest movement. In a press release Tudor said, "The waters of Jiu are turning red from the workers' blood." Tudor compared the miners' march with the popular revolt in 1821 led by Tudor Vladimirescu, who also made a march to Bucharest. Corneliu Vadim Tudor also stated that he had ordered the PRM branches to help the miners with food, medicines and other needs for their trip to Bucharest, where "the present leading power does not want to face reality (...) I hope that the good old Lord makes blood of the poor innocent victims fall on the heads of Emil Constantinescu and his political mercenaries who artificially support his power."¹²⁹

Using the same strategy like Ion Iliescu in the previous *mineriade*, Corneliu Vadim Tudor encouraged and promised the miners in his Greater Romania

128 Quoted from <http://www.expres.ro/arhiva/?day=11&month=5&year=1999&area=120>

129 *Evenimentul Zilei*, January 20, 1999

Review luxurious offices in Bucharest.¹³⁰ His intention was clear: with the miners' help, the ruling coalition could be overthrown. Having the Vice President of the PRM as their leader during the march to Bucharest and during the confrontation with the police forces in Bumbesti-Jiu and Costesti, the miners shouted "Vadim for president!" and carried posters of him.

Vadim's role in the crisis culminated with the mass murder accusations during the miners' confrontation with the police forces at Bumbesti-Jiu and Costesti. After that the Government associated Corneliu Vadim Tudor with Miron Cozma and his attempts to undermine state authority. Miron Cozma tried to cover himself by temporarily leaving the party to avoid misunderstandings over the strikers' demands and engaged Tudor's advocate to defend him. After Cozma was arrested, Vadim tried to dissociate himself from Cozma by saying that "he behaved dreadfully with his advocate and has damaged the image of the PRM, and after the Cozia agreement nobody could understand him anymore."¹³¹

Media

The coverage of events demonstrated that the media often emphasized the spectacular aspects of the conflict with little regard for a proper analysis. The events were often personalized, and the leaders, politicians, administrators, trade union leaders, and others in the limelight were depicted in black and white terms: blamed or considered to be geniuses. The constant personification blurred the actual facts and causes of the conflict. The National Television was most persuasive in twisting reality by not presenting all of the important crisis events and by changing the television programming.¹³² For example, a movie called *Germinal*, after a novel by Emile Zola, had been planned for the night of January 21, the night of the confrontation between the police forces and the miners when it was not sure that the miners would stop their march to Bucharest.

Different members from the Television Administration Council, also members of the PDSR, and even the Director of the Television tried to stop some talk shows or prevent coalition analysts such as Dan Pavel or Stelian Tanase, from being invited to speak claiming that "counterdemonstrations should not be transmitted live."¹³³

According to some witnesses, one of leading persons from the Department for Informative Television Shows prepared informative bulletins "which con-

130 Tudor, C. V., *Manifest for the miners*, in Romania Mare (Greater Romania) Review, Number 444

131 *Evenimentul Zilei*, February 20, 1999

132 According to 22 Review, February 2-8, 1999

133 See also *Ziua*, January 25, 1999

tained 'news' which would satisfy the requests of many influential persons." Likewise, many people with leading positions tried to influence journalistic reporting in an attempt to stabilize the situation.¹³⁴ Thus, news reporting of the miners' crisis was often one-sided, comfortable for those who did not want to lose their privileges generated by radical reform and who wanted to gain popular support.

Internationalization

The evolution of the miners' strike was a sign of instability for foreign investors in Romania. An example was the AMOCO Multinational Company's decision to withdraw all investments in Romania and to cancel all projects in cooperation with Romgaz and Petrom, a total value of more than one billion dollars. Moreover, the image of an unstable country was also generated by the negative reactions displayed in the international media. The turning point was the Cozia Agreement between Prime Minister Vasile and the miner's leader Cozma, a decision welcomed by both the White House and the EU

On January 23, the EU declared its support for the Romanian Government in protecting and maintaining the state law and also announced that it would increase PHARE funds for this purpose. So, maintaining peace became a firm objective for the Romanian Government, who could use the supplementary funding for sustaining the reform process and could improve its tainted image with its European partners. The next day, in a press release the White House congratulated the Government on its agreement with the miners (and in particular praised the role of Prime Minister Vasile and President Constantinescu) and stressed that stability was important for EU and NATO integration. As to those interventions The European Commission followed up by creating a committee made up of Romanian councilors and European specialists (in 1999) to lead the reform process and to start negotiations for European integration (in 2000).¹³⁵

The miners' crisis was hardly a good moment for the Romanian Government's forthcoming talks with the International Monetary Fund (IMF). In fact, the talks were postponed – apparently by the Government's request – from January 25 to February 10. The IMF negotiations were very important for covering the country's foreign debts and encouraging foreign investments. So, government leaders tried to manage the escalation of the crisis by sending a firm and externally positive image of Romania. At the same time, the conditions of the proposed IMF agreement were very tough for Romania, due in part to the previous

134 See also *Evenimentul Zilei*, January 27, 1999

135 Nastase and Maties (2002) p. 55-56

mismanagement of reforms. As was the case with Argentina, the Romanian negotiations with the IMF proved to have unfavorable effects.

Conclusions

The miners' crisis again proved that even if a new power was democratically installed in Romania, communist/post-communist and worker/academic cleavages have been obstacles in the economic and political reform processes. Members of the old communist party and the old *Securitate* adapted to the new democratic system and maintained some of their old privileges by becoming members of parties like the Social Democratic Party and the Greater Romania Party or by infiltrating the new Minister of Interior.

President Constantinescu understood this when he said, "I won the election, but not the power." He felt so defeated by the system that he did not even participate in the next election. Immediately after the miners' march in January and the confrontations in Bumbesti-Jiu and Costesti, the Democratic Party released a statement presenting what they believed to be the causes of the crisis: dysfunctions in the ruling coalition, mismanagement of the Ministry of Interior under Minister Dejeu, the old (communist) mentality and influence from previous communist party members, and ambiguity in the new legislation.

Due to this awareness, some changes were made in the Government's leadership structure; for example, the resignation of Minister Dejeu and the appointment of the young and determined Constantin Dudu Ionescu. Minister Ionescu developed some other changes in his ministry's structures and strategies. After the last confrontation with the miners in Stoenesti, where only the Gendarmerie participated, there were indications that crisis management had improved. The determination of the ruling coalition to continue the reform process was welcomed by several international organizations and also facilitated the country's integration processes into the EU and NATO.

The counter demonstrations in Bucharest and Timisoara in "defending democracy" proved that civil society had gained increased power and respect. The political support that the miners had received during Iliescu's regime and during Constantinescu's from the opposition parties decreased and the concept of the *mineriade* in the post-communist era was no longer politically accepted.

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Chapter 8

The National Fund for Investments Crisis

Andreea Guidea

Introduction

After the collapse of the Soviet Bloc in 1989-91, Romania was left with an obsolete industrial base and an industrial capacity entirely unsuited to its needs. In February 1997, Romania embarked on a comprehensive macroeconomic stabilization and structural reform program, but it has been a frustrating stop-and-start process. The government's priorities included: obtaining renewed IMF lending, tightening its fiscal policy, accelerating privatization, and restructuring unprofitable firms. Romania was invited by the EU in December 1999 to begin accession negotiations and January 1, 2007, Romania officially became a EU Member State (ExportInfo.org, 19 February 2005).

The first years of mutual fund development in Romania were marked by significant difficulties because of the newness of such business, the lack of regulation and experience, and the inadequate investment policies offered by the financial market at that time. Incoming Prime Minister and former Governor of the Romanian National Bank, Mugur Isărescu, declared that year 2000 would be a turning point for Romania. The new government focused on improving the country's economic and social situation for the bitterly dissatisfied population. Despite the willingness of the new government to implement economic

changes, a series of economic scams and political scandals ruined its long-term 'good intentions'.

Because of the admission to EU negotiations and the arrival of a new Prime Minister, Mugur Isarescu, the year 2000 was a turbulent period in the financial and banking sector. In April, after the IMF (International Monetary Fund) negotiations, the government announced higher prices for electricity and other utilities, which in turn raised the prices in all other areas and caused significant inflation that month. The population was losing confidence in the currency and their bank deposits and funds.

Under these circumstances and during an electoral campaign, the country was confronted with the FNI crisis. Thousands of Romanians lost all of their savings when the high-interest unit trust fund collapsed at the end of May and investors in FNI took to the streets.

Defining the Crisis

In 1995 the National Fund for Investments (FNI) was founded. The basic operating principle of FNI was to use borrowed money to invest in stocks, with the promise of full reimbursement within three weeks of a given request (Smirna, 15 June 2001). Indeed, the Fund looked like the most successful on the Romanian market. FNI was an open unit trust, a usual instrument in a market economy, with legislation and surveillance institutions (the National Stock Commission – CNVM), a professional infrastructure, and a management company (SOV Invest). It had branches, bureaus, functionaries, economists, capital market experts, and a professional appearance. Even its name was conceived to create the image of a legal and solid system, appealing to all individuals and surpassing all other funds (by being “national”). The Fund had more than 300,000 investors, which was 79% of the market share.

In the beginning of May 2000, before the local elections took place, investors in Cluj were warned with anonymous telephone calls and letters that the Fund was insecure. Investors panicked further when a newspaper in Cluj announced that the value of the FNI bonds had dropped because of a new calculation method. Although the FNI offices in several localities were closed, thousands of investors lined up demanding answers. Meanwhile, the SOV Invest chairperson, Ioana Maria Vlas, was nowhere to be found. Things really started to get out of control when people learned that Vlas had left the country.

Due to the fact that investors were attempting to make huge withdrawals from the Fund, the FNI closed all of its branches and made a request to the stock and capital market regulator (the National Stock Commission – CNVM) to suspend all trading. Investors took to the streets across Romania in protest and the riot police were called. This was a major crisis and it threatened to

become violent, similar to the pyramid schemes in Albania. The FNI's collapse initiated a domino effect in the banking sector, which not only threatened Romania's financial sector but also the security of the nation. Demonstrative of this effect was the plight of the Romanian Commercial Bank (BCR), which at the time was one of the largest national banks allocated for privatization. The BCR was hit by rumors of imminent cash shortages, which caused depositors to withdraw their money in masses, fearing a repeat of the FNI crisis. This situation forced the National Bank of Romania (NBR) to quickly act with cash injections in an attempt to aid the failing bank.

A preliminary assessment, based on the work of experts and legal authorities, indicates that this failure reflects gross mismanagement and fraudulent practices, as well as poor regulatory control. The core values involved were public order and the financial system's stability. The values at stake were the economic development of the nation, legitimacy in terms of public trust in state institutions, and the country's reputation among the international organizations (mainly the EU and the IMF). Also, this crisis was perceived as a political opportunity for the opposition and local actors.

There were many uncertainties regarding the strategies for repayment. Who was responsible? Should the government get involved? Should the National Savings House (CEC) get involved? What was the best way to deal with the riots and public disorder? Despite the numerous uncertainties, immediate action from the government was perceived essential.

Sources

The majority of the information in this chapter was gathered from the large Romanian newspapers: *Capital*, *Evenimentul Zilei*, *Romania Libera*, *Adevarul*, and *Ziua*. In addition, information from various reports was cited, in particular an internal document from the Finance Ministry.

Historical Context

Romania had experienced similar problems even before the FNI crisis: like the huge pyramid scheme in the Caritas case, and the difficulty in reimbursing investors in the AFI-FMOA case. Both of these cases were characterized by high-risk investments. Neither case contributed to any significant legislative changes or preventive measures.

Caritas was a typical pyramid scheme founded in the beginning of 1992. By October 1993 it had three million investors. The system relied on doubling deposits each month in order to maintain its payments. The scheme promised

investors an eight-fold return on their investment within 100 days, and was very popular in Transylvania. A description of its effects is given below.

Trains to Cluj carried four times their usual load. They were packed with peasants bringing their life savings to invest and trains outward bound were even more congested as they took their new televisions and microwaves home three months later. The town enjoyed a gold-rush type of prosperity, with many new shops and jobs, but it also suffered from an increase in crime. Many similar schemes were set up elsewhere, but none enjoyed the success of Caritas, largely because its founder Ion Stoica managed to use television to build an almost messianic image for himself, even claiming that he had been given the secret of success by God in order to help the poor. However, by early 1994 returns were running three months behind schedule; Stoica moved to Bucharest to drum up new business, but then vanished before finally being arrested and sent to prison for a couple of years (ironically, not for fraud but for taking money from the local council), where he wrote a book and made lots more money before being released. Meanwhile, hundreds of thousands of ordinary Romanians had lost all their life savings (Yahoo, 2004).

Three years later, another well-known pyramid game became popular. Almost 400,000 Romanians had invested 50 billion ROL, yet only 15% of them profited from the game. This was referred to as the Gerald Affair.

Institutional Context

The FNI

On August 17, 1995, the **FNI** was created through a commercial contract (involving Arcasrom, Latina Plastics, Private Property Fund II – Moldova, and the Societatea Generala de Investitii). The contract created an open fund, the National Fund for Investments, through the sale of equity papers and assets from investments (meaning a large portfolio of marketable securities).

Article 17 in Chapter III of the contract notes that the Fund can only be invested in:

- Marketable stocks sold to the public and registered at the CNVM in order to ensure that they are properly monitored.
- Marketable stocks from the primary market, 90 days after the emission, until they are registered at the Stock Exchange.
- Other cases, about which I will not go in detail.

From its establishment until May 24, 2000 (when FNI's activities were terminated), an authorized management company (SOV Invest) had handled 318,512 investor books, totaling 7,445 billion ROL. The fund unit growth

had increased by 3,416 billion ROL (Romanian Ministry of Finance Report, 10 August 2000).

Year	Fund unit growt
1996	+ 125%
1997	+ 219%
1998	+ 172%
1999	+ 211%

SOV Invest

The purpose of the Fund was to mobilize its members' money and place it with a high return rate on the capital market, inside and outside the borders of Romania. In order to do that, the FNI concluded a management contract with the Bucharest branch of SOV Invest on August 21, 1995.

The main responsibilities of the management company were mentioned in Chapter 2 and included:

- Maintaining the necessary and legal procedures in order to guarantee that the Fund is functioning well.
- Making profits for the Fund's members by investing the Fund's assets and administrating its investment portfolio.
- Bookkeeping the Fund's members, assets, liabilities, expenses and incomes. Buying and repurchasing equity papers. Producing quarterly situation reports on the Fund's activities.
- Calculating daily the issue price and capitalized value of the equity papers and publishing them in all of the major news papers and submitting them to the Fund headquarters, the custodian bank, and the management company.

SVM Gelsor

On August 21, 1995, the SVM Gelsor, represented by Ioana Maria Vlas and the SOV Invest, concluded a distribution contract. It stipulated the SOV Invest's obligation to put into place and transmit the instructions necessary for the fund unit distribution to SVM Gelsor. Article 11 in that contract mentioned the distributor's obligation to report daily data concerning:

- The number of sold or redeemed fund unities.
- The necessary funds needed to honor all repurchase demands.

- The identification data of all fund units declared lost, destroyed or stolen.
- The requirements needed for the investors information.

On June 1, 1997, SOV Invest (as the administrator of FNI) and SVM Gelsor concluded a portfolio administration contract, valid for three years. SVM Gelsor administrated a stock portfolio in a discretionary account, with the possibility of repurchasing without the client's express approval. This decision was motivated by the fact that SVM Gelsor was, at that time, the biggest stockholding company in Romania, with a developed research and analysis department. The discretionary account was used only in 1998 and in 2000, but there were no transactions in that account.

The National Stock Commission (CNVM)

In post-communist Romania, the CNVM was founded as the sole regulator of the stock and capital market. The National Stock Commission has an autonomous administrative authority, with the legal obligations of:

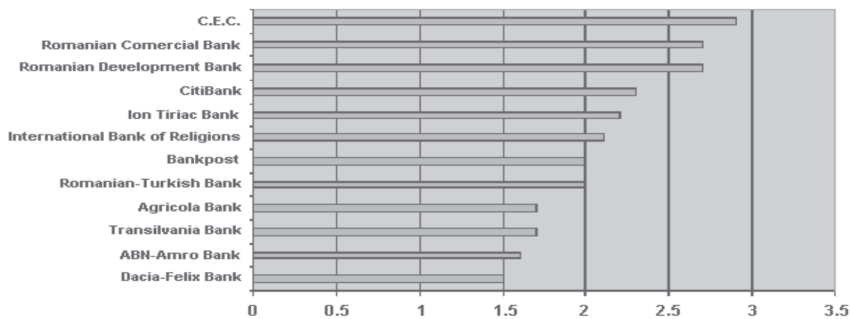
- Regulating and supervising the capital market, the regulated commodity, and financial derivative instruments markets, as well as their specific institutions and operations.
- Promoting trust in the regulated markets and financial investments.
- Ensuring the protection of operators and investors against unfair, abusive, and fraudulent practices.
- Establishing standards of financial soundness and honest practices in the regulated markets.

Despite its promise to rigorously police the markets, Romanian stock markets have experienced several crises.

As Tudor Smirna explains in his article, the FNI fraud was, in part, made possible by the deliberate blindness of the CNVM, which had guaranteed fairness and safety (Smirna, 15 June 2001). The fund administrators inflated the value of the title. Some of the stocks were never traded. Their values were freely set by the fund administrators, with the permission of the regulators. Another technique was to underreport the number of stock titles in circulation. At the end of May 2000, the real number in circulation was over 75 million, but the fund declared only 34 million units (Smirna, 15 June 2001).

National Savings House (CEC)

In a 2004 survey, 51% of the respondents who had money to invest said they would place their money in some kind of commercial bank. According to the survey, the CEC was the most trusted bank in Romania, as shown below (Romanian Institute for Public Opinion Sound, 2004). The trust scale for 11 banks is illustrated below on a scale from 1 (no confidence) to 4 (high confidence).



The fact that the CEC was regarded as the most credible Romanian banking institution can be explained by two factors: the state fully guaranteed the deposits at CEC and the CEC was seen as a powerful, solid and credible institution. It is important to keep this in mind in order to understand the importance and the psychological effect the contract between the CEC and the SOV Invest (FNI's management company) had on the masses.

On December 6, 1999, the FNI (represented by Negura Gheorghe, a member of the Trust Council of the Fund) and SOV Invest (represented by its president Ioana Maria Vlas) signed a contract of guarantee (nr. 2205) with CEC (represented by its president Camenco Petrovici). The contract guaranteed the repurchase value of the stock titles on the same day a request was submitted, despite the fact that such payments were impossible due to the risks open funds assume. In addition, article 2.2 in Chapter 2 stated that after the FNI declared it was unable to make payments, the CEC would make all possible efforts to pay the value of the equity papers. In fact, the CEC guaranteed private investments with public money. It is important to mention that this contract did not respect many important legal points regarding certain legal procedures:

- The Banking Law 58/1998 stipulates the obligation of two managers' signatures in order to engage the bank's responsibility (article 23).

- The CEC needed the BNR's (Romanian National Bank) authorization in order to participate in certain activities (Laws 58/1998; 66/1996 republished in 1999), yet the CEC failed to request such authorization.

The failure of the FNI can be attributed to the involvement of the state-owned National Savings House (CEC) in four significant ways:

- The direct participation of the CEC in the management company of the FNI (SOV Invest).
- The CEC's direct investment in FNI certificates, worth 290 billion ROL, during April-July 1999.
- A fraudulently extended and legally invalid guarantee for FNI investment certificates.
- The sales of FNI certificates through branches of a CEC subsidiary.

When the Sov Invest officials and other people claimed that the CEC had to reimburse the money invested in the FNI, the government authorities as well as the CEC denied the validity of the contract.

Chronology

May 11, 2000 – After a press release about the possibility of adopting a new method for calculating and evaluating the unquoted actions of the mutual funds portfolios, hundreds of depositors flocked to the FNI quarters all over the country to withdraw their savings.

May 15 – SOV Invest, FNI's management company, announces its intentions to conclude contracts with the CEC and Banca Transylvania for operating the redemption orders for the FNI fund units.

May 22 – Ioana Maria Vlas, President of SOV Invest, leaves the country.

May 24 – SOV Invest, in a note signed by Vlas, asks the National Stock Commission (CNVM) to temporarily suspend all trading.

May 25 – Vlas, President of SOV Invest, announces her resignation in a letter addressed to the investors, which is spread by the media.

May 27 (Saturday) – Sibiu (a local paper) publishes an article about a series of anonymous phone calls made to BCR depositors (Romanian Commercial Bank), urging them to withdraw their money for fear of bankruptcy. The news of the article is widely distributed, and by Monday people from all over the country invade the BCR quarters wanting to withdraw their money.

May 31 – President Constantinescu calls for a CSAT (Supreme Defense Council of the Country) meeting in order to analyze the impact of the FNI collapse on the banking system and the situation created after the cessation of FNI payments. This meeting was initially scheduled for June 12. Arrest warrants are issued for Vlas and three of her senior executives, but she had already left the country. The prosecutors issue a 30-day arrest warrant for Stefan Boboc (head of CNVM) following hearings at the Prosecutor's Office regarding the scandal triggered by the collapse of the FNI. Boboc is charged with breach of trust and for failing to monitor the activities of the FNI and SOV Invest and to take the necessary measures against them, although he was aware of the troubles facing the FNI and the illegal financial operations carried out by the Fund's managers.

The IMF board extends its stand-by loan agreement with Romania until June 7.

June 4 – FNI investors boycott the local elections.

June 7 – Thousands of investors boycott the Government and demand answers. Tensions grow. Military forces are ready to intervene. The IMF Board of Directors further extends the stand-by agreement until February 2001. The IMF board also approves an additional letter of intention containing the latest measures approved by the Romanian Government in an attempt to stabilize the country's financial and banking system after the FNI crisis.

June 8 – The first results from the government commission investigating the FNI fraud are made public. Twenty-six SOV Invest employees are accused of making preferential payments of 4.5 billion ROL after the fund ceased payments, says Colonel Dumitru Strava, head of the department for fighting white-collar crime under the police general inspectorate IGP. The 26 SOV Invest employees are charged with abuse of office and embezzlement. According to the police investigations, the fund issued 313,898 investment books, with investments totaling 13,832 billion ROL, and that none of the FNI records or documents had been destroyed or lost.

June 18 – The National Association of the FNI Investors is formed with the aim of protecting the interests of the people who were affected by the fraudulent financial operations carried out by FNI. Ovidiu Mazilescu, one of the association's founding members, warns that their efforts to recuperate their investments will include all forms of protests, meetings and marches, and they will file complaints to all the concerned bodies, including the courts.

June 19 – The FNI collapse causes the mutual fund market to shrink. Data released by the collective placement body, UNOPC, reveals that the sums handled on the market dropped from over \$218 million in April to \$38 million in

May, and that in May just 18 funds were still operating on the market under the care of the 12 management companies.

Decision-Making Occasions

Rumors about FNI Panic Investors

In early May 2000 investors in Cluj were warned by anonymous telephone calls and letters that the fund situation was insecure. The rumors were based on the argument that the CNVM might alter the method of assessing unlisted shares. Indeed, the CNVM had recommended to the UNOPC (National Union of Investment Trust Companies Organizations) the modification of the net assets calculation. By consulting the UNOPC, the CNVM tried to avoid events like the SAFI-FMOA crisis, when a new unexpected calculation method had disastrous effects for the investors and for other funds. The precautionary measures proved to be useless. It was enough for the UNOPC to just mention a date for a discussion regarding an eventual change in the calculation method to panic the investors.

In the beginning, the large number of withdrawals was due to the high level of prudence of some investors, but this received a lot of attention by the press. This was enough to create panic despite the fact that shortly after the press reports, the institutions involved (the UNOPC and the CNVM) tried to restore confidence by giving rational explanations and asking the public to remain calm. Their words had little effect because of the growing panic spread by word-of-mouth.

The intense mediatization of the situation in Cluj, and a few days later in Sibiu, produced a domino effect. The press was trying to reassure the depositors that everything was under control, but in fact it had the opposite effect.

In Cluj, where approximately 20 percent of the investors lived, the local paper "Adevarul de Cluj" (Cluj's Truth) put fuel on the fire with its article "The investors' panic could lead to the FNI downfall." The repercussions were devastating. Four billion ROL was withdrawn on the same day the article was published, and the following day three times as many people lined up outside the FNI offices. Once panic broke out the fact that the UNOPC decided not to modify the calculation method, no longer mattered. The press and SOV Invest again tried to calm the masses with no success. Investors began crowding FNI offices in other cities as well.

In the first week of the crisis, SOV Invest reacted promptly and was able to handle the crisis, but then things got out of control when people learned that Vlas had left the country and payments had been ceased. The investors were split in two categories: those who tried to save their money by withdrawing it (even if there was a commission fee for withdrawing), and those who still

believed that the situation would soon be under control. There were even some cases where people had withdrawn their money, but deposited it back into the FNI believing the whole situation had just been a false alarm. The situation was still fairly calm since people were getting their money back. There were long lines and much discontent, but investments were reimbursed the first few days. Any hope that was left of resuming the fund's normal activities quickly vanished when people learned that Vlas had left the country.

When the fund was unable to fulfill the redemption orders, it collapsed. Once scrutinized by the higher regulatory authorities, documents revealed that it had been running huge losses since 1998. It ended that year with a deficit of 133.4 billion ROL (approximately US\$12.2 million, at 1998 parity). In 1999 it purchased shares to the value of 307.5 billion ROL and it sold shares worth 53.8 billion ROL, which left it with a deficit of 253.7 billion ROL (approximately US\$14 million, at 1999 parity). As a result, 300,000 people were robbed, many of them of their 'last penny'.

On May 15, SOV Invest informed the investors that the FNI branches would register the redemption orders of the titles and would make the payments available through different commercial banks within 10 working days after receiving a request, as stipulated by the law.

Despite all of the reassurances made to the investors, confusion and panic broke out. The FNI branches cut all payments when their business partners turned their backs on them. Some branches had been struck by some technological miscalculations, and the SOV Invest president, Vlas, was nowhere to be found. Audits, account papers, and floppy disks with important information were missing. Computer files had been entirely erased by the FNI employees so the money could no longer be traced.

At the end of May, approximately 200 people demanded to speak with the Senate representatives in Bucharest. A group of five people was sent to represent the protesting investors. They handed over an appeal from the 300,000 affected investors to a Senate Secretariat employee. In the appeal they asked for "rapid intervention from the state institutions involved in controlling and watching the investment funds" and also for the government to take responsibility for creating the conditions contributing to the collapse of the FNI. Lastly, the furious investors threatened to resort to radical measures if action was not taken. The appeal was given a registration number, then it was filed away in the Senate registry and simply ignored.

The Turning Point: The President States the FNI Case Could Be a National Security Matter

Protests across the country were increasing as a result of the FNI collapse and to CEC's involvement in the guarantee contract. On top of this, new rumors about the BCR's possible lack of liquidities almost threw the country into complete financial chaos. The FNI scandal started affecting the banking system. According to Vlas, 1,000 billion ROL out of the FNI's 1,500-1,600 billion ROL in available funds had been put towards a BCR deposit. Hundreds of customers rushed to withdraw their deposits from the Romanian Commercial Bank (BCR) following rumors (again anonymous) that the FNI crisis would eventually push the BCR into bankruptcy. The Prime Minister's Advisor, Adrian Vasilescu, in a press conference claimed that Vlas was responsible for triggering panic among the BCR customers.

Following the rumors, the BCR faced cash shortages. BCR depositors across Romania took out some tens of billions of ROL. The Sibiu BCR office was swamped by thousands of customers who tried to force their way into the bank to withdraw their money. In Ploiesti, customers spent the night in front of the BCR office. In Cluj, there were approximately 400 people in the BCR office, which covered a surface of just 10m x 10m causing a sense of claustrophobia. Despite all of the commotion and the noise from the frightened clients, the payments, in most cases, were calmly and professionally issued; however, in Galati things got out of control. Hundreds of people were waiting in line for the banks to open their doors. In the city center, protestors blocked traffic and carried posters like "The last solution, another revolution!" People threw stones at cars. They broke windows and chanted anti-governmental slogans (Cronica Romana, 30 May 2000).

The authorities promptly responded. Their message was firm: there were no cash problems at BCR and the risks associated with the FNI collapse would be assumed. Furthermore, the President Constantinescu went public with an official declaration. This was the turning point in the crisis and an important decision-making occasion. The fact that the President made a speech clearly indicated that the situation was critical. President Constantinescu intervened because the two simultaneous crises (at the FNI and the BCR) threatened to ruin the national financial system. The worsening of the situation could have had a negative domino effect.

The President enjoyed full support from his PM (Isarescu), the PM's advisor (Vasilescu), and the other commercial bank leaders who all had a direct interest in resolving the situation rapidly. The President's trustworthy image was decisive in rehabilitating the situation.

The President Declaration

On May 29 President Constantinescu addressed the nation on television. In the first part of his declaration he explained a series of measures to be taken in order to stabilize and sort out the FNI scandal. “The government will have [to issue] an emergency decree to strengthen legislation on unit trusts and other non-banking financial institutions” (Constantinescu, 30 May 2000). Constantinescu called for an investigation into the affairs of the FNI by the Ministry of the Interior and the Security Services. He asked the Parliament to find out if the CNVM board observed its responsibilities and legal obligations in accordance with Law 52.

After a discussion with the Prime Minister Isarescu, President Constantinescu asked him to appoint a government commission to investigate how the FNI situation had affected the non-banking financial sector, locate legislative gaps, and look into the responsibilities of the structures in this field.

In the second part of his declaration, he mentioned, indirectly, the BCR case urging the public to remain calm and to trust the Romanian financial and banking sector.

In light of the FNI situation and the ongoing investigations in this case, speculations have been made concerning the payment capacity of some banks. Such speculations totally contradict the strength of the Romanian financial and banking sector and the trust invested in Romania by international financial and banking organizations.

We are facing a tragic situation, which affects hundreds of thousands of people. A situation like this shouldn't be used for electoral purposes. It would be immoral, even cynical. The role of the political leaders and government institutions is to help the country overcome the crisis by working together. No one is allowed to mismanage the people's money [...] or to abuse their trust. All financial institutions are obliged to completely and correctly report their activities, including the gains people can obtain as well as the risks involved in the event of a closure (Constantinescu, 30 May 2000).

Prime Minister Isarescu reassured the public that the financial situation in Romania was stable and guaranteed that the BCR would satisfy all of the investors' requests. He also talked about an investigation for locating the funds as well as procedures for recovering the money (Cronica Romana, 30 May 2000). The Minister of Finance, Decebal Traian Remes, went so far as to claim that money deposited into the CEC and the BCR was completely safe (Munteanu, 30 May 2000).

The Prime Ministerial Advisor, Adrian Vasilescu, declared that, “The BCR is one of the soundest banks in the country. Even if more rumors were spread, they would remain in operation. The bank has a complex portfolio, state secu-

rities, and cash, and it can handle any situation” (Lovatt and Lovatt, 2 June 2000).

Yet, he also said that open investment funds were not state-guaranteed, as was the case for bank deposits (to a certain limit). “People should know that, up to a limit of 54 mil ROL, deposits in a bank are guaranteed one hundred percent. People must think before they act and ask themselves if they want their money to be state-guaranteed or not” (Munteanu, 30 May 2000).

This was a critical moment: the entire financial system could have been destroyed, but Vasilescu was firm in his declarations and the Romanian Commercial Bank managed to find enough liquidity to satisfy the demand. Also, Vasilescu’s statements were backed up by other important banking leaders like ING, Creditanstalt, and BRD, and this brought even more public confidence. The BCR employees and representatives showed the utmost professionalism and calmness in spite of the hysterical atmosphere. Rumors had triggered an artificially induced crisis at BCR, which could have damaged the whole banking sector; however, the other banks supported the BCR’s efforts and provided it with cash when it was faced temporarily with a money shortage.¹ The negative effects of the artificially induced crisis at BCR triggered the reopening of negotiations with the IMF regarding the extension of the stand-by loan agreement for Romania.

A day after his first declaration, President Constantinescu addressed the Parliament and requested certain measures to be taken in order to resolve the FNI case. In a letter addressed to the Parliament, he said the CNVM leadership should be suspended until the investigation had been completed and until a parliamentary commission had been established to investigate the CNVM’s involvement in the case. The CNVM had the obligation to insure the investors’ protection against the illegal, abusive and fraudulent practices in the area of mobile values/goods. Prime Minister Isarescu reaffirms the stability of the Romanian financial situation and guarantee to the population that BCR will satisfy all the client’s demands.

On May 31, a meeting of the Supreme Defense Council, chaired by President Constantinescu, set up a commission to work with the Prosecutor General’s Office to investigate the collapse of the FNI. Their consideration of the BCR incident led them to believe that the case had been a threat to national security (Lovatt and Lovatt, 2 June 2000). The same day, Mediafax reported that the BCR had returned to normal and that many of their customers realized they had been deceived in a campaign designed to destabilize Romania’s economy.

1 From Mihai Bogza – National Bank Vice-Governor, official declaration.

The Compensation Issue

As time passed and there were no clear answers or concrete results, tensions grew dramatically – people lost their patience and were more and more easily manipulated. The situation was deteriorating and the military forces were ready to intervene.

Already early in the morning on June 7, thousands of investors had built a blockade at the government building. Some arrived in Bucharest by train, others by busses. The traffic was interrupted until 18:00 and there were some incidents reported between the police and the protestors. The police forces diverted the traffic in the area so the protestors could peacefully march. There are approximately 700 people, mostly pensioners. They chanted slogans that became very well known during the two weeks of marches. Hundreds of people just kept on flowing out of the train station and soon the crowd became increasingly more aggressive. They tried to break the police cordons, but they were quickly reinforced with other unarmed police officers. All kinds of rumors were circulated from one group to the other. At around 14:00 the protesters started to throw water bottles at the police, and made attempts to enter the government building. The number of police officers rapidly grew and, finally they used tear gas. Nobody was hurt.

The Prime Minister promised to meet the other high officials in order to analyze together the situation and make a decision regarding the FNI investors' problem. In exchange, the protestors were asked to go home. At 18:00 just a few protestors were still in Victoria Place.

Finance Minister, Decebal Traian Remes, announced that the government might suggest that the Parliament pass a law so that the State could compensate FNI victims considered 'social cases'. "This solution, found by the Parliament when debating the FNI case, implies that the State assign an advanced compensation before recovering the amounts from the persons guilty in the FNI case," said Remes in a press release. He said that this 'advance payment' would only be made for 'social cases,' meaning "miserably poor people who were in desperate need of money". Authorized institutions would decide who qualified, added the Minister of Finance.

In January 2002, the Constitutional Court transferred responsibility of CEC to the Banking Credits Recovery Authority (AVAB), through Law 333/2001. This way CEC was no longer involved in the case against FNI. The decision of the Constitutional Court was definitive and irrevocable, and according to this decision (Law 146/1997) the FNI investors would have to pay a stamp tax for withdrawing their deposits. About 1,000 FNI investors took to the streets of Bucharest to protest this decision. The demonstrators marched from Revolution Square to the CEC and Ministry of Finance building, insisting on a meeting

with the Senate President (Nicolae Vacaroiu). They chanted anti-government slogans and threatened similar demonstrations in the near future.

The ANI-FNI president, Ovidiu Mazilescu, said that after all legal methods had been exhausted, he would approach an international institution (Ziua, 31 January 2002). In an interview in "Adevarul" (19 November 2001), he also said that he did not think anybody would refuse the money they were entitled to under Law 333. But this law did not truly represent the investors' interests and, moreover, they planned to contest it in the Constitutional Court. In fact, this law was part of the government's plan to transfer the CEC's responsibility to the Banking Credits Recovery Authority (AVAB). In accordance with Law 333/2001, the AVAB had the following obligations:

- Administrate the fund and provide financial help, to those persons who met the payment requirements, through the territorial branches of BCR.
- Arrange consultation meetings regarding the fund's future: to become an open fund or not.

In order to receive financial help, the FNI investors had to fulfill the following criteria: must be a citizen, had not already repurchased fund units, and have a monthly income under 1 million ROL (about 40 USD)/family member. In a press release in January 2002, the AVAB reported that it had already paid 257,246,001,466 ROL out to 36,390 investors and that there was still 4120 people who qualified for financial help (AVAB Press release, 30 January 2002).

Thematic Analysis

In the following section, I analyze the case using a number of crisis management themes. By doing so, it will help facilitate greater understanding of the crisis as well as put the situation into its proper context.

Political and Bureaucratic Cooperation and Conflict

In the first few days of the crisis, the various authorities were making all kinds of different claims and promises. In the beginning it was a question of keeping the FNI in business, but once the crisis evolved, it was a matter of self-survival. The regulatory institutions, the FNI management, various individuals, the governing party, and even the opposition were blamed for the financial crisis. The name of the game was to either deny responsibility or gain electoral capital, or even both.

The President of the **FNI Commission**, Alexandru Sassu (from the Democratic Party), accused almost every possible institution of incompetence

and a lack of professionalism during the FNI investigations: including the National Bank, the Ministry of Finance, the Government, the House of Savings, the CNVM, and the Ministry of Justice. According to Sassu, the FNI was conceived and administrated like a pyramid scheme and it was meant to enrich a few people sitting in important positions in certain state institutions. He also accused the National Bank of knowing the critical situation already in 1999, when it inspected the CEC's activities. He added that the commission members found the National Bank leadership guilty of failing to forbid the illegal operations and of mismanaging the finance and banking sector. Moreover Sassu, and apparently the Ministry of Finance, accused the former CEC president (Camenco Petrovici) of approving investments in FNI and FNA units when the law clearly limited such activity (Calafat on line, 27 November 2001).

Petrovici founded the CEC – Real Estate, without the BNR's and the Ministry of Finance's approval and illegally signed a risky contract with FNI's SOV Invest. These actions resulted in a 127 billion ROL lost for the CEC. The Ministry of Finance was also partially responsible for this loss since it in various ways sent the message that these actions were "okay". As far as the investors and its own members were concerned, Centrocoop was also to blame for the fraud since it guaranteed collateral for the SOV Invest's actions and blocked the Commission's access to the SOV Invest archives.

Alexandru Sassu also accused the Attorney General and the Ministry of Finance of being incompetent since they did not do what was in their power to apprehend Vlas. The Romanian Parliament repeatedly delayed the Deputy Budget and Finance Commission's request for an investigation of the CEC. This investigation could have prevented the CEC's involvement in this fraud, which would have reduced the effect of the crisis.

The Finance Minister, Decebal Traian Remes, denied the claims made by former head of CEC (Petrovici) and others that the Minister had approved the contract under which CEC guaranteed the savings bank with the FNI. Remes said such a contract was not in CEC board of directors' archives, but he added that he had received a copy of the agreement between the CEC and the FNI's managing company SOV Invest which bore the signatures of Petrovici and Vlas. "This document proves there was a deal between the CEC and the SOV Invest, but it was not okayed by anyone", said Remes (David, 2005).

Yet later Remes changed his story and claimed that the Finance Ministry officials had been misled by the CEC staff into approving the CEC-SOV Invest contract. The Finance Ministry representatives on the CEC board had received 'false information from the CEC's employees' and had thus 'acted in good faith' when approving the partnership between the CEC and the SOV Invest. "My colleagues cannot be found guilty since they were shown fake documents by the

CEC staff,” said Remes (David, 2005). Furthermore, Remes felt that the CEC employees should be held responsible for the crisis since they had had relevant data on the FNI’s true financial situation. Consequently, the CEC employees who lied and misinformed the Finance Ministry officials are put under penal investigation.

According to Remes, the state had no obligations to the CEC regarding the FNI since the savings bank put its own money into its partnership with the SOV Invest. Furthermore, the contract (under which the CEC took it upon itself to act as security for FNI) was null and void since it had been signed by only one person on behalf of the CEC instead of two, as stipulated by the law. Remes said he would propose an amendment to the law regarding the CEC so that it would only be entitled to place money in government bonds.

All but two Ministry of Finance representatives on the CEC board submitted their resignations to Remes following his press conference. The resigning officials said they had resigned in order to allow the investigations on the CEC-SOV Invest affair to be carried out properly and because the IMF demanded that the CEC board be politically independent. Thereafter, the Finance Minister appointed new representatives from the Ministry of Finance to the CEC board.

The CEC and the FNI through its management company SOV Invest signed a contract on December 6, 1999, guaranteeing the repurchase value of stock titles. In this contract, the CEC supposedly assumed ultimate responsibility for guaranteeing the payment of fund units when and if the FNI was unable to do so.

At that time the CEC enjoyed being the most trusted financial institution in the country and its signature next to the FNI implied more than a simple guarantee. CEC deposits were guaranteed by the state, so in people’s mind a CEC guarantee also meant ‘state guaranteed’. But when the SOV Invest officials claimed that the CEC had to reimburse the FNI investors, the government authorities as well as the CEC denied the validity of the contract.

The existence of the contract could not be denied, but no institution or person assumed any responsibility for the FNI crisis. This occurred, in part, because there were several actors involved and each had a different story. In other words, there were “extenuating circumstances” for everyone and facts that allowed tergiversation. The following facts were cited their defense:

- The banking law 58/1998 stipulated the obligation of two managerial signatures in order to engage the bank’s responsibility (Art. 23), yet in the contract there is only one signature.

- The CEC needed the BNR's authorization (Laws 58/1998; 66/1996 republished in 1999) in order to guarantee such activities, and the CEC had never requested such an authorization.
- The CEC was a banking share company (Law 66/1996) and guaranteeing the redemption of the investor certificates was not part of its activity objectives.
- The CEC had participated in the FNI's activity as an investor and it did not have the right to invest in any fund units or marketable securities, except for those in the public administration.
- The CEC had 23% of the fund units on the market and this was illegal too. It only had the right to own 5% of the units circulating on the market.
- The CEC distributed fund units through its marketable securities, operations prohibited by the Banking Law.
- In fact, the CEC guaranteed private investments with public funds.

The Government and Parliament refused to accept any responsibility and blamed each other for the scandal. The proportions of the scandal necessitated the intervention of the public authorities. Unfortunately, it was very clear that the fear of losing voters prevented an adequate assessment of the situation. Instead of a thorough analysis and a true desire to sort things out, mechanisms of provocation and confrontation were deployed with the sole purpose of winning votes in the upcoming election.

Preparedness, Prevention and Mitigation

I will not go through the roles of the institutions involved in this case in order to establish each one's responsibilities and possible guilt. It is obvious that the CNVM, as the market regulator, should have observed its duties and acted in accordance with its role. According to the preliminary investigations into the FNI crisis conducted by the commission, the FNI activities were managed by people who had permanent access to all of the fund's data and who took advantage of this privilege (Vrinceanu-Firea, 2 June 2000). Likewise, the commission's preliminary data on the FNI case indicated that the organizations, as well as the people within them, failed to properly take charge of coordinating and overseeing the FNI's activities, namely: the capital market regulator – CNVM, the trust committee, the independent audit commission, the CEC, and the SOV Invest.

Apparently the SRI (Romanian Information Service) had reports concerning the FNI's situation already in 1999. The Director of SRI (the Romanian

Intelligence Service), Timofte, said that everything about FNI was known. The opening in this case, he added, occurred in 1999-2000. "Had SRI not come out with information at that time, the situation would have been even worse," said Timofte (Barometrul Politic, 1 April 2003) mentioning that both he and his predecessor, Georgescu, had presented reports on the FNI.

What was unique about the FNI scandal? First of all was the fact that the collapse of the FNI threatened the entire Romanian banking system. There was great pressure on the CEC and the BCR, but the 'fire' was kept under control due to the calm, responsible, and prompt assertions made by the government representatives and finance/banking institutions.

A second distinction was the rapid and serious intervention of the state institutions. In the SAFI and Caritas cases, it took a long time for the police, prosecutor and the Finance Ministry to react. Even today it is still unknown how many judges, prosecutors, politicians and policemen took advantage of Caritas, or what happened to the money invested in the SAFI. In the FNI case, investigations were quickly initiated by the police, Parliament and the Finance Ministry, which presented its own report to the justice department and the government. Some important conclusions were published regarding the managers of the FNI, CNVM, CEC, and FM and their part in contributing to the crisis. The media intensively scrutinized the case, and this provided support for the investigating authorities' findings.

Leadership and Politics

As mentioned before, the FNI crisis provided an excellent opportunity to gain electoral support because of the significant number of people affected. This was why there were declarations of sympathy for the victims at all levels (e.g., presidential, governmental, and local), but also numerous accusations from all sides with the purpose of gaining the victims' support.

Several operative measures were an attempt to create symbolic action. A decision was made to set up a few commissions to investigate the case but none of them produced concrete findings. For example, the President made a statement in the press in the wake of the FNI crisis that the seriousness of the situation had negative implications on people's lives and had created public mistrust in financial and banking institutions. Thus, he had decided to act immediately and make decisions. He instructed the Romanian Information Service to assess the associated risks that might affect national security. At the same time the President asked the Homeland Ministry to invest how the situation had affected the non-banking sectors and added that the Cabinet must immediately strengthen (in the form of an emergency ordinance) legislation in the domain of mutual funds and other non-banking financial institutions.

President Constantinescu also asked the police to find the persons responsible for facilitating illegal payments after the FNI had declared it could no longer issue financial compensations.

Yet this was all on the surface. The President had formally ordered inquiries and commissions to investigate the case in order to win public confidence and to create the impression of managing the situation. The fact is that the situation surpassed him from the beginning and this is evident in the SRI reports. Why did he not act before when he was first informed about the situation? One can assume that he simply did not have the power to do so.

Other party, government, and parliamentary leaders also tried to appear empathetic to the investors in an attempt to gain votes for the upcoming election. Many times their speeches were based on promises that people wanted to hear and not on feasible actions and measures. In contrast, Prime Minister Isarescu and his adviser Vasilescu demonstrated real leadership and coherency in the FNI case; they never promised the investors their money back and they firmly handled the BCR crisis, which could have destroyed the financial market.

Prime Minister Isarescu enjoyed confidence from all social classes, the ruling power, and the media because of his former position as National Bank Governor and his expertise. He was not afraid to lose electoral votes when he boldly asserted that everyone should be made responsible for their own decisions (referring to the investors) and that it was not acceptable to appeal to the state every time something went wrong.

The Prime Minister disagreed with the idea of the state paying for private interests (e.g., investors) because this could have serious repercussions on people's economic behavior by encouraging non-rational decisions and thoughtless risk-taking since people would not feel personally responsible. It would be like saying, "It does not matter whether you make good or bad decisions, because somebody else will pay for your mistakes." Isarescu said that if arguments were not based on legal procedures that state financial institutions could be accused just to obtain emotional reactions from the public and that the ongoing investigations would create mistrust in the system (Teodorescu, 17 October 2000). On the other hand, FNI investors submitted an open letter to the PM, in which they laid out the reasons they chose to deposit their money in this mutual fund. Most of them had thoroughly analyzed their options and had invested trust in the existing regulations, which were supposed to ensure good management of the deposits, namely: Law No. 83/1995 and the CNVM which was under direct subordination to the Parliament. Furthermore, investors believed that the participation of prestigious institutions (such as the CEC, the AVAB, and previously the Agricultural Bank) would guarantee that the law was observed.

The PM promised to support the FNI investors in recovering their money from non-budgetary resources, meaning the assets of the individuals/institutions responsible for the FNI collapse. Additionally he recognized that the CEC's name next to FNI's attracted a significant number of investors and that the fund worked similarly to the Caritas² pyramid scheme where the new investors' money was used to pay those who wanted to retire.

Decebal Traian Remes asserted that he never approved the agreement between the FNI and the CEC. He rejected Camenco Petrovici's (former CEC President) allegations that he had favorably endorsed the CEC's deposit guarantee contract with the FNI and that this so-called contract was nowhere to be found in CEC's archives; however, he admitted that he received a copy from the CNVM of a contract between the CEC and the SOV Invest signed by the presidents of the two institutions – Camenco Petrovici and Maria Vlas. "This is the only document between the CEC and the SOV Invest, and nobody approved it", Remes said. When asked if he agreed, as a taxpayer, to compensate the investors with public funds, he answered that neither he nor his mother should pay for the losses of some people who just wanted to get rich (David, 2005).

The Electoral Potential of the FNI Victims

The FNI scandal was exploited by all parties engaged in the 2000 electoral campaign. The calculation was simple: 300,000 affected investors together with their families had the possibility to double or even triple a party's electoral potential. Thus, those in power and the opposition made all kinds of promises to the investors, knowing the whole time that there was really not much they could do.

The FNI scandal was successfully used to destroy the CDR's (the Democratic Convention – the party in power at that time) election campaign. Former President Iliescu's leftist Party for Social Democracy (PDSR) attacked the CDR and significantly diminished its credibility. The PDSR also promised to get back the investors' money and to punish the people responsible for the scandal. The PDSR was seen as the knight in shining armor in this highly emotional crisis.

The CDR coalition started to disintegrate after President Constantinescu announced his decision to bow out of Romanian politics at the 2000 general elections. In its place a new coalition party, called the CDR 2000, took up the gauntlet. On November 26th elections, the CDR 2000 failed to achieve the 5 percent threshold required to gain seats in parliament. Instead, the 2000 elec-

2 Another pyramid scheme that took place in Romania where some people got rich(er) and many others lost all their money. Some people naively sold all they had and stood in line for days in order to place their money.

tion was a success for the PDSR and the right winged Greater Romania Party (PRM) and its leader, Corneliu Vadim Tudor.

Other tactics were used to gain votes in the 2000 election. For example, Finance Minister Remes drew up a list of names with people who had received money back from their FNI investments after it had closed due to a lack of liquidities. This list was published and some felt it was used to blackmail and intimidate the parliamentary members. Furthermore, there were several examples where the local authorities tried to woo voters. In Gorj and Ploiesti, the PDSR party members covered the costs of the FNI investors' bus trip to Bucharest in order to protest against the ruling party. Having a large number of people demonstrating in Bucharest contributed to public disorder and was clearly a disadvantage for the party in power. The tactic was to try to discredit the ruling party. Such strategies have been used before in Romania; for example, when miners were brought in to Bucharest (see Gavril, chapter 7 of this volume). Such tactics raise concerns because there is a fine line between empowering disadvantaged people and unlawful demonstrations.

CONCLUSIONS

In May 2000, Romania had witnessed the failure of the country's largest investment fund, the FNI. This failure reflected gross mismanagement and fraudulent practices, as well as poor regulatory oversight. The failure of the fund also involved the state-owned Savings Bank (CEC) concerning: its direct participation in the management company of the FNI (SOV Invest), its direct investment of 290 billion ROL in FNI certificates, a fraudulently extended and legally invalid guarantee for FNI investment certificates, and the sales of FNI certificates through branches of a CEC subsidiary.

The financial difficulties of the FNI, amplified by groundless rumors concerning the financial situation of the Romania Commercial Bank (BCR), contributed to public concern over the safety of the country's financial system and the authorities had to act swiftly to contain the potential fallout of the fund's failure. The National Bank of Romania (NBR) was able to ensure the logistics for continuing cash payments throughout the country and to limit the injection of supplementary liquidity.

The Government sent a strong messages in the mass media, "In principle, we will not spend any public funds to compensate the FNI investors" and emphasized the differences between units in investment funds and bank deposits and the absence of state guarantees for investment funds. At the same time, the Government acted to restore the credibility of the non-banking financial sector, including preserving the value of the remaining assets of the FNI and SOV Invest.

A comprehensive investigation was initiated with a move towards legal proceedings against the responsible individuals and entities, including: establishing the size of the losses for the FNI investors, investigating the conduct of the CEC in the FNI scheme, maintaining control over the personal assets of the individuals and corporate entities responsible for the FNI crisis, and identifying individuals who made significant gains from the FNI's collapse (International Monetary Fund, 6 June 2000).³

A series of reforms in the financial system were undertaken by Romania in 2000, these reforms included: streamlining the bankruptcy procedures for banks, increasing privatization, and improving the supervision and regulation of the financial sector. The FNI's collapse in May 2000 triggered the Government to implement important measures regulating Mutual Financial Intermediaries (MFI). It also had an effect on the so-called Popular Banks (credit cooperatives that lacked deposit insurance), which were to a large extent unregulated. The NBR's authority was extended to include the authorization, regulation, and supervision of the credit cooperatives, and it was engaged in improving the legislation in the banking sector in 2000. Their supervisory capabilities were enhanced through multilateral lenders cooperating in creating suitable safeguards. Additionally, identified 'problem' banks were to be more closely watched, and auditing, internal controls, and risk management routines became more aligned with the international standard practices. An early warning method was also implemented by the Central Bank; banks are ranked and placed on a scale from one (best performance) to five. This system was part of an IMF agreement that created regulations for banks experiencing difficulties, specifying when a bank's license can be revoked and liquidation proceedings initiated. A credit information center was also established at the NBR, which provides banks with credit information history on their borrowers.⁴

In addition, in 2000 a letter of intent informed the IMF board of the measures to be taken by the Romanian authorities in order to deal with the FNI crisis. This included steps to tighten the CNVM's measures used in monitoring the non-banking financial entities and the investments made by banks. Also there were steps made to launch a comprehensive reform project of the savings bank, following an audit conducted by an independent company, with the intention of privatizing the CEC into a commercial bank. A protocol was signed between the National Bank, the Insurance Surveillance Commission, and the Marketable Securities Commission (April 3, 2002) in order to ensure

3 Including a Supplementary Letter of Intent from the Government of Romania, which describes the policies that Romania intends to implement in connection to its request for financial support from the IMF.

4 Romanian Financial Sector, case study, SOURCE: <http://romanianforum.hypermart.net/romania/financial.htm>

the exchange of information and cooperation in the surveillance of financial markets. In the past, each regulatory institution only managed its own area and thus never really had a comprehensive and coherent picture of the capital flows in a conglomerate. This protocol should help prevent the loss of capital through suspicious financial maneuvers.

This crisis to a great extent was able to occur because the country's financial institutional structure was vulnerable since, among other things, it was undergoing a great transformation to a market economy. The first years of mutual fund development in Romania were marked by significant difficulties because of the newness of such business, the lack of regulation and experience, and the inadequate investment policies offered by the financial market at that time. The collapse of the FNI threatened to bring down the entire financial and banking system in Romania, since in many ways this sector is driven by emotions and gut feelings, not cold hard facts. Luckily, the government officials and various institutions understood the need to swiftly and with great determination intervened to restore public confidence in the banking and financial sector.

In a transitional society, new institutions are often fragile and require fine-tuning in order to become functional and robust. Equally important one must remember that institutions and societies consist of people, and they too need time to adjust to the changing systems, values, responsibilities, and procedures.

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PART IV
INTERNATIONAL
DIPLOMATIC CRISES

Chapter 9

The Ingredients of a Diplomatic Conflict at the Border Between Romania and the Republic of Moldova

Iulian Chifu

Introduction

During the centuries Romania was often a battleground for the surrounding empires: the Poles in the North, Austro-Hungarians or Habsburgs in the West, Turks/Ottomans in the South, and the Russians in the East. But the Romanian Voivodats and Principalities were able to survive these attacks and even succeeded in maintaining their freedom. Under Mihai the Brave, the three Romanian Principalities in 1600 built a common understanding of their Romanian (Valach) identity and formed a state under the prince. The most violent battle was the one for the eastern border. Russian forces crossed the Bug River, and from 1812 until 1918 the Russians occupied a part of Moldova Romanian Voivodat. Later, the Soviet Union created an artificial national identity from a regional one – Moldovan – and generated differences between this population and the one in Romania, including the biggest part of the Moldovan Romanian Middle Age Principality. This led to the creation of the Soviet Republic of Moldova and to different frames of references for history, language and nationality for the huge Romanian majority (more than 66% of the population).

In June 2001, a decision made by the President of the Republic of Moldova to commission a group of historians in order to provide scientific basis for the old thesis on “Moldavianism” caused negative diplomatic reactions in Romania. The identity of the majority in the Republic of Moldova has been subject to 50 years of distorted Soviet history, inspired by Stalin. In effect, the Ribentrop-Molotov pact (the Nazi-Soviet Pact) resulted in the fact that Romanian territory was made, to some extent, into the independent Republic of Moldova. Even if all of the politicians acknowledged the existence of a “second Romanian state” and were the first to recognize its independence from the Soviet Union, the use of the old propaganda was seen as a negative sign of the past.

Then, in August, an official decision from the ruling Communist party on the compulsory study of the Russian language in Moldavian schools triggered severe reactions by the Romanian speaking majority and the opposition in Chisinau. But what really set the bilateral relations on fire was the statement made by the Minister of Justice from Chisinau in front of the European Court of Human Rights, in a legal process between the state versus the Bessarabian Church. Ion Morei accused Romania of interfering in internal Moldavian affairs, and this launched a genuine crisis between the two neighboring countries.

The following analysis will focus on the diplomatic crisis between Romania and the Republic of Moldova (hereafter RM) in the period June 2001 – March 2002. In the “hot chair” of decision making stood the Romanian Minister of Foreign Affairs and the other Romanian institutions involved in foreign and public relations. From this decision-making perspective, all three classic elements of a crisis are recognizable in the events analyzed: *uncertainty* – by dealing with what was viewed as an unexpected attack posted by false, unfounded accusations, and repeated unfriendly public gestures; *limited time available* – a lack of direct and proper answers on different levels would have put Romania in a uncomfortable position in the eyes of the international community on the wake of European and Euro-Atlantic accession; and *important values at stake* – credibility of Romania as a trustworthy international actor who respects the principle of non-involvement in domestic affairs of another state, and does not challenge the status or position of that neighboring state in the international arena. Finally, in the domestic sphere, the credibility of the Romanian government in the eyes of the population was also at stake, given the latter’s interests in properties on the Republic of Moldova’s soil and concerns for their relatives living beyond the Prut River, which separates the two countries.

The crisis is a real bilateral crisis between two countries at a diplomatic and public level, with reflections at the domestic level in the Republic of Moldova towards the Romanian majority and in particular towards the element that supports the opposition Christian Democratic Popular Party. The crisis revealed the tools and techniques used by a Communist party with no respect for demo-

cratic rules as well as a diplomacy that has used international tools and has observed the limits given by the difficulties its neighbor's unpredictable state creates in the context of the Euro-Atlantic and European accession. The institutional decision-making system of Romania's foreign policy is analyzed in this study as well as the political-bureaucratic tensions, the political rivalries, the presence of a blame game, and the overlapping of functions that the different institutions have shared in this decision-making process.

In clarifying the mechanisms of this crisis, the revealed secondary effects will also be approached. Here I talk about the way in which an actor with declared pro-Russian attitudes (the Communist Party of Republic of Moldavia -hereafter CPM) built up diplomatic communication with its two fundamental partners (Moscow and Bucharest¹) in its first year after winning the parliamentary elections. Those characteristics highlight the main philosophy of the forces that rule Moldova: communism was a good system, and the former Soviet Union should remain together as a superpower so that democratization and independence would just be a transitional stage in rebuilding the former Soviet Union in some other form. This way of thinking was fully recognizable in the 2001 electoral campaign of the CPM. However, after three years of governing, even the communists realized that Russia was no longer willing to supply oil and gas without timely payments. After announcing a new Economic Common Space between Russia, Belarus, Ukraine and Kazakhstan at a meeting in Yalta in September 2003, RM President Voronin stated: "EU is the only option for Moldavia" (Flux News Agency, 25 September 2003).

Ultimately, this study reviews analytical themes in order to provide a better understanding of the various problems faced by the high-level decision makers of the Romanian Ministry of Foreign Affairs (hereafter MFA) in a transitional society, such as: prioritizing values like domestic perception and support versus observing international rules; overlapping in institutional democratic construction in the transitional context, even in the field of Foreign Affairs; misfit in the structural and procedural aspects of the MFA's organization; difficulties in dealing with an unfair partner, who refuses to comply with the international law; and the ability to use communication and cooperation and a "fair framing" in the context of international democratic organizations.

The time frame of the crisis is confined to the reconstruction of events dating from February 25, 2001 (the date of the legislative body elections) to March 31, 2002 (when the protesting Second Grand National Assembly gath-

1 To put it more accurately, the new Communist regime has actually connected its domestic policies to its relations with three countries: Russia – the Communist's gravitational center to which RM was economically dependent; Romania – the referential cultural center for the Romanian/Moldavian-speaking majority; and Ukraine – who openly claims its major interest in Transnistria, the separatist region in RM's Eastern part (Marinescu, 2003).

ered in RM's capital Chişinău). Several relevant domestic events and intense diplomatic communications occurred during this period. In my opinion, the crisis shifted from bilateral relations to relations between Chisinau and various international bodies that were monitoring the observance of democratic rules and of commitments, in particular the Council of Europe.

In regard to the underlying empirical documentation of this analysis, I have tried to extensively review information sources relevant for the understanding of the crisis management from the decision-making perspective. Thus, a necessary comprehensive monitoring of the main news agency – two Moldavian (Flux, Basa) and one Romanian (Mediafax) – during the observed period is accompanied by: a secondary analysis of a series of studies explaining the complex background of the relationship triangle Romania-Moldova-Russia; a primary analysis based on a survey of articles in journals, newspapers and magazines; and interviews with decision makers involved in the crisis and other stakeholders.

Context

The reconstruction of the events highlights three aspects most relevant to the crisis: the domestic situation of the RM; interaction between Romania, RM and Russia; and Romania's institutional structures and processes in foreign affairs. These elements were chosen since the decision-making institution called to answer the challenge of the emerging and developing crisis was the Romanian MFA, the crisis does not have a domestic element in Romanian politics, and the process of decision-making in foreign relations for Chisinau was totally subordinated and stated by Moldavian Communist President, Vladimir Voronin (influenced by his will of developing exclusive relations with Russia and to join the Russian-Belarussian Union). Accordingly, these three contextual elements will be outlined.

Domestic Evolution in the Republic of Moldova

Noteworthy, the Republic of Moldova represents a fascinating object of analysis for a foreign observer. Being a small and poor country, the issues related to it are complex. This complexity is not only about its communist heritage, widespread poverty, weak political culture, populism, and demagoguery, but also about a newly born social category of inadaptable people in the context of high crime and corruption. It is not so much about the fact that it was the only country in Europe where a Communist Party retaining its red title gained power in a

democratic election (with surprisingly high support) in 2001 and in 2005.² It is rather about a country trying to wake up from amnesia and to define its identity, and about the consequences of this process affecting everything related to its existence: domestic and foreign policy, economic activity, human relations as well as intercultural ones.

A pro-Romanian Christian Democratic Popular Party, a pro-Russian Alliance, and other two political movements (correspondent satellites of the first two: an independent and a pro-European³) were the forces struggling for domination on RM's political scene at the time of the crisis. While the first group asserts the Romanian identity among the majority of the population, the second one promotes a so-called "Moldavian" distinct identity among the ethnic population. The first one advocates for closeness with Romania, Europe and NATO, as well as with the democratic values associated to them.⁴ The second one advocates more dependence on Moscow and a larger integration in the Commonwealth of Independent States (hereafter CIS), or even integration into a supposed Russia-Belarus Union, the symbol of conservative behavior and the old Soviet Empire.⁵

The Communists in Chişinău (one of the two major protagonists of the crisis) had actually been outlawed at the beginning of the 1990s, but then reorganized under the umbrella of the CPM by the party's current leader and head of state Vladimir Voronin. As an ex-member of the Communist Party of the Soviet Union (CPSU), he reached his career peak during the Soviet regime as Minister for Internal Affairs, from February 1989 up to 1990. As such, on November 7, 1989, he was the one to lead the repression on the anti-Communists protests in the city of Tighina. Then, following good results in the 1994 elections (the first

2 During the February 2001 parliamentary elections, the Communist Party of Moldova received 71 out of the total 101 chairs of RM's unicameral Parliament.

3 The Christian-Democratic Popular Party is a member of the European Popular Party and of the Christian-Democratic International. It considers RM as a second Romanian state in the Council of Europe. The Communist Party struggled for a union with Russia and Belarus, for imposing Russian as the second national language next to Romanian/Moldavian and for extended privileges for Russian investors. The Braghis Movement is also connected to Russian interests.

4 On this matter, see also the Program and Statute of the Christian-Democratic Popular Party – 2000 and other documents of the electoral campaign (Flux News Agency, January-February 2001).

5 The two fundamental groups have some common interests. There are certain political parties coordinated by the pro-Russian side and promote pro-Romanian attitudes in an attempt to separate votes and confuse the electors of the pro-Romanian group by claiming unionism with Romania in order to compromise the competition. Western analyses regard them as revisionists, a label expanded over all other parties with democratic pro-European views. Other parties play an alleged independent role – leading to the lack of identity and a return into Moscow's hands. Finally, other parties simply accept democracy as a means towards an imperial goal (Socor, 2002; Chifu, 2003).

it participated in), the CPM managed to win the 1998 parliamentary elections with 40% of the votes, but did not succeed to capture the government because of an ad-hoc formed coalition of rival parties. Grasping CPM's electoral programs, CPM may be easily identified as a declared communist party, asserting its existence out of the Soviet Bolshevik tradition. It got onto the political scene with a radical pro-Russian discourse doubled with an aggressive anti-Romanian attitude.

In the following 2001 electoral campaign, CPM came up with a project from another time: RM's integration into a Russia-Belarus Union, plus the legal enforcement of the Russian language, rebuilding the Soviet system of public administration, and re-nationalization of private enterprises. With this radical electoral proposal, CPM was able to obtain almost 50% of the votes, converted after redistribution in no less than 70% of the RM Parliament's mandates.

Only two other parties managed to pass the electoral threshold in 2001: the Christian Democratic Popular Party (hereafter CDPP) and an alliance formed by the ex-Prime Minister Dumitru Braghis – the Braghis Alliance (hereafter BA). From the very beginning the first group played the role of a radical opposition, while the latter adopted a more moderate tone, supporting several of CPM's controversial decisions. Along the legislature way, half of the BA members deserted and re-enlisted in the CPM. With RM as a parliamentary republic, the communists easily imposed their leader Voronin as the head of state. As Prime Minister, they installed a quasi-anonymous person, an ex-manager of the Bucuria (a candy factory).

In short, a few of the CPM's actions in the domestic arena after returning to power are still noteworthy and useful for a proper understanding of the crisis context. As already mentioned, the communists made a series of decisions aiming to consolidate the official status of Russian language and started a campaign to build a new Moldavian national identity allegedly distinct from the Romanian one, so-called "Moldavianism."⁶ Pro-Russian historians and old ideologists of the Soviet era were called to write a new textbook about RM's history (Basa Press, 8 June 2001), a textbook to prove the existence of

6 The Moldovianism theory was founded in 1924 and reshaped in 1964 on an order of the propaganda section of the Communist Party of the Soviet Union based on three reasons: first, the need to assign an identity to the occupied population and territories split by force from their original countries and transformed into territorial and administrative entities; second, Stalin's theory of the maximal ethnic complication, aiming to block any separatist movement or autonomy request, meaning that any population entering the Soviet Union should have a fabricated history connected to the Slavic origin and to the Russian people; third, the possibility of obtaining new territories, justified by the fact that the new identities have a regional background, connected to parts of the original state, situated outside the Soviet Union. For details on Moldavianism and Moldova under Soviet rule, see van Meurs (1994), Constantin (1995), Moraru (1995), Brulies (1997), Scurtu (1998), Chifu (1999), or King (2000).

a Moldavian state/entity (incorporating the current Republic of Moldova and Romania's province Moldavia neighboring RM⁷) from the 14th century up to the present.

Unanimously considered among Romanians and the ethnic Romanian majority of RM, the somehow absurd reality of the co-existence of two states with an identical identity, historical background, language, and cultural inheritance was not acceptable to CPM. Instead, Communists aimed to manufacture a new collective identity, called "Moldavian", which was to: be different from the Romanian one; justify the existence of RM as a state and the differences from the Romanian identity; and prevent any claims for a reunion of the two countries.

The political opposition parties of RM stated that the attempt of finding artificial differences and creating a new identity was an absurd waste of time with no scientific background whatsoever. In their view, such an initiative was doomed to fail, since the communists had not succeeded into doing so, despite 50 years of pressure to subordinate to the Soviet rules and the imposition of Russian as the official language and the use of Cyrillic letters. Nevertheless, the majority of RM inhabitants still declared themselves to be "Romanians" in the 1989 census.

In addition to the problem of the officially recognized identity and language of the new state, the Chi in u Communist authorities tried to consolidate their power by taking control over the local administration and readopting the Soviet style of organizing the country (in taking a step backwards from the reforms of former RM governments). Two laws passed by the Communist-dominated Parliament in reestablishing the Soviet system of public administration (in this way destroying the modern system established in 1998 with the help of the Council of Europe) were prevented from enacting (in part) only by Western pressures and an unfavorable Constitutional Court decision in April 2001 (Basa Press, 24 August 2001; Flux News Agency, 24 August 2001).

Obviously, such measures adopted by the authorities had to face the opposition of the majority of the population, who was against both the compulsory studying of Russian language and the textbook with the manufactured Moldavian history. Subsequently, the anti-Communist demonstrations in February-April 2002 were generated by the aforementioned two measures. As for the Communist government, it revealed visible authoritarian reflexes inherited from the Soviet period: it suspended CDPP for a month from political life, trying to outlaw the pro-European party and arrested its leaders, and withdrew such measure only after much external pressure. Then, repeatedly invoking the

7 The semantic English (thus, the official international version) distinction "Moldavia" versus (Republic of) "Moldova" is an artificial one, imposed by Chişinău officials. In the Romanian language, the two terms are identical

vote received in the elections, allegedly entitling them and their program, the Communists did not hesitate to take brutal action against opposition leaders and ordinary people taking part in the demonstrations, with the culminating point being the strange disappearance of CDPP Vice President, Vlad Cubreacov (Flux News Agency, February-April 2002; Basa Press, February-April 2002).

Not only did such behavior of the RM authorities further aggravate relations with the Romanian government, but it also deteriorated relations with the IMF and the World Bank in a context of precarious economic reforms. For instance, in 2002 RM had to pay an external debt covering between 50% and 70% of the budgetary incomes, depending on the source of information used for the estimation (For more details, see Statistical Bulletin of Moldova, Spring 2002). Until recently, Chişinău lived under the threat of getting into payment incapacity. The donor countries and international financial organizations firmly said that this situation should be avoided. Anyway, living standards in RM remained quite low, even if the authorities reported an increase in the economy.

*Interaction Between Romania and the Republic of Moldova,
and the Role of Russia*

Usual patterns of cooperation and conflict, of discord and collaboration, and of symmetry and asymmetry are recognizable separately in RM's interactions with Russia and respectively Romania. These bilateral relations may serve as a better understanding of the crisis context, as RM was claimed to be, in Moldovenism theory, "an independent country disputed between Romania and Russia" (Stati, 1998).

The Communist authorities in Chişinău maintain a constant, intense and positive communication with Russia, in a relationship of a visible asymmetric dependence. The RM authorities accepted important concessions, even if Russia never demanded them formally. The main issues of this relationship were the signing of the bilateral treaty, the solving of the Transnistrian conflict, and the improvement of economic relations including payment for imported gas from Russia. Moreover, the consolidation of the Russian language status and integration into the Russia-Belarus Union⁸ remained on the political agenda, although not explicitly mentioned by the communist authorities.

In contrast, bilateral communication between Romania and RM varied from partially to completely negative. Actually, CPM confirmed that its main

8 Given the perspective of NATO and EU enlargement, Russia kept a discourse with pro-democratic attitudes for cooperation on the institutional level, but it planned delaying or even blocking these evolutions. Its new strategies were to use Belarus, Ukraine and Moldova as a theoretically neutral area, but in practice forming a pro-Russian block in response to NATO's enlargement.

goal – underlined in the whole existence and in the electoral campaign – was to separate from Romania and to get close to Russia, a goal that was to be attained by whatever means. Moreover, the position adopted by the Communists was limiting. In spite of some positive initial messages, the Moldavian officials did not seem to conceive the possibility of having positive relations with Romania, and nor did the Romanian government leave an impression of wanting to form a genuine dialog with the RM authorities.

A real ideological conflict and a clear interest incompatibility characterized the relationship between Bucharest and Chişinău. While the latter was attempting to legitimize a Moldavian ideology and to introduce this theory in state and public institutions (a goal in which their agrarian predecessors failed in 1995), Romania, on the contrary, started from the premise that the ethnic majority in Moldavia was indisputably Romanian and any other intent to build another ethnic identity, historical or linguistic, was an attack on scientific and historical reality. The Romanian public and elite took an active position on this issue. Thus, it was expected that they would react harshly to the Communist's attempts to substitute the ethnic identity, the history, and linguistic reality.

Under such circumstances, the two states could have only gotten along if the initial agreement to have a pragmatic and non-ideologized relationship would have been respected. This meant, on the one hand, that the Communist power would not take actions in favor of the Russian language and of artificially creating a Moldavian identity. On the other hand, the leaders from Bucharest had to avoid explicit reference to the Romanian nationality of the majority of Moldavia's population. But this would have been an ideal situation, which, as we have seen, is far from reality. In this context, Bucharest's interaction with their counterparts in Chişinău revealed two main features: inconsequence and an extremely aggressive effervescence.

The inconsequent attitude comes from the total incompatibility between the Communist's initial project (or better said their initial promises) and the attitude of the sitting Communist government, forced to face the reality with very real and concrete problems. In the phase of probation, it was mentioned about "special relations," "pragmatism," and "concrete actions, without an ideology" (Marinescu, 2003). The only bilateral common project that was successfully completed between the states was the introduction of passports on July 1, 2001.⁹ The circulation of passports, and not domestic identity papers (e.g., the former Soviet identity cards), was imposed by the EU according to the Justice and Internal Affairs chapter negotiated by Romania. Romania offered to sustain the production and distribution of those passports through a Stability Pact project.

9 The Communists were probably cooperative on this matter because they were to get a grant.

Besides this, bilateral relations were essentially blocked, and there were few signs that any of the projects would be finished despite various political agreements during that period. Even the commercial exchanges had a deficit of 39% in the first two months of 2002, after showing an increasing trend a year before, and some economic analysts talked about the Communists neglecting the agreements made with the authorities in Bucharest.

The public communication effervescence is evident in the intensity of interaction between Bucharest and Chişinău; any statement made by the Romanian leaders is generally followed by a bitter response from Chişinău. There is a lot of talk and no action, which is not beneficial for the bilateral relations. Moreover, all diplomatic channels were avoided in the bilateral relations, and the concerns of the Moldavian authorities were made public through tough statements in the media.

In sum, the bilateral relations between Romania and RM have been weak and one could even say that they are quickly deteriorating. The latter is extremely sensitive to any perceived attempt of the former to question the distinctiveness of a Moldavian identity, thus implicitly challenging the legitimacy of the Communists. Moreover, the tenuous relationship has become, the more Moscow has opened its arms to the powers in Chişinău and has encouraging them in their efforts to create their own identity (so much that the opposition CDPP suggested that Moscow ruled the conflict and that it was even paying off the Moldavian leaders).

The Framework for Romania's Foreign Policy

The constitutional and legal provisions acting at the time of the crisis clearly stipulate Romania's position towards Romanian minorities outside its borders, in particular towards the Romanian majority within RM's population. The latter is actually considered a second Romanian country in the Council of Europe and therefore, relations between the two states are special, with respect to this historical basis. Even Romania's national security strategy, the country's most important document approved in Bucharest for drawing security priorities, is of the same opinion and demands special considerations for Romanians outside its borders (Romanian Parliament, 2000).

The essential matter was and is an overlap of competencies and the large number of institutions involved in foreign policy and relations with RM. In this regard, Romania has a president with foreign policy attributes (who draws the general framework for the country's foreign policy), the Parliament (with its foreign policy commissions and ability to ratify all international treaties and agreements) and the Government led by the Prime Minister (including the Romanian Ministry of Foreign Affairs as a specialized foreign policy organi-

zation). Also under the Prime Minister, there is the Directorate for Special Relations with RM,¹⁰ whose role is to coordinate the interrelation agencies and interministerial committees with the RM, as well as the Directorate for Relations with Romanians Abroad.

An important issue is the fact that several institutions formally and institutionally participate in the foreign affairs decision process. The overlapping effect of attribution is doubled; on the one hand there are many possibilities and reaction instruments with different stages of intensity, but on the other hand there are opinion conflicts and uncoordinated reactions.

Chronology of a Predictable Conflict

In the underlined conditions and background, it was predictable that a public conflict would appear between the neighboring countries. What was unexpected were the triggers – especially the public statement made by the RM Minister of Justice – and the multiple uncoordinated responses in the media offered by different actors involved in the foreign relations decision making system and in relations with RM.

2001

- June 7** RM president and leader of CPM (Vladimir Voronin) call together a group of historians, known as promoters of the “Moldavianism” theory, to write a Moldavian history textbook to replace the “History of Romanians” textbook used in schools.
- June 10** Romanian President Iliescu claims that “Moldovianism” is a Stalinist inspiration and criticizes the Communists of attempting to erase the Romanian identity of the majority in RM.
- June 11** Victor Stepaniuc, leader of the parliamentary fraction of CPM and number two in the party, claims that, according to the 1989 census, Romanians are an ethnic minority in RM.
- June 24** Voronin’s councilor Victor Doras announces that the RM Foreign Minister has sent a protest note to the Romanian MFA, complaining about Iliescu’s declarations.
- August** RM Ministry of Education announces obligatory Russian language studies in school, starting from second grade. Romanian Prime Minister Nastase says that the language decision raises questions about Moldavia’s openness to Europe.

10 Also called the Office for the Relations with the Republic of Moldavia, under the coordination of a Director and a Deputy Minister (see also the official site of the Romanian Government at <http://www.guvern.ro>).

- Oct. 2** European Court for Human Rights starts hearings in the case initiated by Bessarabian Metropole Church against the RM Government. RM's representative Ion Morei accuses Romania of direct interference in independent and sovereign RM's internal affairs – **the moment when the crisis breaks out.**
- Oct. 4** Official press release by the Romanian Government rejects the accusations and qualifies Morei's declarations as "unacceptable" and "offensive."
- Oct. 5** President Iliescu states that the leaders in Chişinău should apologize, while Prime Minister Năstase denounces the aggressiveness of the Moldavian administration.
- Oct. 6** RM Foreign Minister, Nicolae Dudau, expresses hope that bilateral reactions will remain special. Prime Minister Tarlev states that Morei did not speak on the RM Government's behalf. The RM Presidency abstains from any comments.
- Romanian Prime Minister Năstase decides to annul a scheduled visit to Chişinău.
- Oct. 10** RM Prime Minister Tarlev announces that the Romanian side has not officially communicated the annulment of Năstase's official visit.
- Oct. 13** Bucharest newspapers publish the protest letter sent by Prime Minister Năstase to President Voronin.
- Oct. 15** Năstase states Romania does not want to block relations with Moldavia.
- Oct. 18** Năstase says Morei's announcement was a trap to block bilateral relations.
- Dec. 17** RM Minister of Education reconfirms the intention of obligatory Russian language studies already in second grade.
- 2002**
- Jan. 9** Daily public meetings against compulsory Russian language studies in schools are held in RM.
- Jan. 15** Councilor Corina Creţu announces Romanian President Iliescu's concern about the issues in Moldavia.
- Jan. 16** Prime Minister Năstase opposes the decision on imposing Russian as the second official language in RM.
- Jan. 22** In a press release, the Romanian Foreign Minister criticizes the suspension of the CDPP in RM.
- Jan 23** Năstase as well as Iliescu call it "totalitarian behavior."
- Jan. 25** Viktor Stepaniuc accuses Romania of interfering in RM's internal affairs.

- Jan. 26** Iliescu criticizes the decision to suspend the judicial immunity of three CDPP MPs.
- Jan. 28** RM Prime Minister renews allegations regarding Romania's interference in the internal affairs of his country
- Jan. 31** President Voronin meets the President of the Council of Europe, Lord Johnston, and complains about "Romanian territorial claims on Moldavia."
- Feb. 13** RM government decides to replace "Romanian history" with "Moldavian history."
- Feb. 16** Romanian Foreign Minister, Mircea Geoană, expresses concerns about the events in RM inflicting upon the democratic process. The Romanian Government decides to grant 3.5 million USD for projects in RM.
- Feb. 17** Financial support is denounced by Tarlev as new interference in RM's internal affairs.
- Feb. 18** Russian Foreign Minister warns that the street protests may cause a new center of tension in RM.
- Feb. 19** Prime Minister Tarlev says that the demonstrators can choose between respecting the country's laws or going over the Prut River (that is, implying they should go to Romania).
- Feb. 20** The Office for Relations with RM in Bucharest replies that assistance programs had been negotiated in the inter-governmental commission.
Romanian MFA rejects accusations of encouraging the Chişinău protests.
- Feb. 21** Prime Minister Năstase declares in Moscow that the events in Chişinău are the internal problems of RM.
- Feb. 29** Russian newspapers publish interview with President Voronin accusing the international organizations, international donors and Romania of interfering in the internal affairs of the country.
- March 12** Russia's President Putin thanks Voronin for supporting the Russian language.
- March 13** RM Foreign Ministry announces that Romania's military attaché, Col. Ungureanu, has been declared *persona non grata* and asked to leave RM within 10 days.
- March, mid** The Parliamentary Assembly of the Council of Europe votes two motions against the authorities in Chişinău
- March 17** Moscow's ambassador in Chişinău expresses his appreciation for the country's interest in close ties with Russia.
- March 18** Bucharest announces expulsion of Mihai Iacob, councilor at RM Embassy.

- March 19** RM Foreign Minister Nicolae Dudău affirms that the language decision does not affect its relations with Romania.
- March 20** Dudău claims Ion Ungureanu was a threat for RM's security
- March 23** President Voronin says EU raised an Iron Curtain over the Prut, by letting Romanians travel without visas in the Schengen region.
- March 31** The Council of Europe begins monitoring the situation in RM. This puts an end to the crisis and the issues in Chişinău become a European problem.

Decision Occasions

The Conflict's Premises: Language and History Issues

In June 2001, Vladimir Voronin appointed a group of historians, renowned adherents of the Moldavianism thesis led by Alexandru Taranov, to write a Moldavian history textbook meant to replace "The History of Romanians" school textbook used at the time. The new book was to promote "an actual concept," according to Alexandru Bejenari, the RM Presidency spokesman (Basa Press, 8 June 2001). The vice-spokesman, Vadim Misin (another well known pro-Russian), stated "it is time to learn the history of our state and that of the land that we inhabit" (Flux New Agency, 8 June 2001). The old one called "The History of Romanians" is consistent with the history learned in Romania. The new textbook is developed by Moldavian historians in Chisinau.

The Romanian authorities felt that history's misfortune had split the Romanians in two states, so the changes on RM's political scene due to the Communists' accession to power obviously affected the very sensitive issues of identity, history and culture. Since reunification was not feasible because of the interests of the great powers, it was at least hoped that Romanian citizens could travel freely to see their relatives and that the Romanians in RM lived decently. In this respect, European integration was the only insurance. No Romanian authority would accept that the Romanian identity of the inhabitants of Moldavia was altered or that the relatives of Romanian people (also formally Romanian citizens since they never renounced their citizenship) had to face a Russification process aimed at separating them from their relatives.

Although not a classic trigger for activating a crisis, this background still could be regarded as the first decision opportunity since it explains why the Communists' initiative forced President Iliescu to take a tough stand on the issue. According to data published in 1994 by the International Congress of Refugees, more than 4 million Romanian citizens had relatives and/or property in RM. He reiterated his belief that RM was a second Romanian state, since 65% of the inhabitants had Romanian origin. Iliescu criticized the Stalinist origin of Moldovianism and considered the Communist authorities' support

for this thesis as an attempt to erase the Romanian feeling in RM: “There are intents meant to weaken the Romanian conscience” and “we must help people to identify as Romanians,” he added (Flux News Agency, 10 June 2001; Mediafax News Agency, 10 June 2001).¹¹

Unleashing an action-reaction spiral, Iliescu’s assertions sparked a response the next day from Victor Stepaniuc, leader of CPM’s parliamentary group. He claimed that according to the 1989 census, Romanians were an ethnic minority in RM and could benefit from the constitutional rights granted to minority groups (Flux News Agency, 11 June 2001). Then, on July 24, Voronin’s counselor Victor Doras also went public and declared in a press conference that if Romania wanted to have relations with RM, it should focus on economic issues (Basa Press, 24 July 2001; Flux News Agency, 24 July 2001). “The Romanians consider Moldova to be a second Romanian state, but this is just an opinion,” Doras declares and maintains that the Communist administration wants to consolidate the “Moldavian state,” including its ideological base. Moreover, he pointed out that the two heads of state had agreed during a telephone conversation to “focus on pragmatic matters and to put political matters aside.” Doras also mentioned that the RM Foreign Minister had sent a letter of protest to his Romanian counterpart in regard to Iliescu’s declarations. The next day however, the RM Foreign Minister denied any such actions. “Generally, the Minister considers that there are no issues between RM and Romania” stated the press release (Flux News Agency, 24 and 25 July 2001; Mediafax News Agency, 24 and 25 July 2001).¹² Doras reviewed his statement a few days later and claimed it was really just a note that had never been sent.

Then, in August, a second initiative started to make waves in Bucharest: obligatory Russian language studies beginning in the second grade. Romanian Prime Minister Năstase commented that the decision raised questions about the RM’s openness to Europe. “I wonder whether this decision will push Moldavia to view the world exclusively through the Russian window, as it did before 1989,” he said (Basa Press, 24 August 2001; Flux News Agency, 24 August 2001).

“Romanian Expansionism” through Religion and Reactions from the EU, NATO and Russia

Addressing the European Court of Human Rights (hereafter ECHR) and accusing a so-called “Romanian expansionism” towards his country, RM Justice Minister Ion Morei further provoked the Romanian authorities. The initial

11 See also official site of the Romanian Presidency <http://www.presedinte.ro>

12 Romanian Foreign Affairs official site, <http://www.mae.ro>

verbal dispute between Bucharest and Chişinău was only the prelude of several diplomatic conflicts.

Pressure on the responsible decision makers grew stronger on October 2, 2001, when ECHR started the hearing in the case initiated by the Bessarabian Metropole Church against the Government of RM. The case was actually about an old division of the Romanian Orthodox Church whose jurisdiction covered the whole territory of interwar Romania, between the rivers Prut and Tisa until 1945, when the province of Bessarabia was incorporated in the USSR and divided between RM and Ukraine. The old Bessarabian Church was under the administrative and clerical jurisdiction of the Romanian Church, a situation that existed for some 600 years, while the “official” Moldavian Church since 1945 was subordinate to the Russian Church. The Moldavian authorities considered this relation with the Romanian Church as a threat to their independence, and thus they refused to adhere to the European Council rules on the freedom of religion. Expressing the RM government’s position, Morei considered that an official acknowledgement of the Bessarabian Metropole Church (respecting the Bucharest Patriarchy and not Moscow’s) “would mean an indirect support for the territorial claims of a neighboring country” (Flux News Agency, 3 October 2001; Basa Press, 3 October 2001; Mediafax News Agency, 3 October 2001). Thus, “direct interference in the internal affairs of the independent and suzerain Moldova is controlled by Romania,” Morei stated (Flux News Agency, 3 October 2001; Basa Press, 3 October 2001; Mediafax News Agency, 3 October 2001). He also warned that in troubled waters, the Romanian expansionism could easily be fished out by the Romanian Patriarchy.¹³

In response to this direct attack that questioned European rules and democratic principles at the time Romania was making efforts to comply with NATO’s political demands (in the first part of November), Prime Minister Adrian Nastase decided to cancel his scheduled visit to Chişinău. Likewise, visits to Chişinău by the Romanian Ministers of Culture and Development were also cancelled. These were clear signs that official relations between Romania and Moldova were frozen. Nastase pointed out that the future evolution of bilateral relations would depend upon the explanations received from the RM authorities.

13 Morei also claimed that there was no ritual difference between the official Metropole Church and the Bessarabian Church, but rather a difference in the ethnic base. Morei said the Bessarabian Metropole Church was a kind of “Romanian cult” and by officially recognizing it “would mean continuously disintegrating the society by dividing it into new fractions, and it would lead to the encouragement and renewal of nationalism, extremism and separatism, phenomena that would be followed by terrorist methods.” For further details regarding the case of the Bessarabian Metropole Church, see Chifu (1997, 1999, 2003, 2004a, 2004b and 2004c), Chifu et al. (2005), and Cemartan (2004).

The Romanian authorities perceived Morei's allegations as a direct threat to their national interests, in this case Romania's accession to NATO. That is why the reaction was so harsh. Moreover, the perceived direct and deliberate involvement of RM authorities in the Romanian accession to NATO was interpreted as fulfilling Russia's interests in jeopardizing the process, since Moscow was not too happy about NATO enlargement (Diaconescu – personal interview, 4 October 2001).

In this framework, claims were made that Romania would not be accepted in NATO, unless a bilateral treaty with RM was signed and ratified (Chifu 2002, Flux 2002). Although RM authorities thought this would enable them to a kind of brinkmanship, with the opportunity of forcing compromises from Romania, this scenario soon proved to be miscalculated. In fact, there is no precondition for Romania's invitation to NATO in having a bilateral treaty with Chisinau. This treaty was rejected since the Moldavian authorities wanted to revise the pre-negotiated conditions by claiming the existence of a Moldavian identity different from the Romanian one and the existence of a different Moldavian language. Furthermore, they wanted to end the bilateral treaty with the phrase "the present agreement was written in two languages: Romanian and Moldavian," which was peculiar since they are the same language with two different names, according to Moldavian official theory. Moreover, the bilateral treaty was supposed to be a "special one" by both counterparts, but after the Communists took over, the text became a standard formal bilateral agreement as if RM was just another country, not a neighboring country of Romania, with a Romanian majority and common cultural background (according to the opinions gathered during interviews with MFA officials). On the contrary, despite a lot of comments in the Moldavian and Russian media on this subject (*Moldova Suverana*, *Nezavisimaya Moldova*, and *Nezavisimaya Gazeta*, June–November 2002), Romania was being evaluated by its reforms in the Security Sector, contributions in the international peace-keeping operations, interoperability targets, and contribution to NATO security. It seems that Russian-inspired declarations and actions, behind closed doors, were some of the mechanisms that launched and maintained the hot crisis with the Moldavian officials.

Deriding Morei's statement as being "unacceptable" and "offensive" (Mediafax News Agency, 4 October 2001; Flux News Agency, 4 October 2001; Romanian Government, 4 October 2001), a press release issued promptly by the Romanian Government made references to the former artificial proclamation by the Bolshevik Communist Party of a Socialist Soviet Republic of Moldova and stated that Romania was not interfering in RM's internal affairs, and it was further supporting RM's efforts to join the Stability Pact. Besides that, the State Secretary of the Romanian MFA Cristian Diaconescu suggested, in a televised interview, that RM officials should think again if they needed Romanian sup-

port in international organizations (Romanian Public Television, 6 October 2001). Declarations from several other high officials in Bucharest soon followed. President Iliescu, for instance, declared that the leaders in Chişinău should apologize for their offensive discourse, and Năstase denounced the aggressiveness of the RM administration. Then, in a letter sent to the authorities in Chişinău, the Romanian Patriarch Teoctist criticized Morei's statements and made it clear that the Bessarabian Metropole Church was the right of the priests and free thinkers "to continue the historical inheritance of the old rulers and Patriarch" (Mediafax News Agency, 5 October 2001; Flux News Agency, 5 October 2001).

In response to the harsh statements made by the Romanian officials, Chişinău's (counter) reactions appeared to have highlighted an implicit way of framing the situation: aside from those who planned or executed the initial attack, all of the participants in the public discourse behaved as if they were fulfilling an objective in which Romania's reactions did not matter, because the costs of this path had been evaluated and assumed from the beginning. As for the ones involved, Foreign Minister Nicolae Dudău for instance stated that he had not been informed about Morei's discourse and refused to comment on the reactions in Bucharest, but expressed his hope that the bilateral reactions would remain "special" (Mediafax News Agency, 6 October 2001; Flux News Agency, 6 October 2001). Similarly, Prime Minister Tarlev stated that Morei did not speak on the government's behalf, and denied that he had called the Romanian Prime Minister to express his discontent (Flux News Agency, 6 October 2001).¹⁴ Likewise, the Presidency refused to make any comments on the situation. The radical Communist leader in the Parliament, Victor Stepaniuc, declared that Chişinău should not counterreact any move from Bucharest.

Also noteworthy is a statement made on October 6 by Presidential Councilor Victor Dobraş, who announced that President Voronin and Prime Minister Tarlev would only present official explanations regarding Morei's statements if asked via diplomatic channels (Flux News Agency, 6 October 2001; Basa Press, 6 October 2001). This actually never happened, but soon after, Councilor Doraş (one of the main actors in the dispute) was fired. Then, on October 10, Tarlev announced that the Romanian side did not officially communicate the annulment of Năstase's visit. The next day, the RM government's newspaper *Nezavisimaya Moldova* published the disputed discourse (*Nezavisimaya Moldova*, 11 October 2001:p. 1).

14 Newspapers at the time speculated the resignation of Morei. On October 12, Morei publicly stated that he was expressing the official point of view of his Government and had no intentions to resign. Thus, the RM government's possible escape-plan – blaming Morei and distancing itself from him – failed.

Harsh Accusations and the Escalation of the Crisis

Ultimately, it was Morei himself who obstructed a possible mitigation of the crisis. He went public with an explosive statement on public television on October 11 insisting that he was expressing the government's official position. He repeatedly made allegations of "Romanian Expansionism."

For years, certain forces here and in the neighboring country, applying open or hidden methods, have continuously failed to recognize Moldova's independence and sovereignty, or at least its state. These forces in Moldavia and Romania have tried to use any method, including the invented appearance of the Bessarabian Metropole Church, which is destined to make the social political situation unstable in Moldavia, to fight against the state in Moldavia. Such forces are active promoters of Romanian expansionism (Flux News Agency, 12 October 2001; Basa Press, 12 October 2001).

It was not only this statement, but also some measures taken by the RM authorities favoring closer ties with Moscow, which greatly contributed to freezing bilateral relations and increasing tensions. The reconstruction of events highlights a series of decision occasions triggered by different events or statements in a spiral of action-reaction with the authorities in Bucharest and Chişinău as the main protagonists. Only two days after Morei's statement, the Romanian government released to the press the letter sent by Prime Minister Năstase to RM President Voronin. The letter condemned Morei's "indescribable and irresponsible allegations" and accused Chişinău of blocking economic projects being negotiated on the political level, such as the construction of the Ungheni-Chişinău railroad and the creation of a joint venture at the Stanca-Costesti electrical station (Flux News Agency, 14 October 2001; Mediafax, 14 October 2001). Then, on October 15, Năstase stated that Romania "does not want to block relations with Moldova" and wanted to maintain contacts on a technical level. Three days later, he said that Morei's affirmations were "a tiring war declaration" aimed at blocking bilateral relations (Mediafax News Agency, 18 October 2001).

Next, on December 17, the RM Minister of Education reconfirmed the order regarding obligatory Russian language studies in the second grade starting in January 2002. The next day, the Romanian Foreign Minister announced in a press release that the decision was politically motivated and clearly against the principle of promoting cultural diversity, "The obligations imposed to all children that go to school to study one foreign language deprives them of the principle of free choice in accordance to their hopes and talents" (Flux News Agency, 18 December 2001).

Given the aforementioned background, the RM Foreign Minister replied on December 28 that the concerns expressed by Bucharest for the events in

Moldova “may be understood as the Romanian authorities’ interest to live next to a neighboring state, in which stability rules, including ethnic stability.” The Chişinău authorities shared this opinion regarding cultural diversity, and pointed out the need to find a proper solution to strengthening interethnic harmony, peace and social cohesion. It was also underlined that the Minister’s aim was to “create proper conditions to study the language of a minority without affecting the official language of the majority of Moldova’s population” (Flux News Agency, 28 December 2001; Basa Press, 28 December 2001).

Explosion of Civil Protests in RM

The crisis entered a new phase of increased tension on January 9, 2002 – the day when obligatory Russian language studies in RM schools came into effect. The pro-European CDPP organized meetings with the voters, meetings that did not require any permit. Gradually, these meetings transformed into huge marathon protests lasting until the end of April (with a few short interruptions). These protests triggered the Romanian decision makers. In the beginning of and during the protests, the Bucharest authorities firmly and repeatedly expressed their position on the matter. On January 15, for instance, the Presidential Councilor Corina Creţu announced that President Iliescu was concerned about the situation in RM, but hopeful that the Government in Chişinău would respect the will of those who wanted to preserve their Romanian identity (Mediafax News Agency, 15 January 2002).¹⁵

The next day, the press quoted Prime Minister Năstase with a much more radical declaration, “Two thirds of the population of this state [Moldova] is Romanian, and the Russian minority represents less than a third of the population. In this way, the idea of introducing the language of a minority as a compulsory course in schools is an issue.” Underlining the importance to affirm the Romanian identity, the Prime Minister nevertheless pointed out that Romania was not interfering in Moldova’s internal affairs. “We can not interfere in the debate of the wisest decision to take, but as Romanians, we can not remain silent while there are intentions to turn the Moldavian education system into a Russian one” (Mediafax News Agency, 28 January 2002; Basa Press, 28 January 2002).

During a meeting with Lord Russell Johnston (the President of the Council of Europe), RM President Voronin complained to the EC official about “Romanian territorial claims on Moldova” and “some expansionist tendencies” (Flux News Agency, 31 January 2002; Basa Press, 31 January 2002). This confirmed the thesis previously sustained by the Minister of Justice in front of the ECHR. Then, the Communist authorities took action against the organizers of

¹⁵ The statement is also available on the official site of the President of Romania.

the protest movements: CDPP activities were suspended for a month and the judicial immunity of three CDPP deputies was lifted. These measures marked a new stage in the bilateral diplomatic dialogue.

Ultimately, the Romanian authorities perceived another attack on their basic values. Pressure from the Romanian population on the issue of Moldavia had remained under control, as long as the Communist authorities in Chişinău respected human rights and democratic rules. Yet the threat on the Romanian identity by inventing a Moldavian one and the attempt to “Russianize” the natives of Moldova were clearly attacks on democratic values, and thus a threat to the common European future of both Romanian states. Consequently, the Romanian officials felt compelled to react. Accordingly, on January 22, in a press release the Romanian Foreign Minister criticized the suspension of CDPP activities, a measure regrettably confirming the repeated evaluations of the international organizations on the situation in Moldavia.¹⁶ During the next day, President Iliescu also said that the suspension was far from democratic European behavior, while Prime Minister Năstase commented the decision as “the strategic objective of the present power, dominated by totalitarian behavior” (Mediafax News Agency, 27 January 2002; Basa Press, 27 January 2002). On March 25 Victor Stepaniuc again accused Romania of interfering in the internal affairs of Moldova. The next day, President Iliescu said that Stepaniuc’s groundless allegations were unfriendly and regrettable and that the decision to lift the three CDPP members’ immunity was “a regression and an undemocratic slip backwards” (Flux News Agency, 25 March 2002; Basa Press, 25 March 2002).

To sum up, the defining element of Bucharest’s discourse in this phase appears to have been the denouncement of the undemocratic measures of the authorities in Chişinău. Moreover, the head of the state, the Prime Minister, and the Foreign Affairs Minister adopted a common unitary position. Not only did they express the same ideas (criticism towards the disrespect for democratic norms), but they also used the same vocabulary: the most eloquent example being the expression “antidemocratic slipping” to express the lifting of the three officials’ judicial immunity. Equally true, in their speeches they minimized the dominant concern for the national identity of the majority of RM’s population. The underpinning decision was a strategic one; this way, Bucharest adopted a balanced discourse, coherent and identical to the one of European officials who had also started to express their own concern for the events in Moldavia. From this moment on, Chişinău had to answer to both Romania and Europe.

16 The press release also criticized the misinformation presented by Chişinău to Lord Russell Johnston.

Moldova's History and Identity: Overcoming the Conflict

In February 2002, with the public protests growing since there was a wall of silence in the media because it was under official control. Information was spread by word of mouth. The Communist authorities took another decision that further agitated matters in both RM and Romania. On February 13, the Communist government decided to replace "Romanian History" from the curriculum with so-called "Moldavian History" (Flux News Agency, 13 February 2002; Moldova Suverană, 13 February 2002). This clearly illustrated a willingness to extend the crisis, as well as to provoke Romania.

On February 16, two noteworthy events occurred. First, Romanian Foreign Minister Mircea Geoană, alarmed by Chișinău's decision to introduce the study of "anti-history," cleverly stated that Romania's fundamental interest was to maintain a democratic base in its neighboring state. "The only realistic solution is to see the two states in the European Union. This is our common European destiny: two independent states, members of the EU that have a privileged relation for historical reasons" (Mediafax News Agency, 16 February 2002; Flux News Agency, 16 February 2002; See also Romanian Ministry of Foreign Affairs). Second, the Romanian government decided to provide 3.5 million USD for supporting civic projects in RM. The objectives of those projects included: extending coverage of Romanian Public Television in RM; support for learning the Romanian language; the development of the Romanian Language House; strengthening the Romanian press, book publications, and Romanian radio broadcasting; training specialists; the continuation of historic and archaeological research; and support for civil society and NGOs.

Again, Bucharest's gestures were denounced by Prime Minister Tarlev as a new interference in RM's internal affairs. In his opinion, every dollar given to Moldova without coordination from the Chișinău government represented interference in the country's internal affairs. "Moldova has requested Romania to keep the privileged relations, without interfering in the internal affairs of the country. We accept financial assistance, but any assistance has to be coordinated with us," Tarlev affirmed. A week prior to this, the Moldavian Government had established the National Agency for Material Reserves and Humanitarian Aid, through which it intended to coordinate all assistance programs for RM (Flux News Agency, 20-21 February 2002). This decision, to establish the National Agency for Material Reserves and Humanitarian Aid, was criticized by both US and the EU.

Unilaterally, the Bucharest Office for Relations with the Republic of Moldova replied that the assistance programs had already been negotiated within the intergovernmental commission and that Romania had been providing such funds since as early as 1994 without any protests. Then, the release of

the Office sarcastically stated, “It seems that Prime Minister Tarlev was not up to date with the European practices regarding the assistance of ethnic, cultural and religious identity according to the European Commission Convention. Since the Chişinău authorities are so concerned with assuring the rights of the ethnic minorities living in Moldova, we do not understand why they would refuse support for the ethnic and cultural identity of the majority” (Mediafax News Agency, 20 February 2002).

The reaction from the Romanian authorities was coherent, with the sole exception of the above-mentioned Office. Thus, on the one hand, the Foreign Minister clarified his government’s view on the future relations between the two countries: European integration as independent states. The Romanian Foreign Minister was once again composed and defined Romanian’s position by relating it with the European values, implicitly pointing out that Bucharest respects Moldova’s independence, but did not forget the ties between the two countries. On the other hand, the Office for Relations with Republic of Moldova explicitly referred to the identity aspect, and accused the RM authorities of refusing “support for the ethnic and cultural identity of the majority.”

Internationalization and Further Escalation of the Crisis

Russia enters the scene

Gradually, Russia engaged in the exchange of words between Bucharest and Chişinău, on its strategic partner’s side. On February 18, the Russian Foreign Minister had issued a release in which he warned that the street protests could generate a new source of tension in RM. “The organizations protesting and the foreign forces that fuel and encourage these actions should realize that this may create a new center of tension in South-East Europe. This turn of the situation must not be allowed” (Flux News Agency, 18 February 2002; Moldova Suverană, 18 February 2002). Interestingly enough, the Russian Foreign Minister’s statement took place only a few days before Prime Minister Nastase’s visit to Moscow. Then on the very day Năstase was in Moscow (February 20), the State Duma adopted a resolution that accused “Romania of inconceivable interference in Moldova’s internal affairs” (Mediafax News Agency, 20 February 2002; Komsomolskaya Pravda, 20 February 2002).

Facing this new situation, the Romanian authorities continued to focus on their European and democracy discourse. On February 20, the Moldavian press quoted the Romanian Foreign Ministry who rejected the accusations of encouraging the Chişinău protests and who felt that any deviation from the democratic values or intent to transform democratic liberties into objectives could affect the stability in Moldavia and thus against the country’s interests. In short, Romania was interested in consolidating the RM as a state and com-

mitted to its democratic development (Flux Mediafax, 28 January 2002; Basa Press, 20 and 28 January 2002). The next day, while in Moscow, Năstase firstly declared that Romania had no reasons to believe that its interests in RM clashed with those of Russia, and secondly reaffirmed that the events in Chişinău were the internal problems of Moldova (Flux Mediafax, 21 January 2002; Basa Press, 21 January 2002).

Thus, if Bucharest succeeded to adapt its position to the European discourse with small specific differences, the great success in Chişinău was the attainment of Vladimir Putin's support and the exportation of its diplomatic discourse themes to Moscow. Russia became the second international actor that accused Romania of interference in Moldavia's internal affairs and of creating tension in South-East Europe.

From accusations to action

A series of events further escalated the crisis. On February 22 President Voronin made an extremely bitter statement on TV against the organizers of the protests. This represented a key moment in the evolution of the crisis. Although not making any direct reference to Romania, the President accused the CDPP of terrorist acts and of trying to take over power by using the blood of children. This discourse was made at the time when propaganda had already started against the organizers of the protests. Flyers were distributed, in which CDPP President Iurie Rosca was accused of sacrificing innocent children in order to capture power (Moldavian Public Television, 22 February 2002; see also Mediafax News Agency, 22 February 2002).

Parallel to Voronin's propaganda attempt, the riots in Chişinău represented an important signal for Romanian officials: the RM population was reacting to the attacks on its identity and on the country's democratic processes and reforms. This triggered the Romanian authorities to express their concern for the emergent instability in the neighboring country and for the Moldavian authorities' violent non-democratic actions.

Then, another event sparked off the ongoing crisis. On the night following a speech by the President in front of the nation: unknown individuals tried to set fire to the Romanian Language House in Chişinău.¹⁷ Romanian officials immediately regarded the attack as an offence, not only because of what the institution symbolized, but also because the building was part of the Romanian investment projects in the RM. Subsequently, the Romanian Foreign Minister

17 Created as a result of a project financed by the United Nation Development Program (UNDP) in order to ensure the improvement of the Romanian language. This institution had been the target of a similar attack on August 27, 2001. The Moldavian police never succeed in identifying the criminals of either attack.

called RM's Ambassador in Bucharest, Emil Ciobu, to try to get an explanation for the event in Chişinău.

On March 9, Moscow newspapers released an interview in which President Voronin was accusing both international organizations and Romania of interfering in the internal affairs of the country. He explained the tense relations with Romania by the fact that RM wanted to develop a strategic partnership with Russia. "We shall deepen this partnership, even if it is not favorable to some of our neighbors, such as Romania, which considers itself our master and treats us like a colony." Then, he targeted the international organizations, which he blamed for adopting "double standards" and for supporting CDPP (Komsomolskaya Pravda, 9 March 2002; Moskovsky Komsomolets, 9 March 2002). Finally, he labeled the protesters in Chişinău "fascists" - a traditional label in Communist times for all enemies - and criticized the lack of reaction in the European institutions against the affirmation of a "Neo-Nazi ideology." This was actually the first signal of the transformation of the crisis between Romania and Moldavia into a crisis between Moldavia and Russia on the one hand and Romania and Europe on the other hand, respectively between the Communist power and the democratic values - a fundamental value conflict. In an apparent attempt to balance the Western involvement in the events, the Moscow authorities again intervened in the crisis. While President Putin openly expressed his gratitude for what Voronin had done for the Russian language (Komsomolskaya Pravda, 12 March 2002; Moskovsky Komsomolets, 12 March 2002), Moscow's ambassador in Chişinău praised the close relationship between with his country and RM (Komsomolskaya Pravda, 17 March 2002; Moskovsky Komsomolets, 17 March 2002).

Evidently encouraged by Russia's involvement, the authorities in Chişinău further escalated the crisis. On March 13, the Moldavian Foreign Ministry announced that Romania's military attaché, Colonel Ion Ungureanu, had been declared *persona non grata* because of actions of espionage and asked to leave the country within 10 days (Mediafax News Agency, 13 March 2002; Flux News Agency, 13 March 2002).¹⁸ The attaché was videotaped passing near the public demonstrations in Chisinau's central square "without wearing his official military uniform," was the official RM MFA's response transmitted through the diplomatic channels to the Romanian MFA. This never goes public.

Bucharest considered the decision as "serious, unjustified and unproductive" and responded in the same way with the expulsion of Mihai Iacob, Councilor in

18 Chişinău never gave an official explanation for this decision, which is international practice. On March 19, Foreign Minister Nicolae Dudău affirmed that the decision was "justified and wise", and that it did not affect its relations with Romania. The next day, Dudău gave a testimony on the matter in Parliament, but he only said that Ion Ungureanu was a threat for Moldavia's security.

the Moldavian Embassy in Bucharest and Ungureanu's counterpart at the diplomatic level (Mediafax News Agency, 15 March 2002). Moreover, the Romanian decision makers' option for firm action was made clear a few days later, when their representatives at the Parliamentary Assembly of the Council of Europe proposed two motions against the authorities in Chişinău (Flux News Agency, 26 March 2002; Mediafax News Agency, 26 March 2002). President Iliescu also said that Romania could not look with any understanding upon such outbursts after Voronin's attacks (Mediafax News Agency, 20 March 2002). The conflict was basically affirmed in its true nature: a border conflict between Europe and Russia, a power and influence conflict, and a value conflict between two camps (democratic and the reformed communist).

Final stage: A European deal

The Communists continued their attacks against Romania until March 31, when the CDPP organized the so-called Great National Assembly – a manifestation intended to force the Communists to retreat from power. The theme remained the classic accusation of interference in RM's internal affairs. On March 23 Voronin claimed that the EU had raised an Iron Curtain over the Prut region, by letting Romanians to travel without visas into the Schengen Space. The effect of this decision led to the fact that "Romanian Gypsies" (Flux News Agency, 23 March 2002; Moldova Suverană, 23 March 2002) were sitting and begging in front of the Council of Europe in Strasbourg.

This last attack had significance, since the opposition protests in Chişinău were under close surveillance of the Council of Europe. This organization was actually the one that managed the resolution of the crisis by invoking European democratic standards and pressing the authorities to obey democratic principles. The Council of Europe was so important in this particular conflict because it was the only European institution in which the RM was a full member.¹⁹ Because the Moldavian authorities were significantly interested in appearing democratic, legitimate, and credible to the West, the Council of Europe's position made a big impact and succeeded as a tool for managing the crisis. The Moldavian presidency of the Ministerial body in the Council of Europe had the first and only opportunity to play a role in international affairs, a position that Moldova did not want to lose. This was a huge incentive for making

19 OSCE could not initially get involved in the conflict because the position of the presidency was being filled by Romania, which remained in the troika for about a year. The Romanian Foreign Minister, initially the Executive President of OSCE and after that a troika member, decided not to use this position in developing the diplomatic crisis. The European and the American partners appreciated this. The diplomatic pressure on Chişinău that followed succeeded in making the European Council resolutions relevant.

the Communists comply with some of the requests of the Council of Europe regarding democratic values.

Analytical Themes

In the following section, I focus on some specific lessons and provide an analysis of the crisis. Selected and prioritized in their importance, these analytical themes are: transnationalization and internationalization of the crisis, crisis communication and credibility, and problem perception and framing.

Transnationalization and Internationalization

While in the process of Euro-Atlantic integration, the Romanian government perceived the risk that the statement of the RM Justice Minister in front of the ECHR could raise problems for its relationship with the EU and NATO. The Moldavian claims that Romania was involved in the riots in Chişinău had an obvious potential of damaging Bucharest's foreign policy priorities. But the reaction of the Western partners was predictable: no one believed Chişinău's allegations and they basically ignored them, accepting Romania's explanation of the situation.

Nevertheless, the Romanian officials had to properly manage the crisis in order to calm its citizens, who were concerned for their relatives being oppressed by the Communist regime. Hence, officials from Bucharest faced a dilemma, issued from a value conflict: how involved could they get in the dispute while still observing non-interference principles and yet satisfying the public's concern for their relatives and for those Moldavian citizens who felt connected to Romania. The MFA felt obliged to first explain to the Moldavian people why they could not get more involved in protecting Romanians on the other side of the Prut River and then prove to the skeptics that Bucharest was not interfering in the domestic affairs of RM.

Unlike other crises, this crisis showed that internationalization was actually encouraged by both opposing actors, although for obviously different reasons. The Chişinău authorities aimed to put pressure on Bucharest through the international community by taking advantage of political "requests" or "demands" on Romanian accession into NATO and EU. The Romanian authorities were also eager for the internationalization of the crisis because they intended to step out of the direct fight and let international institutions take over by criticizing the non-democratic behavior of RM.

The reactions of the officials from the European Commission, the Council of Europe, and the individual European countries helped Bucharest's point of view prevail, especially because Romania was largely perceived as a conscious,

trustful, and respected member of the international community with a predictable behavior and a rational policy. In contrast, RM was regarded as a new state with an acute democratic deficit and with a communist government that had experienced several regressions since entering office.

There are two interesting aspects of this crisis: the transformation of the interstate conflict between Romania and RM into a generalized dispute between the adherents of democracy and adherents of communism, and the role of the Council of Europe in the events. Since the RM received Moscow's support in its diplomatic dispute with Romania, the Bucharest authorities acted in probably the best way they could. After a series of statements from overlapping institutions responsible for relations with the RM (some with elements of nationalism), the MFA proposed a solution to the Romanian Supreme Council (the institution responsible for cohesion in the foreign and security affairs). The decision was to characterize the actions of the RM as "sweepingly anti-democratic" and this radically changed the discourse of the crisis development. By focusing on European democratic values that were being disrespected in RM, intervention from the international community was inevitable.

Russia's involvement, although only verbal, seems to have been the adequate stimulus for the Western partners to react. From a strategic point of view, the crisis between Romania and Moldavia turned into a border conflict between Europe and Russia, a power and influence conflict. While from a political-normative point of view, it gradually developed into a value conflict between communist authoritarianism and post Soviet nostalgic behavior on the one hand, and democracy and human rights on the other.

The Council of Europe (an otherwise weak and non-specialized institution in dealing with diplomatic conflicts) made its views known on this particular crisis in connection with the fact that the RM was scheduled to fill the rotating presidency of the institution in May 2003. In this context, the Council of Europe used this leverage to make a very clear recommendation to the Communist government to observe the democratic values and regulations of the Council, so that the RM did not jeopardize its chances to take the presidency of the institution. This provided an effective, constructive tool for resolving the crisis, and Romania was only a part of the process as a member of the European institution, not the principal actor fully exposed to Moldavian criticism.

Crisis Communication and Credibility

Communication between countries is transmitted through a number of different channels: the embassies, the MFA, direct letters, phone calls, messages, and special envoys. Communication can also use second track diplomacy: NGOs,

think tanks, civil society, academics, and experts. A third way is through the media and international organizations.

The actual crisis was defined by a special kind of silence or avoidance in the diplomatic channels since only the public channels were used. Even when Romania tried to use a classified, diplomatic channel, the reply was made through the public/media channels. There were no differences between the messages designed for domestic purposes and those for diplomats or international bodies. The RM's advantage was its control over the media, where only official reports were distributed. In the Romanian media, an unprecedented agreement was reached in informal meetings with the head of the national media so that NATO accession would not be negatively affected. Thus certain comments were avoided, and only facts and direct statements were reported. The international media reported from Bucharest and reported generally just the facts. The Russian media also ignored the matter, except for the statements made by the officials in Moscow and by the Russian Ambassador in Chisinau. The exception was the news coverage about the so-called "NATO's demands on Bucharest to sign a bilateral treaty with the RM". The importance of this was miscalculated, as mentioned earlier.

Interesting to note that the trigger to the crisis as well as the end of it was a result of communication and multilateral diplomacy through international organizations. The RM was hoping that the international scandal surrounding the European Court of Human Rights case would make Romania more vulnerable so that the RM could quickly offer a bilateral treaty, which suited its purposes. Likewise the RM was hoping to put an end to the country's opposition, which could not be publicly supported by the Romanian government since it could not get involved in RM's "internal affairs." At the same time, the Council of Europe shifted the weight of the bilateral issue into a classic monitored/monitoring relation and got involved as a neutral international body observing democratic principles in a country. Good and continuous communication between Romanian diplomacy and the European and Euro-Atlantic partners helped in avoiding the effects predicted in the original RM (or maybe Russian) strategy.

A large part of the crisis took part in the media, but it simply produced more waves for the public than for the direct bilateral relations. In fact, the media was just a vehicle for this game and not an actor, at any point. It was never a genuine actor, but simply a mirror (if not a propaganda tool). During the crisis it was clear that the Moldavian media was under the control of the Chişinău authorities. The Communists had replaced all of the journalists and reporters of the national television and national radio who wanted to broadcast news about the protests on the streets. Not even the private TV or radio stations were helpful in this regard, since they ignored what happened on the streets. The main

reason for this was the fact that their owners had close ties to the Communist regime. Another reason was the independent media's dependency on government advertising and government facilities used to broadcast. The newspapers were relatively more prone to reflect different opinions. But even here, the official newspapers of the Government and of the Parliament offered the same official view, claiming that a group of people for no legitimate reason was making a bunch of noise in the city square and shamefully allowing their children to participate in political protests. The only true independent news agencies were Basa and Flux and a few opposition newspapers that tried to reflect the events on the Chişinău streets. However, no debates or public meetings were held, and on one interviewed the people on the streets or the organizers of the protests. The public media also ignored the three-month meetings in Chişinău's central square, even if many of those speaking in the protests were opposition MPs.

Unlike their counterpart in Chişinău, the Bucharest media seemed significantly preoccupied with the events taking place in RM. Accordingly, it reflected not only the official position of the Moldavian authorities, but also (or better said, especially) opposition statements and reports from the streets of Chişinău. Furthermore, the Romanian central media also made public all of the statements made by the Romanian officials on the situation in the neighboring country. The Bucharest authorities generously provided the media with all of the necessary details, displaying a proper management of the crisis from a communication and credibility perspective. In return, the media did not speculate too much or make further comments on the matter. The MFA briefed the main representatives of the media and offered the information about what happened and the complexity of the Romanian position. All of these reasons were accepted by the journalists, who abstained from introducing new problems for the Romanian officials by interfering or including their own institutions in the conflict.²⁰

The media on the two sides of the Prut River actually reflected the official positions of the crisis decision makers and stakeholders: in Chişinău it was a direct tool since the entire conflict was designed to take place in the public space and not in the diplomatic arena; and in Romania, the media was more proactive and accurate in its coverage of the events and was helped, but not obstructed, by the authorities. With regard to the effect that image and credibility had on the crisis, it should be noted that the Romanian MFA managed to use some of the main themes expected by the international media in the region: anti-democratic principles, disrespect by the Moldavian government for human rights, and the unfriendly image of the Communists. The MFA had an important

20 Actually, the media did not speculate despite the fact that the Bucharest officials had several different positions until the MFA finally made a public statement in the middle of January 2001.

role in the behavior of the international press accredited in Romania. Informal meetings were organized – on the Minister's initiative – to explain every step and what was really happening. The press made an accurate presentation of the conflict, but one newspaper, *Evenimentul Zilei*, was convinced to enter the game by publishing a so-called “open letter” from the Moldavian Ambassador in Bucharest. This letter put more gas on the fire. When the letter eventually proved to be false, it further escalated the conflict.

Other good points were finally scored by the MFA in its approach to the dispute between the democratic forces, mainly represented by the CDPP (member of the European Popular Party and of the Christian-Democratic International Organization) in their struggle against the Communists.²¹ The statements of the Romanian MFA drew the attention of the foreign correspondents covering the news in Moldavia. It was enough to get the correspondents to move to Chişinău and take a closer look to the events there. Conclusively, the Romanian decision makers had a good strategy.

Problem Perception and Framing

Knowing the complexity of the situation, the Romanian officials recognized a set of preoccupation elements varying from the need to interfere in the identity conflict and the identity alteration of the Romanian population in the RM. Nevertheless, Romania could not interfere directly – with the exception of some hot-blooded politicians – but rather it preferred to stimulate changes in the democratic values of its neighbor. The RM was imposing artificial changes through administrative decisions without any democratic debates, and this gave rise to criticism from the Romanian majority in RM. So in return, fighting for the respect of democratic principles and for the observance of European commitments (in the Council of Europe) was equivalent to solving the identity differences through a European approach.

By stopping and avoiding the first statements, with some emotional and rather nationalist elements, the Romanian MFA and afterwards the Supreme Committee for Defense, imposed a coherent European approach focused on only observing the democratic principles in the RM. Moreover, the Romanian authorities needed to deal with domestic pressure regarding support for Romanians in Bessarabia (the historic province now split between the RM and Ukraine), and yet still respect the European values on the matter so that Romania would not damage its image or credibility in the eyes of its Western partners. The unrest in Chisinau and the extreme reactions of the communist

21 The expansion of the crisis beyond the mere domestic arena was recognizable in the symbols of the flags adopted during the events: EU and NATO flags versus the red communist flag of the USSR used by the counterprotestors.

establishment towards the opposition strengthened Romania's position and also solved the identity dispute in the process.

The Bucharest-Chișinău dynamics revealed again to be asymmetrical during the crisis, since the two had different expectations and limited tools (at least for the Romanians since they only used official and democratic ones). The Bucharest authorities were aware and subsequently took advantage of Romania's image in the international arena as a mature and balanced actor, committed to Western values. Despite RM's evident image deficit (largely due to the communist victory in the elections), the Romanian authorities perceived a substantial degree of pressure because the general rule is that the "mature" side is responsible for establishing the tone of the situation. Bucharest was, therefore, expected to make most of the concessions in order to avoid an escalating crisis and to deal with its neighbor in an acceptable international policy framework.

The Romanian MFA had, from the first moment, a clear evaluation of the background surrounding Chișinău's actions. The Communists of RM were mainly facing a lack of democratic representation and the matter of legitimacy. The electoral system and the way Parliament seats are redistributed meant that MCP won with 42% of votes (receiving 22 of a total of 101 places), while the CDPP with 9% only got two places. Although clearly the winner, the MCP was in front of a state where access to the Parliament was granted by the absence of a large number of small democratic and anti-communist parties despite the fact that the majority was anti-communist. Moreover, 45% of its electorate was from the poor region Bessarabia where there were few political alternatives and little information, so many voted for the Communists. RM has also had significant institutional issues: the instability of the institutions and the attributes from one Government to another. During this communist regime, changes have been made in the attribute and context of the institutions, including constitutional, from the president down to the local public administration. Instability automatically has led to a lack of credibility and efficiency. This explains why a party representing 70% of the Parliament seats finds itself confronting a huge manifestation, after trying to alter the majority identity, history and language.

In this context, MFA's perception was that it had to work under the constraints of its general strategic foreign policy objectives for NATO and EU integration and avoid all actions that possibly endangered fulfilling these objectives. Thus, Romania had to avoid two obstacles: first, the issue of dividing up relatives on either side of the Prut River, that is the Romanians from Bessarabia and the citizens of RM; second, anti-democratic elements. Despite great interest in avoiding international scandals with image costs and increased tension in bilateral relations, Romania realized that a scandal was avoidable so it focused on limiting the consequences. Work was done to point out the real meaning of

the conflict (the conflict between Chişinău and Europe) and the main issue at stake was the lack of respect for democratic values.

Anyway, the Romanian establishment could not avoid saying that it was a supporter of the public manifestation. With or without proof, true or false, Chişinău was going to put the subject on the table. So the decision was that it was better to react without fears. At the same time, it was important to explain to the international institutions and democratic European countries that Romania was not interested in provoking or destabilizing the RM, since this could jeopardize the process of NATO accession. At the same time, supporting democracy was considered to be a legitimate concern and a suitable way to criticize the communist authorities' behavior.

Actually, by taking a closer look at the decisions reveals the different framings of the problem made by the different actors in Romania. In the beginning, for instance, the MFA considered the RM Justice Minister's intervention at the ECHR to be a provocation and a political attack. Hence, only the Prime Minister and the President reacted officially. At this time, MFA warned the other officials that behind this attack stood a possible trap meant to entice the Romanian officials into a dispute with the Communist authorities in Chişinău in order to show the international community that Romania was not a suitable member for NATO and EU. Even more, the Communist officials' close contact to Moscow (combined with Morei's visit to Moscow right after his intervention at the ECHR) led Bucharest to believe that Russia was behind this conflict (Interviews with Gabriel Micu, January-March 2002). In this scenario, the Russian officials seemed to be interested in creating problems for Romania on its way to joining Western institutions.

Unfortunately, some politicians from the Department for Romanians Outside the Borders and the Department for the Relations with the Republic of Moldova, as well as the President of the Senate's Foreign Affairs Commission (Ghiorghi Prisacaru), made a different evaluation of the opportunities and stepped into the trap of the Moldavian Communist authorities; they went public in explicitly stating that the RM authorities were oppressing the Romanian majority in Moldavia and were attempting to wipe out the Romanian identity. The Communist authorities took advantage of these statements in order to prove that the Romanian officials were involved in the protest demonstrations in Chişinău. This approach was based on the rivalry between the two departments and the MFA, the need to assert independence, and the personal rivalry between the President of the Foreign Affairs Commission of the Senate and the Minister of Foreign Affairs (Mircea Geoana).

The overlapping of institutions involved in relations with the RM and the absence of a coherent policy making system under the direction of the MFA (the only body truly responsible for this policy) were evident. After the MFA's

suggestion was passed as a rule by the Supreme Council of Defense of the Country, it was expected that the resolution of this body would be followed by all the parts of the institutional body.

The problem was framed around the violation of democratic principles and the provocative identity issue. At the same time, the perceived Russian influence on the Communist authorities in Chisinau in teasing the Romanian authorities and provoking reactions, in order to block Romania's admission into the EU and NATO, was a concern shared by Romania and its partners. This actually helped to create support from the international community for Romania's right in addressing the democratic issues in Chisinau and raised its legitimacy.

On February 10, 2001, when officials from Chişinău wanted to exclude a parliamentary party (CDPP, the only member of an international organization of parties and associated to the European Party) from the official political life, the problem was framed differently. At this particular moment, the issue was discussed in the Supreme Council for Security of the Country, where the Minister of Foreign Affairs offered his institution's analysis of the situation. This point of view suggested that the international community was confronted with a violation of democratic principles, dictatorial behavior, and a political monopoly in the RM. Though some politicians did not respect this position and instead preferred personal framings, eventually the MFA imposed the idea and everybody on the official level agreed on the common framing of this problem as non-democratic behavior by the Chişinău authorities. Subsequently, the problem was then of general concern for the international and European institutions, not only Romanian ones, and thus put on the political agenda of these institutions (such as the Council of Europe). Because of the suitable tools at its disposal in connection to the future of the Moldavian presidency, the Council of Europe was able to effectively address this issue.

Lessons Learned

Despite the apparent success of the crisis management (but not of the prevention of the acute part of the conflict), the institutional system in Romania may extract three lessons out of the discussed events.

Firstly, the crisis once again highlighted an institutional overlap in the field of foreign policy in general and in the relationship with the RM in particular. The President and the MFA have direct representative and decision-making attributions in Romania's foreign policies, and the Prime Minister can make policy statements in any field, as well as matters concerning foreign affairs. The Special Office for Relations with the RM plays a special role in the policies regarding the relations with Moldova. As neither the Constitution nor any other legal provision provides specifics on the attributions or clear subordination between

the bodies involved in foreign affairs policy, some of the institutions may ignore the MFA's suggestions and evaluations, as happened in this crisis.

Unfortunately, the successful resolution of the crisis did not lead, in the first step, to the elimination of the executive concurrent structures in this field or to the supervision of direct relations with the RM by the MFA. Only two minor changes occurred. First, the Director of the Office of Relations with the Republic of Moldova (institution which reacted publicly in discordance with the MFA) was replaced some time after the crisis by the former Romanian Ambassador in Chişinău, a person familiar with the issues of Moldova and who used to work directly with the MFA). Second, the Romanian Ambassador was also recalled in autumn 2003, a measure meant to avoid possible cold reactions from the communist authorities towards the person who had been appointed during the crisis.

The real effect of the lesson learned from this crisis, on the institutional level, appeared only in 2005, after a change in government. The Department for the Romanians Abroad became a part of the MFA, under the direct supervision of the Minister, and the Department for the Relations with the RM became an office assigned under the Prime Minister supervision, without an autonomous status that would enable its leader to take political positions.

Secondly, the events showed that the MFA was not making use of relations and alternative information from the national think tanks or the NGOs involved in development projects in the RM. Nor does the Foreign Ministry have direct contracts with the academic community or research institutions to support its policies in the RM, as it does in Europe and Northern America. Accordingly, the MFA was criticized for this matter in several annual analyses. Thus, two years later, the Ministry obtained a special budget for research and a budget for cooperation with NGOs on issues related to the democratization process. In 2003 the first research program to assist the process of elaborating its foreign affairs policies with the RM was signed with research and academic bodies.

Thirdly, aside from the RM's obligation to comply with international regulations on human rights, minority rights, and other legal provisions, the Romanian officials should offer guarantees that Bucharest will again never try to force a reunion of the countries. For instance, Romania was the first country to recognize the independence of the Republic of Moldavia. The grants and the programs addressed to all Moldavians, in spite of their ethnic origin, offers such proof. In this regard, the Romanian Parliament passed a law in 2003 to compensate the losses of all Romanian citizens that have had to leave Moldova and have become refugees. This law and its respective funding have succeeded in alleviating the Chişinău Government's material responsibility for Romanian

citizens' proprieties, a gesture with great potential for improving bilateral relations.

Conclusions

The above detailed analysis aimed to provide a comprehensive understanding of the way the Romanian MFA and other responsible decision makers approached the management of the crisis that broke out in June 2001 between Romania and its neighbor the Republic of Moldova. At first sight it was a simple diplomatic dispute between two neighboring states on identity issues related to the Romanian-speaking majority within the RM, but the crisis proved to be far more complex for three reasons: 1. The particular context of the events highlighting the very complex bilateral relation between Romania and the RM, further complicated by Russia's direct interests in the region and Romania's orientation towards Western institutions (namely, NATO and EU). 2. The considerable time frame of the events, which included several important decision-making occasions. 3. The internationalization of the crisis that transformed a simple Romania-Moldova dispute into a strategic and normative contest along the Prut River, a symbolic line between the West and Russia, respectively between a democratic value system and the Communist authoritarian reflexes.

Grasping this complexity of factors provides a more accurate understanding of the way the responsible Romanian decision makers approached the management of the crisis. Their strategy (proven satisfactory by the ulterior course of events) basically aimed to involve international institutions on their side in a dispute in which a unilateral behavior would have been, for several reasons, the worst choice. In this particular regard, the key task for the Romanian authorities was to find a suitable organization to provide the framework for resolving the conflict. In this case, the Council of Europe played this role *ad hoc*, even if it did not have substantial mechanisms, instruments and infrastructure to exercise real pressure. Actually, the start of the international monitoring of the situation in RM was equivalent to the end of the crisis, at least for the Romanian decision-making process analyzed here, as the interstate dispute was transformed into an asymmetrical, control-type relationship between the Council of Europe and the RM.

Basically, the solution was a conflict transformation of a crisis based on geopolitical and strategic power issues – using an identity vehicle for teasing neighbor relations – into an international concern and a monitoring process of the observance of democracy and human rights in a country ruled by a Communist power, at the (future) borders of NATO and EU.

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Chapter 10

Romania's Decision Regarding the US and the International Criminal Court

Cristina Ivan and Eugen Cobanel

Introduction

On July 1, 2002, the International Criminal Court (ICC) entered into force. ICC is a permanent international body for prosecuting war criminals and “complementary to national criminal jurisdiction” (Rome Statue of the International Criminal Court, 1998: Art.1). The institution was supported by the European Union, while the United States strongly refused to participate. On August 1, 2002, after three days of negotiations with representatives from the US government, and without a dialogue with the European Union, the Romanian Ministry of Foreign Affairs signed an agreement that guarantees unconditioned immunity to American citizens from the ICC. This led immediately to strong criticism from the EU. The strong reactions from the EU came as a surprise for the Romanian government. A diplomatic crisis between Romania and the EU suddenly appeared.

This chapter is set to analyze, from the Romanian perspective, the diplomatic conflict between the EU and the Romanian government that emerged due to Romania's decision to sign the ICC agreement with the US, without first anchoring its decision with the EU. It is our general opinion the crisis was successfully managed. Firstly, the national objectives were finally served, namely

joining NATO and obtaining a clear adhesion date to the EU. Secondly, the Romanian Government was highly effective and unitary in action, thus preventing an internal image crisis and diminishing the negative echoes at the European level. We believe that some of the key factors in this were a realistic analysis of the influence of the actors involved, and a coherent and unitary manner of action.

On the other hand, the analysis revealed the fact that there are a sum of negative effects in the long term, in regard to the relationship between Romania and the European Union, as the first party failed to understand and subscribe to a set of values that are critical to the very existence of the Union, as we will show herein. Although Romania's decisions can be well justified from the national interest point of view, their divergent direction from the general line followed by the EU members pinned a bitter moment in the European memory.

The second particularity of this crisis is the manner in which the conflict emerged. Romania picked up on an already existing conflict between the USA and the EU, therefore the Romanian Government could use this as a safety net, by claiming that the solution laid actually in the agreement between the two major players, and that Romania was entitled to pursue its national interest and could not afford to wait until this agreement was reached. Also, the international press brought into the center of attention the lack of a unitary position within the EU regarding the foreign policy and the fact that the new members and the candidate members have faced many pressures due to this drawback.

This chapter will hence try to identify and analyze all the components of the crisis as well as the complex mechanisms linking the actors involved in order to provide an accurate and complete overview.

Defining the Crisis

Romania in its ambition to become a member of both NATO and the EU, hoping that the memberships would re-establish its international identity and fulfill strategic objectives, was in the process entangled in the middle of controversies between the United States and the European Union regarding the ICC. While the US refused to recognize the authority of the Court over its citizens, EU struggled to eliminate the exemption from the rule. The EU's commitment to the functioning of the ICC was clearly expressed by document on the "Common Position on the International Criminal Court (ICC)" adopted on June 11, 2001 (EU, 15 May 2002).

Romania decided to sign the ICC Treaty on July 1, 2002 and later, on August 1, a bilateral agreement with the US, granting immunity to US citizens in front of the ICC, before properly consulting the European institutions or waiting for a common position from the EU and the US on this matter. This line of deci-

sions started an open crisis in the Romania-European Union (its institutions and officials) relations, which ended more or less at the end of September 2002, when the EU and the US reached an agreement on the issue.

Directly responsible for solving this crisis was primarily the Romanian Government, whose policy led to this situation. The Minister of Foreign Affairs, Mircea Geoana, was to take the initiative of creating effective communication channels between the parties in conflict, while the Prime Minister took the floor when the tension escalated in the process of clearing the air. The involvement of President Iliescu was also significant, although he did not play a direct role in solving the crisis.

But what were the risks from the Government's perspective? The stakes, in this case, entailed both an international and an internal component. Externally, once the crisis was triggered, immediately at stake was Romania's economic welfare, directly dependent on positive feedback from the EU officials regarding the accession process to the EU. The EU's country report was expected in November and, in addition, the previous signals from EU indicated a strong dissatisfaction on the slow progress made by Romania especially in reducing the level of corruption (Evenimentul Zilei Online, 23 September 2002). At that moment, Romania was striving to obtain a solid confirmation regarding the final date of joining the EU and was aiming at no later than January 2007.

Also on the international level, signing the bilateral agreement was obviously meant to increase the chances of Romania's acceptance in NATO, by winning the USA's support on the matter. After the bitter rejection in 1997, the summit in Prague was an opportunity not to be wasted. Becoming a member of NATO represented a strategic security objective. As a new member, Romania was to become the new border with non-NATO countries, the NATO "window" to the East, which implied receiving substantial foreign investments mainly for building and strengthening its infrastructure and military capacity. However, even when signing the bilateral agreement with the US, the uncertainty of the accession in NATO was still a reality.

Internally, the governing Social Democrat Party needed to protect its image and credibility. Having announced the accession to NATO and the EU as major political goals, the Government was facing a potential negative decision. This would have threatened both the well-being of the country, as well as the image of the governing Social Democrat Party whose failure could have meant losing credibility and possibly the next elections in 2004.

Hence, the decision to sign the bilateral treaty with the US proves that the danger of being rejected by the EU in this phase of negotiation was perceived by the Government as less probable than the danger of not being accepted in NATO when lacking US support. After Stockholm, the EU was committed to welcome Romania, in spite of noted drawbacks. Hence, pleasing the US

– whose support was perceived as compulsory for obtaining NATO membership – was considered more important than keeping a consistent policy line with the EU.

Sources

The sources we use are mostly official press releases from the Government and available articles in the local and international press, containing declarations from the actors involved. While the very few official statements made by the Minister of Foreign Affairs follow the “minimization” policy (trying to reduce the perceived dimensions of the crisis), the media often speculated on the subject, bringing into focus not only EU-Romania relations but also possible political disputes between the Prime Minister and Minister of Foreign Affairs. However, they display many interesting points of view and information, which contribute to understanding the interaction between the two main actors. Naturally, the opposition did not miss a good chance to criticize the Government, but we also identify the attempts made to create a split between Nastase and Geoana, coming from Traian Basescu (the leader of the opposition Democrat Party) who claimed that “Geoana has compensated the failures of Nastase” (Evenimentul Zilei Online, 13 August 2002: authors’ translation). In addition, we conducted a short interview with officials from the Ministry of Defense, in order to establish how the decisional process took place.

Context

International Context

The International Criminal Court

On July 17, 1998, the United Nations Diplomatic Conference of Plenipotentiaries on the Establishment of an International Criminal Court had adopted a document called “Rome Statute of the International Criminal Court.” The document was established in the new institution (the ICC had entered into force on July 1, 2002) in accordance with Article 126 (Rome Statute of the International Criminal Court, 1998). The Statute has already been signed by 139 countries, including all of the EU countries as well as Romania (on April 11, 2002), and 82 states had ratified it using different methods and implementation strategies (i.e. domestic laws, amendments, etc) as of September 2002, (International Criminal Court, 2002).

ICC, the first permanent international court of this kind, is the authority in cases of genocide, war crimes, and crimes against humanity, but also “aggression”. The term “aggression” appears in the Statute, but its exact definition was

to be developed and adopted at a later conference of the member states. The participants at the conference in Rome also had in perspective the possibility of including terrorist acts within the jurisdiction of the Court, but this debate had been postponed, due to the difficulty in finding a commonly accepted definition of the word (Oxford Today, 2002).

According to the ICC Statute, the Court may be informed by the individual states, but the ICC Prosecutor may also take notice of the facts. In these two cases, the jurisdiction of the Court may be pursued only if the territory where the crime was committed is a signing party to the ICC Statute. The Court can only intervene in cases in which the “national courts are unable or unwilling to initiate or conduct their own proceedings” (Chen, 2003). The competences of this Court do not have territorial limits, unlike the International Criminal Tribunal (ICT) for the former Yugoslavia or like the one for Rwanda, of which jurisdiction referred only to the wars in the former Yugoslavia and to the genocide committed in Rwanda. The ICC, like the ICT, has its headquarters in Hague (Kenneth, 2002). Article 98 of the Rome Statute, which created the ICC, stipulated that the Court could not ask countries to turn over cases if this is in contradiction to any other international agreement signed by the given state.

Foreign Policy Decision Making in Romania

The first official document describing the procedures and roles in the decision-making process for the external policy is the Romanian Constitution itself, which names two main responsible persons on the matter, the Minister of Foreign Affairs and the President. The Ministry of Foreign Affairs and its committees are in charge of negotiating, proposing, and editing international agreements on behalf of Romania, involving the President or the Prime Minister in the case of important, strategic decisions. Although in regard to the PM there is no specification regarding the involvement in external policy decisions; in the case of important documents, it is a normal procedure to consult the PM as the Chief of the Executive and the CSAT (Supreme Council of Defense) for decisions on national security matters.

Documents with a lower level of importance can be created and signed at the ministry level; however, they should respect the general lines of policy set by the Government. In the present case, it is reasonable to conclude that the initiative to sign the bilateral agreement with the US was the Minister of Foreign Affairs', but there were clear indications that the PM was well acquainted with the decision and its potential implications. This conclusion is supported by Geoana's statements, as well as by the PM's presence in the CSAT meeting, which had this decision on the agenda.

Political Context

The international context in 2002 was marked by the increasing tensions in the Middle East. After the attack on September 11, the USA started an intensive anti-terrorism action plan, involving the creation of a “coalition” of allies supporting the war against terror. Following the increasing tensions between the US and Iraq – the latter accused of involvement in terrorism and the creation of weapons of mass destruction, the US tried to mobilize its allies in initiating a military campaign against Iraq, while actively defending its rights to take unilateral actions (International Herald Tribune, 10 and 16 August 2002). The issue caused a split inside the international community, between the allies and supporters of the USA’s line of action and the opponents. The division was visible also inside the EU, creating tensions and revealing the lack of a common external policy and vision, in particular with regard to the relationship with the USA. While France and Germany protested against the USA’s approach, the UK, Spain, Italy and several of the new members of the EU indicated an affiliation of ideas and joined the coalition (International Herald Tribune, 2 October 2002).

The issue of the ICC brought up similar concerns for the EU officials. The opponents protested against US unilateralism and its exceptional status in relation to an institution virtually accepted by the international community (Weller, 2002). Refusing to recognize a higher authority, the US repeatedly expressed during 2002 its opposition to the ICC because it exposed US citizens to criminal sanctions in relation to crimes not established by US legislators, to an international judicial mechanism not approved by the US Government that threatened sovereign decision-making, its right of self-defense, and US participation in international humanitarian or anti-terrorism operations. Moreover, the ICC was open to abuse, because it was not subject to a system of checks and balances and undermined the pre-eminent role of the UN Security Council (Weller, 2002:p.97). On May 6, 2002, the United States withdrew from “the Statute” as the Court “is an institution of unchecked power [...], there was a refusal to constrain the Court’s powers in any meaningful way”, as Under Secretary Grossman remarked (Bolton, 6 May 2002; Grossman, 6 May 2002).

Under the Clinton administration on December 31, 2000, the US had finally signed the 1998 Rome Treaty, which established the ICC (New York Times, 1 January 2001), but then the new Republican administration later announced that the US would not be part of the treaty and the American Senate strongly opposed cooperation with the ICC. At the end of 2002, the American Senate voted overwhelmingly for a draft that restricts US cooperation with the new ICC (US Senate, 4 November 2002). This draft, initiated by Senator Jesse Helms, was approved 78 votes to 21 and forbids US cooperation with

the new ICC, which had the authority to judge on matters of genocide, war crimes, and crimes against humanity. The draft forbids, among other things, the involvement of American troops in peacekeeping missions unless they are exempted from ICC investigations. The US signed the treaty on December 31, 2000, although the vast majority of the Congress was against it. Due to the global role of the US, the American Government firmly opposed the ICC, fearing that its citizens are especially vulnerable and for political reasons might be subject to some false allegations that would result in them being brought to the International Criminal Court.

The European Union acknowledged through its institutions that the establishment of the ICC, with as many states as possible adopting its statute, could work effectively. "The past century witnessed the worst crimes in the history of mankind. Yet, few perpetrators have been brought to justice. Let us together establish a credible, fair and effective International Criminal Court which will serve as a deterrent – as a signal that immunity will no longer be tolerated", stated the EU Danish Presidency (EU Presidency, 1 July 2002).

Tough negotiations within the UN were caused by the US in their efforts to obtain an exemption from the Treaty. Emphasizing their military leverage within UN and NATO missions, the US ultimately conditioned their presence in Bosnia to the vote that rendered US an exception from the ICC Treaty's provisions and on June 30, 2002, US Ambassador Negroponte threatened in the UN Security Council session to vote down the UN peacekeeping mission in Bosnia. In fact, the US laid on the UN table the perspective of withdrawing from all ongoing UN peacekeeping missions in order to "protect US soldiers" (Negroponte, 30 June 2002). The EU Danish Presidency leading the EU at that time said that he deeply regretted the US opposition to the ICC.

The EU officials were thus forced to choose between either providing the US with a way to get the demanded exceptional status, or supplying on short term the military force that was necessary to keep the mission in Bosnia functional. Although the EU had already received in March the endorsement from the Security Council for the EU Police Mission in Bosnia, the force included only 470 police officers and 70 civilian experts. Under the new circumstances, the EU expressed the intention of deploying the Police Mission plan earlier than January 2003 as established, in order to replace withdrawing US forces. Although the EU Secretary General claimed the mission would have coped with the situation, he also admitted that mobilizing the forces would have implied sudden expenses, which were initially planned for 2003 and the EU budget was not able to support that (BBC News, 4 July 2002).

Thus, by using the military leverage within the UN and NATO missions, the US was able to obtain a 12-month exemption for its peacekeepers from ICC jurisdiction. The declarations of the EU officials clearly expressed a great disap-

proval and frustration generated by the compellation to bend some of the main principles laying at the ICC foundation: “The EU would accept any solution that respects the Statute and does not undermine the effective functioning of the Court...” (EU Presidency, 1 July 2002). Thus, after this bitter compromise, it was only natural that the EU would have a strong reaction towards the US “allies” in this respect, particularly when the alignment with the US position was coming from an EU candidate country.

By obtaining this exemption, the United States gave up their commitment of doing something to affect the aims and the objectives of the treaty, declared Pierre-Richard Prosper, the special emissary regarding war crimes (BBC News, 6 May 2002). The American Government, under the Clinton administration, signed the treaty, but never ratified it. “Today, at the request of the President [Bush], our mission is up in the United Nations... deposited a note with the U.N. Secretary-General as the depository of the Rome Treaty for the International Criminal Court stating that the United States does not intend to become a party to the ICC treaty and accordingly has no legal obligation as a result of our signature on December 31, 2000”, stated Prosper (Prosper, 6 May 2002).

On July 12, 2002, under the pressure of losing the US troops, the UN Security Council adopted by consensus one of the most controversial documents, Resolution 1422, regarding the functionality of the International Criminal Court and the status of American military personnel in UN peacekeeping missions (United Nations Security Council, 2002). Resolution 1422 states that military personnel and citizens of states that did not sign the Rome Treaty, which founded ICC, cannot be subject to judiciary prosecution in the court for one year. The immunity may be extended, at the end of this period, “for another 12 month period”. The resolution, adopted by common consensus, ended the strong debate between the United States and the supporters of the ICC missions (United Nations Security Council, 2002).

The US Ambassador at the UN, John Negroponte, declared that: “The United States has therefore sought a resolution that would allow those in the Court to meet their obligations to it, while it protected those of us who reject the jurisdiction of that institution [...] it offers us a degree of protection for the coming year.” However, the American diplomat stated that the United States will consider “illegitimate” and “with serious consequences” any possible confinement of an American citizen by the ICC (Negroponte, 12 July 2002).

Although members of the Security Council accepted to grant immunity for one year to the American forces engaged in peacekeeping operations in Bosnia, American President George Bush reiterated once more, looking for support for his antiterrorism policy, that the United States would not accept the ICC jurisdiction over American troops. “The United States cooperates with many

other nations to keep the peace, but we will not submit American troops to prosecutors and judges whose jurisdiction we do not accept," President Bush declared, pledging to protect the American army "from international courts and commissions that have their own concerns" (Bush, 24 July 2002).

The European Union, which backs a strong and efficiently functioning ICC, believed that the USA's proposition to exclude American soldiers involved in peacekeeping missions under the Court mandate would harm both its functioning and its statute. Therefore, the EU officials expressed the need to reflect more on the proposition before stating a common official position in September (Le Monde, 14 August 2002).

Decision-making Occasions

Sign the Agreement?

On July 12, the United States and the European Union reached a temporary agreement concerning the ICC. The agreement meant that the UN Security Council could adopt Resolution 1422, which stated that the ICC "consistent with the provisions of Article 16 of the Rome Statute... if a case arises involving current or former officials or personnel from a contributing State not a Party to the Rome Statute over acts or omissions relating to a United Nations established or authorized operation, shall for a twelve-month period starting 1 July 2002 not commence or proceed with investigation or prosecution of any such case, unless the Security Council decides otherwise" (United Nations Security Council, 2002).

Since the exemption only referred to "United Nations established or authorized operations" according to the State Department spokesperson Richard Boucher, the United States immediately went out with instructions to all American embassies to start negotiations with key countries in signing agreements that would exempt US personnel from prosecution under the ICC's agreement (Reeker, 15 August 2002). The United States warned the countries signing the ICC treaty that those who do not intend to sign the treaties regarding protecting the American militaries would be in danger of losing American financial and military support. This threat was later confirmed by many authors, as well as by the press (International Herald Tribune, 6 August 2002). Following Romania's decision to sign the bilateral agreement, *Le Monde*, quoting sources in Brussels, affirmed: "Romania, which hopes to be invited to join NATO in November at the summit in Prague, understood beyond any doubt the warning" (Le Monde, 14 August 2002).

The prospect of an invitation to NATO membership was in the minds of the Romanian decision-makers. It had long been on the political agenda and it was in the interest of the Ministry of Foreign Affairs to pursue that interest.

The NATO summit in Prague in November was approaching. Although the members of the EU rarely had similar attitudes towards the US policy on various matters, it was a well-known fact that the EU was a strong supporter of the ICC (EU, 15 May 2002). This was hence clearly a foreign policy dilemma, of which the Ministry of Foreign Affairs and Minister Geoana were well aware.

At the end of July, the US Embassy in Bucharest contacted the Romanian Ministry of Foreign Affairs. After three days of negotiations, Romania and the United States signed on August 1, 2002, the bilateral agreement that would exclude American citizens from jurisdiction under the ICC. The agreement was signed at the Romanian Foreign Affairs Ministry by the State Secretary Cristian Diaconescu and John Bolton, the US Department Deputy Secretary for Strategic Affairs (Diaconescu, 1 August 2002). In order to come into effect, the agreement needed the Romanian Parliament's ratification.

According to the Romanian officials (Romanian Ministry of Defense, July 2005), the decision-making mechanism (as Prime Minister Nastase called it) started from the Foreign Affairs Minister, in preparing and signing the agreement. Romania's decision to start negotiations with the United States was taken after a meeting between Minister Mircea Geoana and Richard Armitage (US Vice-State Secretary) at the end of July 2002. The meeting established Romania's willingness to sign such an agreement and the general framework for discussions. Once taken, the decision to negotiate the agreement at the Foreign Ministry (more precisely, Geoana) was followed by an agreement that was passed to the Analysis Department of the Foreign Affairs Ministry, which elaborated the details and evaluated the consequences and its opportunities. After processing the information, the Analysis Department agreed and negotiated, at the expert level, the final form of the treaty with the US. In its final form, the treaty was returned to Minister Geoana to be discussed by the Government and submitted to the CSAT (Supreme Council of Defense). The decision-making process in itself followed a normal, "by the book" path.

Secondly, the manner in which communication with the EU on the subject was conducted may indicate that the authorities were familiar with the delicate nature of the situation and preferred to keep a low profile, in order to postpone the moment of "confrontation". Summer vacation is a period of low activity in Brussels and secondly, considering its character, the information was addressed to the EU Presidency and not to the European Commission, which is directly involved in assessing the progress of Romania in view of joining the EU. In this light, we can conclude that both Geoana and Nastase anticipated a strong negative reaction from EU when assessing the decision opportunity, but during the same process, the incentives to sign the agreement were stronger. Supporting the Defense Ministry spokesperson (Victor Micula), Geoana stated he had over 30 contacts with EU partners on the subject (Gardianul, 12 August 2002) but

neither of them had discussed the actual contents or the positions of the consulted European partners.

By signing the treaty, Romania was the first country in the world to take such a step. Still, as Diaconescu, the President of Deputies Chamber declared, Romania reaffirmed the engagement for the principles and the rules enlisted in the ICC Rome Statute, as a member: "Romania will comply with the obligations derived from the cooperation with ICC and will act accordingly for an efficient function of this new international institution" (Diaconescu, 1 August 2002). The US Deputy State Secretary expressed his strong appreciation for Romania's willingness to negotiate a bilateral treaty with the United States regarding Article 98, the provisions for the International Criminal Court (Adevarul, 8 August 2002).

In sum, it appears as if Geoana was aware of the seriousness as to how this was going to be received in Brussels. The EU Presidency was informed, but no consistent actions were taken in order to confirm that the information had reached the relevant instances at the EU institutions. Although at the ministry level the proposition regarding the agreement with the US was prepared in the ordinary routine errand, it benefited of intense debates in several working teams. Regarding the Prime Minister, there are several facts supporting the probability of his thorough involvement. Firstly, it is a normal procedure for the Ministry of Foreign Affairs to consult the Chief of Government before signing important international agreements. Secondly, it was obvious that the US was no ordinary partner for Romania. Joining NATO was impossible for Romania without US support and this ranked very high on the list of priorities of the Government, as a commitment made in the eyes of the public. Moreover, the US did not make any secret of the fact that the refusal to sign the agreement would have damaging consequences for the refusing party, in military and economic terms (International Herald Tribune, 10 August 2002).

Strong Reactions from the EU

Romania's decision to sign the agreement with the US generated strong reactions and harsh criticism from the European Union. On August 8, the EU announced that they regretted Romania's decision to sign a bilateral agreement with the US regarding the handover of American citizens to the ICC, before the EU presented its common position on the matter. The ICC was considered the most important advancement in international legislation after the foundation of the United Nations in the EU's opinion, as Chris Patten (European Commissioner for Foreign Affairs) declared at the beginning of July (Ziua, 12 August 2002). From a juridical point of view, Romania has the right to sign any agreement with United States, but "we would have expected a future member

state to have at least coordinated with us on such an important issue”, stated Cristophe Filori, EU spokesperson (*Gardianul*, 9 August 2002).

Romania’s choice of external policy claimed its diplomatic cost. The situation suddenly escalated to a top-level diplomatic crisis with high stakes. A crisis threatened Romania’s relations with an organization to which it sought membership. This was not a desirable situation for the Romanian Government or Ministry of Foreign Affairs. President of the EU Commission Romano Prodi further strengthened these reproaches adding that, “Other candidate countries which have also been approached by the United States, for now in any case, should not make any more moves to agree to sign such an accord” (*The Washington Times*, 13 August 2002).

Prime Minister Adrian Nastase got involved, but was quite hesitant in the beginning, requesting the Foreign Affairs Ministry to present the details about the agreement between Romania and the United States regarding the ICC. He made strong efforts to tone down the seriousness of the crisis, referring to the situation only as a result of miscommunication between Romania and EU. Nastase pointed out that the Ministry of Foreign Affairs was the institution that elaborated the written propositions of the agreement and that was in a permanent contact with the American authorities, as well as with those in Brussels (*Gardianul*, 10 August 2002). Asked if this agreement affected Romania’s chances to accede to the European Union Nastase said, “It is not a serious situation, but a consultation problem to which we need to find the best solution for both sides” (*Ziua*, 10 August 2002:authors’ translation).

Even when considering the major importance of a good relationship with the USA, Nastase pointed out the necessity of regular consultation with the EU institutions. He stated once more that the dispute with the EU was a problem of communication. Diplomatic contacts were activated at several levels in the Romanian and the EU bureaucracy. At the highest level, Nastase contacted Gunther Verheugen (EU Commissar for Enlargement) and discussed the motives and conditions in which the agreement between Romania and US had been signed (*Government Communique*, 13 August 2002). He also contacted the President of the Commission for the Foreign Affairs of the European Parliament, Elmar Brok, as well as the President of the EU Council, the Danish Prime Minister Anders Fogh Rasmussen. In addition, Hildegard Puwak, the European Integration Minister, contacted officials from the EU Commission and discussed the issue. After that, she stated that Romania’s accession talks for becoming a member state of the European Union was not going to be affected by the agreement signed with USA. She also affirmed that the problem between Romania and the European Union on the matter “had surpassed” (*Mediafax*, 16 August 2002). The President of the Romanian Senate, Nicolae Vacaroiu, declared after a meeting with Elmar Brok that “The Foreign Affairs Commission

of the European Parliament will discuss the Agreement of Romania with the US concerning the ICC, but a resolution regarding Romania is not probable” (Mediafax, 29 August 2002). According to Vacaroiu, Romania requested to participate, as an observer, in the debate concerning the position adopted by the EU on this matter held in September 2002.

As for the lack of communication between Romania and the EU before the agreement was signed, Vacaroiu claimed that the European authorities, especially the Danish presidency, had been informed about the existence and the stage of the negotiations, but the information was ignored due to vacation. Therefore, either the EU did not realize the high probability of Romania becoming a “pioneer” for the candidate countries to sign an agreement with the US, or the above-mentioned information never reached the decisional level of the EU. Vacaroiu mentioned that the Danish Ambassador and the head of the European mission in Bucharest “were continuously informed while the negotiations between Romania and the US took part, sending the information further [...]”. He also added, “the negotiations took place between late July and early August, when the European Parliament and the EU were on vacation and probably the information was not seen... [Signing this agreement] was not done through the back door” (Gardianul, 30 August 2002: authors’ translation).

Official statements from EU representatives confirmed the assurance from the Romanian government that this was not going to affect Romania’s applicant status, but it was obvious that the agreement signed with the USA did not improve the atmosphere of the enlargement negotiations between Romania and the European Union. Verheugen reaffirmed his confidence that, beyond discussions related to the utility of such an agreement, the very good relationship between Romania and the EU would continue to develop (Evenimentul Zilei Online, 13 August 2002).

The major problem for the Executive in Bucharest was rather the risk of losing credibility in front of the European Union and of strengthening the European belief that the Romanian Government was not capable of building a transparent relationship with Brussels. In addition, Romanian’s decision triggered a state of alert among the EU officials striving to attain a coherent external policy framework on the ICC. Since the EU members already had different positions in relation to the war in Iraq and also announced their intention of considering the possibility of a bilateral agreement with the US, it is reasonable to assume that the EU officials feared the possibility of division when it came to the ICC issue. Such a daring act coming from a candidate country was setting a dangerous precedent for the EU members and clearly highlighted the lack of a unitary policy.

In summary, we can see how the strong reactions from the EU led to an immediate up-scaling of the issue to the highest political level. By trying to

tune down the seriousness of the situation and define it mainly as a result of poor coordination – rather than a pronounced standpoint in favor of the US and *against* the EU – the involved actors managed to minimize the negative effects of the dispute.

Towards a More Offensive Approach – Defending Sovereignty

Despite Bucharest's conciliatory attitude, the EU institutions reacted negatively to the Romanian posture and an explanatory letter was sent from the EU Parliament clarifying its position and establishing a new action plan, which would include a common position on the ICC and the American concerns. Pat Cox, the European Parliament President, stated that he would send a letter to the Romanian Parliament, asking them to comply with the EU position on ICC, while the European deputies expressed their concerns about Romania's agreement with the US, during the plenum session in Strasbourg (Mediafax, 3 September 2002).

PM Nastase declared that from the Romanian perspective and considering Romania's interests, this agreement weighted very much in favor of the relationship with one of its most important partners (the US), especially considering the fact that in 1997 Romania did not succeed in becoming a NATO member (Adevarul, 31 August 2002). Nastase said that it was also necessary for the Romanian authorities to carefully look into the credibility problem, saying that in front of its European partners Romania could not afford for economical, political, psychological and national security to fail again by missing NATO membership. Mircea Geoana, Minister of Foreign Affairs, stated that being a good European or a friend of the Americans was a false dilemma. In his opinion there was no big difference between being a militant of European ideas and believing that European ideas would be more successful in a good relationship with the United States (Gardianul, 2 October 2002). In other words, Romania could not, and was not willing to, choose between the EU and the US.

Rather, President Iliescu considered the crisis between Romania and the EU a dispute between the US and the EU in which Romania was involved. It was only natural to have a friendly attitude towards the leader of the Western world, the historical ally of the European democracies. Iliescu claimed that it was not a choice, but an opinion shared by both the Americans and the Europeans. According to Iliescu, the agreement with the US represented "an opportunity and a necessity", strengthening the Foreign Affairs Minister's position (Mediafax, 21 August 2002). "We didn't intend to create problems between the US and the EU, but quite the opposite", the Romanian President added. Instead of framing the issue as solely a mistake from the Romanian Ministry of Foreign Affairs and a problem in the relations between Romania

and the EU, Romanian stakeholders also tried to move focus to the complicated trans-Atlantic dynamics and the relations between the EU and the US. Nastase pointed out “Romania wants to strengthen the relations with the EU and hopes that in the relations between the EU and US, the problems related to ICC will be clarified”. He also added, “the significance of this agreement will be included in a wider, thus less significant frame” (Adevarul, 31 August 2002) for the particular relation between Romania and the EU. Nastase also declared during the discussion with Danish PM that he “doesn’t wish the EU to declare ‘war’ on Romania, since they cannot do the same thing with the US. The problem is not between the EU and us, but between the EU and the USA, and we do not want to leave the impression that Romania is responsible for the US or has to justify its actions to EU” (Evenimentul Zilei Online, 5 September 2002). Also Iliescu contributed by declaring, “We shall make a deal, eventually. We are dealing with a new phenomenon, and we can see that internal contradictions have occurred between the EU and the US. We do not consider this a problem. We will learn to communicate with both parties” (Mediafax, 21 August 2002).

Finally, several encouragements, addressed to the Romanian decision-makers by various US representatives, contributed to the slightly more offensive attitude of Romania towards the EU. A visit by Republican Senators John McCain and Fred Thomson and the incentives addressed to the executive in Bucharest regarding the acceptance in NATO calling Romania a “strong candidate to accession” were considered clear signs of support. While visiting Brasov, the two American Republican Senators accompanied by Mircea Geoana, greeted the Romanian decision-makers who signed the agreement with the United States concerning the ICC (Curentul, 20 August 2002). On the same occasion, Senator John McCain stated that the Romanian Government’s decision to sign the agreement with the United States was “an act of courage very well appreciated by the US”.

Bucharest’s answers, slightly different at first view, had actually the same kind of message. Romania understood the EU’s concerns regarding the ICC, as its main supporter, and it was prepared to properly assess the EU’s common position during the ratification process; however, at the same time Romania fully assumed the decision to guarantee American peacekeepers immunity in order to fulfill its national interests: NATO integration and a strategic partnership with the US. Nastase’s position clearly underlined that Romania, at that point, did not feel the need to get an approval of its foreign policy decisions from the EU.

The Issue of Internal Consensus

Additional to external “ensuring” measures for European partners, it can be said that the Romanian officials managed to display a high degree of decisional consensus. Geoana declared that he noticed “a wide consensus among the members of the Commission for the Foreign Policy (of the Romanian Senate), regarding the Romanian position towards the ICC” following the hearing that he had with the Commission, where he emphasized the importance of focusing on the “background debates that both parties, European and American, would have in the near future, and less on the ICC issue itself” (Mediafax, 3 September 2002).

The echoes of Romania’s daring gesture offered the opposition and media an opportunity to criticize the Government. However, it is notable that the opposition could not exploit any significant breach between the statements of the two main protagonists Geoana and Nastase. From direct attacks accusing the Romanian officials of poor diplomacy to more subtle attempts to place the two actors on opposite sides by defending one against the other (Evenimentul Zilei Online, 13 August 2002), there was little success in obtaining contradictory stories or a conflict of opinions from the two main Romanian actors.

While Geoana continued adhering to the fact that signing the agreement was a “team decision” and a thorough analysis had been carried out beforehand, certain behaviors of Nastase offered the ground for some allegations about a competition between the two politicians. The press accused the PM of pushing Geoana in front of the EU officials, as being responsible for the situation (Evenimentul Zilei Online, 10 August 2002); but apart from a rather reserved attitude towards Geoana, the explicit words of Nastase were not enough to create a genuine blame game. However, in the light of the previous actions of the PM (such as criticizing Geoana during several meetings of the Social Democrat Party), an emerging rivalry was depicted by the press. Overall, it can be considered that there was a high degree of cohesion between the two politicians, which – in the context of a seized competition for popularity between them – it is more likely to originate from political maturity and unitary decision-making process on the matter, rather than common political goals. We can conclude, therefore, that this was a strong point in managing the crisis, especially regarding the public image.

Bucharest Walks the Middle Line

September 30, 2002 after many debates, the European Union reached a common decision that resolved the conflict generated by the American opposition to the ICC. The Foreign Affairs Ministries within the EU identified a common point of view that allowed signing bilateral agreements with the US to guaranty

immunity to American troops before the ICC. This way, the diplomatic crisis between Romania and the EU reached an end after declarations by Romanian officials were made at the end of September and the beginning of October. Thereby they confirmed Romania's wish to align to the EU's common position and its availability to an eventual renegotiation of the agreement with the USA, in order to contain EU's recommendations. "The Council has agreed on a set of conclusions and guiding principles, which represents the EU position in response to the American proposal for non-surrender agreements" declared Per Stig Moeller, Danish Minister for Foreign Affairs (Moeller, 30 September 2002). The text approved by the European Ministers imposes restrictive rules to each bilateral agreement between the EU and the US on the ICC issue. "Only certain persons will benefit from the immunity". Moeller pointed out that only "the persons with a diplomatic status" would be excluded from the ICC jurisdiction (Moeller, 30 September 2002). The document excludes the principle for complete immunity and rejects the reciprocity guarantee for European citizens.

In the attempt to regain the EU's goodwill, Nicolae Vacaroiu (the Romanian Senate President) stated that the Romanian Parliament would adopt the EU's position regarding the American troops' immunity before the ICC before ratifying the agreement signed by Romania and the US (Gardianul, 27 September 2002). On this occasion, some adjustments were made to the document. "The EU point of view will be adopted also by us and we will make the necessary adjustments upon ratification", said Vacaroiu, reminding that according to the position adopted by the Romanian authorities, the agreement was not passed by the two Chambers and this would only happen after the EU and the US reached a common point of view (Gardianul, 27 September 2002).

Iliescu mentioned that as a candidate country to the EU, Romania would take into account the recommendations adopted by the EU on this matter. He also mentioned that the ratification of the agreement with the US in the Romanian Parliament would try to take into account the EU position. Moreover, to continue the process of strengthening Romania's availability to assume the EU recommendations, he even mentioned the possibility of a renegotiation of the bilateral agreement with the US, in order to include the new reality created by the negotiations between the EU and the US. Asked whether it was possible for this agreement to be renegotiated, the head of the Romanian state said, "Nothing is impossible in this world. Everything adapts to life's realities, but why talk about such matters when we do not have an objective reality in front of us, upon which to reflect" (Gardianul, 27 September 2002: authors' translation).

Both the consistent positions of the high Romanian officials, in favor of adopting the EU point of view on the ICC into the Romanian-American Treaty

and the explicit offer not to ratify the agreement until the EU and the US reached a common position, showed the genuine wish of the Government in Bucharest to end the crisis in favor of the Europeans, but without impeding its legal obligations to the Americans. On this subject, the Romanian point of view found support in Brussels. The high European officials presented much more reserved positions than the ones adopted by the EU Parliament and this meant that the most difficult moment in Romania's relations with EU had passed. Its resolution only depended on a common conclusion of the member countries with the American immunity requests.

The European officials, like the Enlargement Commissioner Gunther Verheugen, believed that the dispute with the Romanian authorities regarding the ICC was "in the past" and that it would be "absorbed" when the relations between the EU and the US were clarified (Mediafax, 17 September 2002). Meanwhile, institutions like the Parliamentary Assembly of the Council of Europe (PACE) and the European Parliament were continuing their offensive against Romania. The Legal Commission for Human Rights adopted with 19 votes and 2 absences the resolution draft presented by the Swiss Parliamentarian Dick Marty regarding the ICC Statute, which requested Romania not to ratify its agreement with the US. On September 19, the European Parliament voted on a resolution, which – although without judicial implications – entailed strong statements regarding the ICC issue. Apart from declaring itself "deeply disappointed by the decision of the Romanian government to sign an agreement with the United States contradicting the spirit of the status of the ICC", the EP also stated that the ratification by an EU state member of an agreement which would affect the Rome Treaty was incompatible with EU membership and "no immunity agreement should ever afford the possibility of impunity for any individual accused of war crimes, crimes against humanity or genocide" (European Parliament, 2002). The petition also addressed the candidate countries to EU membership, and the European Parliamentarians demanded the countries that had already signed, including Romania, not to ratify such agreements (Mediafax, 24 September 2002).

Romano Prodi, President of the European Commission, stated that the "ICC agreement will not be reflected in the European Commission's Report on Romania. It doesn't affect especially Romania. We do not blackmail; it is not our style. But I was really sorry for signing this document, for I believe that if we wish to be members of the same union, we have to share common ethical decisions". Asked whether he believed that by signing the agreement Romania preferred the US over the EU, Romano Prodi answered that he did not support such a hypothesis and said that the agreement was a "misunderstanding" that was finally being resolved (Mediafax, 26 September 2002).

The conclusions of the *Meeting of the 15* in Elsinore resulted in the fact that the EU allowed its member states (and thereby candidate states) to sign bilateral agreements with the US, which, in Article 98, granted limited immunity to the American military. The Foreign Affairs Ministries of the EU member states drafted a set of principles, which serve in guiding such agreements. Nastase, welcomed a future settlement between the US and Europe on the ICC topic. He said he was glad about the compromise and “to notice our idea to make a contractual reception of this agreement. This is a solution that might end a period of non-communication and misunderstanding with Europe,” confirmed the Prime Minister in October (Adevarul, 2 October 2002).

Judging by its declarations, it looked like Romania finally merged with EU support. The reality was, though, it was still standing on an insecure middle position. The declarations might have reduced the tension in the relationship with the EU, but the Europeans were far from being “at peace” with Romania. The precedent had been created and the effects were there and threatening the unity of the EU. A significant fracture had been created in the foundation of trust. Secondly, signing the bilateral agreement with the USA brought, without a doubt, “cheers” from the Americans, but was this enough to ensure NATO membership and US support, if the agreement was not ratified?

Romania's Choice, Driven by an Incoherent CFSP?

The EU's decision regarding bilateral agreements with the US reduced tension between Romania and the EU. However, this EU-US compromise was far from being considered a success by the European officials. Rather, it revealed the lack of a unitary foreign policy at the EU level. Failing to reach a common position on the US issue, the EU was forced to accept bilateral agreements as an alternative to a common policy for the member countries. Referring to this aspect, Patten recognized, “In our cooperation with the US, but also more generally with the EU, has shown resolve in the pursuit of this multilateral approach to foreign policy. We strongly believe that multilateral arrangements and conventions (the UN, the G8, the OSCE and others) are indispensable to tackle the security, development and environmental problems which confront the world” (Patten, 25 September 2002).

There are pertinent reasons to state that the lack of a unitary foreign policy and that the differences of opinions within the EU were the main causes of the crisis. While “core” members such as France and Germany had a rather offensive diplomatic approach towards the USA (especially regarding the Iraq issue), the UK and Italy were more inclined to support the US and even considered signing bilateral agreements (Gardianul, 2 October 2002). Under these circumstances, candidate countries (such as Romania) pursuing their security

interests through agreements with the US were most likely to “disturb” the “US-opposition” group. On the other hand, the absence of clear guidelines and strong statements within the CFSP more or less pushed candidate countries towards the US, who offered a luring security option and who was ready to add financial incentives. Most military missions, in Europe and even worldwide, were dependent on the US military capacities. The UN mission in Bosnia and the related debates in 2002 were a bitter reminder of these facts for the Europeans. Therefore, from this point of view it seems unreasonable to ask candidate countries to choose, or to limit or delay their membership for ratifying bilateral agreements with the US. However, it is notable that, up to date, even if they were allowed to sign bilateral agreement with the US regarding the ICC, no member of the EU (including the latest ten countries to join in 2004) has chosen to do that (International Criminal Court, 26 September 2005).

In Prague in 2002, Romania was invited to join NATO. However, against the official statements, the agreement with the US was until present still not re-negotiated. In order to fulfill its promise of following the EU guidelines, Romania choose not to ratify the agreement rather than re-negotiate it and amend it with new provisions, according to the common US-EU position. This alternative seems to provide maximum security, regardless of the way negotiations between the US and the EU evolve in the future. While the non-ratification was reassuring for the EU, it was most likely not satisfactory for the United States. In July 2003, the US announced that \$47 million aid was suspended for 35 countries, which refused to sign the bilateral agreements or to ratify them. However, President Bush signed waivers for “nations he deems crucial to U.S. interests”, one being Romania (Washington Times, 1 July 2003). Following the visit of Romania’s President Iliescu in Washington, a new six month waiver was signed by President Bush on November 1, 2003 (Bush, 1 November 2003). At that time, the agreement with the US had not been ratified or renegotiated.

Judging from the perspective of the present situation, Romania became a member of NATO, still without having ratified the agreement; however, the US is still discussing the issue of installing permanent military bases and no significant deployment of forces has been carried out yet. After many debates, the date for joining the EU was established on January 1, 2007.

Thematic Analysis

In the previous section, the diplomatic crisis between the Romanian government and the European Union was analyzed in its various parts. We tried to follow the process and path that determined certain decisions or strategies. We highlighted specific impetus or triggers that forced the actors to act and thereby pushed the process forward. It is now time to join the parts into a

coherent picture. Why did the actors behave in this particular way and not in another? In order to understand the more general pattern of this crisis management process, we will use different theoretically based themes, or categories. We embraced Sundelius and Stern categorization by choosing both “elements of political psychology and organizational theory” in order to facilitate a more accurate analysis (Stern and Sundelius, 2002: 77-80). The themes that have been selected as particularly relevant for this crisis are problem framing, leadership, internationalization, bureaucratic cooperation and conflict, and crisis communication.

Problem Framing

When making decisions or considering a problem, actors do not always act according to rational thoughts of an objectively defined reality. Rather, the perception of a situation is a social construction, based on previous experiences, organizational and political culture and contextual factors (Sundelius and Stern, 2002). Individual characteristics as well as institutional features influence problem framing. It often takes place on an intuitive level, but might also be a result of a conscious strategy by the involved actors. The problem framing might vary over time as well as between different actors. At the core, however, problem framing is essential on how an issue is dealt with initially, and thereby also has consequences throughout the crisis management process.

The issue of framing has a decisive importance in the considered ICC case. In order to understand the real risks and opportunities of the situation, we have to consider the frame in which the parties involved acted, not only limited to the ICC issue. The significance of Romania's gesture was filtered by the two other main actors, the EU and the US, and was well anchored in the past system of values and political objectives.

From Romania's perspective we could say that, at the time of signing the agreement with the United States, the Romanian actors were well aware that the European Union was a supporter of the International Criminal Court. Why, then, did the responsible actor, the Romanian Ministry of Foreign Affairs, not make a stronger effort to anchor its decision within the European Union? One explanatory factor can be found in the historical and political climate in which the Romanian actors were operating. Quite often, it is said that Romanians are the most pro-American people in Europe, a fact already confirmed by the polls. Romanian nostalgia for the US has its roots in the Second World War, when Romania was in alliance with Nazi Germany was convinced that the Americans would come, not the Russians (the Soviets) – Romania's traditional Eastern enemy. This orientation towards the West, and more specifically towards the

US, permeates all levels in Romanian political life. It is further strengthened by the public opinion.

Therefore, for the leaders of a people that have waited for the Americans for more than 50 years, the alliance with the US and the desire to create a special connection with this country seems to be natural. Among this, even before becoming a NATO member, Romania acted within a strategic partnership with the US that would keep and strengthen its position. All this determined the unconditional position in the antiterrorist camp and reached a climax when Romania decided to send troops to Afghanistan. It is in the light of this historical and political tradition we must understand the decision to sign the agreement concerning the ICC. There is traditionally reluctance to give a “loud and clear rejection” to a petition that seemed important for the American partners, also in this case.

This tradition of strongly supporting the US, however, does not exclude the fact that Romania was aware of the potential criticism from the EU. Rather, it suggests that in the considerations of how to respond to the situation, the EU side weighed a lot less compared to the US side. This argument builds upon an assumption that the decision-makers made a strategic and conscious choice to support the US. In addition, the US was leading an intense campaign to convince the ICC parties to sign bilateral agreements. It was clear that the ICC had become a hot issue for the US, and the bilateral agreements within the provisions of Article 98 of the Rome Treaty were an effective way of responding to the related “American concerns” (Reeker, 13 August 2002). However, members of the international community described the motivation behind this campaign differently. While the US claimed the fact that the immunity of its citizens prevailed, other voices were accusing them of doing the “utmost to build an unipolar world dominated by itself with its unique economic and military power” (Zheng, 21 August 2002). Other authors identified the reason for the US opposition against the ICC in the US exceptionalism and the commitment to the power politics, showing that “the dominant view in Washington is that real human rights come from the US experience and are then exported to the rest of the world. The US never intentionally accepts internationally recognized human rights that cause the US to change its domestic laws and politics on human rights” (Forsythe, 2002). Following a conviction stated in the basic documents, such as the US Constitution as well as the international role shaped in President Wilson’s times and the current hegemonic position of the USA, the reaction regarding the ICC comes almost naturally. Many voices protest against this exceptionalism, showing that this is not “the appropriate posture for a people that wish to lead by example, not by force” and thus it should “set the example of a society that not only leads in setting the rules but agrees to be

bound by them” (Shepard, 2000). But it remained clear that the US was not ready to accept a higher court.

Consequently, the decision-makers in Bucharest made a strategic map in order to identify the immediate priorities related to Romania's national interests. Due to those interests, it was essential to strengthen Romania's Strategic Partnership with the US. Besides the NATO adherence, Romania identified another foreign policy opportunity; that is, the strategic role that Romania might have within the framework of the antiterrorist campaign and the War in Iraq. The favorable position of the Romanian Government for the US in the ICC case was not a remote event, taking the line of the role that the Romanian administration had assumed, as a US partner in the antiterrorist campaign. This attitude reached its climax when the Romanian authorities granted the US permission to use Romanian air space and to send troops to Afghanistan. The pro-American position of the Romanian Government, as well as of many East European countries, is therefore a foreign policy line and not a remote event. Nastase also said that this agreement is a prolongation of agreement between Romania and the US regarding stationed American troops in Romania. It was also in sync with its national interests (NATO integration); an interest disregarded by the European countries at the last integration wave.

This also explains why Romanian decision-makers actively avoided framing the issue as a choice between European and American values. Geoana declared that having to choose between being a good European and a friend of the Americans was a false dilemma. In his opinion there was no big difference between being a supporter of European ideas and believing that European ideas would be more successful in a good relationship with the United States (*Monitorul de Cluj*, 19 August 2002). In backing Geoana's statements, President Ion Iliescu said, “it was not about a choice, it was about an opportunity and a necessity” (*Europa Spiegel*, 27 October 2003).

In his turn, the Prime Minister appreciated that Romania's position was not an anti-European one, but national interests (such as joining NATO) dictated it. Joining the EU remains the main target. From the point of view of Romania's interests, this agreement was an obvious sign for one of its partners (the US). In 1997, Romania did not become a NATO member and it is for this reason that the decision from Prague was crucial. The second factor that contributed to the decision to sign the agreement without taking notice of the EU's standpoint has to do with a lack of experience in operating on the international political arena. This is not to say, of course, that Romania is a novice of foreign policy. As was argued above, Romania has a long tradition and clear strategy of integration with the West. Instead, it is argued that the EU has successively strengthened its role and power in its sphere of influence, a sphere to which Romania in practice

belongs. Romanian political life is not fully able to adapt to this new role of the EU. The ICC crisis is good illustration of that.

Although aware of the EU's standpoint concerning the ICC, there are reasons to believe that the Romanian actors underestimated the scope of the political implications that their decisions would have. They did not expect any support from the EU, but they seemed to believe that the issue would pass by somewhat unnoticed. An illustration of this is that the Ministry of Foreign Affairs did inform the EU, and more specifically the EU Presidency, about its decision. However, instead of pro-actively making sure that the information had reached the relevant instances and confronting the EU actors with a discussion concerning the issue, the Romanian officials passively waited. When they did not get a response, they chose to take the silence as a sign that the EU did not pay much attention to the issue as such. Arguably, the Romanian government lacked the insight of the high values that were at stake for the EU in relation to the ICC and the US. As described before, the EU had undergone a tough negotiation process within the UN regarding the ICC.

In combination with this, from a EU perspective, Romania's behavior was not only about Romania. There were more dimensions to be considered. Firstly and concretely, it threatened to set the precedent for all the EU enlargement candidate countries, which were under pressure from the United States to sign bilateral agreements. The EU was concerned that other candidate countries might be tempted to sign such agreements, jeopardizing the overall development of the ICC. Quoting *El Pais*, *EU Observer* publication claimed that Prodi asked the candidate countries "to follow the European spirit of collaboration with the organization" and not to sign any bilateral agreements with the United States, "at least until the European Union elaborates upon a legal analysis of the implications" (*EU Observer*, 13 August 2002). But, above all, Romania's decision challenged the EU on one of its weakest areas, the Common Foreign and Security Policy and forced the EU to admit its lack of a unitary policy. It was these wider implications, as perceived by the EU, that the Romanian government failed to take into account and anticipate. Due to a relatively narrow approach to the international reality, the Ministry of Foreign Affairs saw this agreement only from a Romanian perspective and failed to seize the symbolic value of the gesture in the broader context.

Secondly and more importantly, what the Romanian decision-makers lacked was a more profound interpretation of the European Union's rather subtle recommendations and reproaches. Historically, the EU governance through consultation was a way of "counterbalancing the paucity of governance by or through citizen participation and representation" (Scharpf, 2001). Communicating through consultations and coordination between members in view of reaching a consensus was thus critical for the existence of the Union

itself. While missing a historical homogeneity, the European identity had been shaping for years on other elements such as “common values through legal practices”, “avoidance of resurgence in intra-EU nationalism, the mediation of complex and otherwise incompatible sub-identities”, and “the practical impact of European citizenship” (Mayer and Palmowski, 2004). From this perspective, Romania proved extremely insensitive to core values shared by the EU. Therefore, by naming the dismissal of these values “miscommunication”, it did not remove the persistent feeling of the EU officials that Romania was not sharing some essential values with the Union.

Against the pressure for conformity from the EU, the Romanian actors united and assumed a rather unilateral approach. The sense of national sovereignty was threatened, and Romanian decision-makers felt the need to accentuate the fact that they were not willing to give the EU access to its independent foreign policy. Nastase declared, “We are going to explain to our European partners what the conditions and reasons were for which we signed this agreement, as we do not want a tense situation in our relations with the EU” (Ziua, 31 August 2002). But at the same time, he made clear that there was a real problem related to the EU, because the Union wanted to assert even stronger “a certain international political identity”. This new cohesive identity for the EU was not, according to Nastase, going to be established at the expense of Romania's independent foreign policy relations (Ziua, 31 August 2002).

The theory that Romania lacked some “*antennas*” in Brussels is questionable. On one hand it can be argued that the Romanian executive tried to sign the treaty as discretely as possible, hoping not to be noticed by the European Union. For this reason, following the meeting between Geoana and the American Deputy of the State Secretary, Richard Armitage, the negotiations were to begin at the end of August, during the vacation period of the EU institutions. After three days of negotiations, Romania became the first country in the world to sign this agreement with the US. On the other hand, the US tried to convince other countries to sign bilateral agreements immediately after July 1 (when the parties had signed the ICC Treaty) and it is very likely that the Romanian Government was aware of the opposing positions the EU and the US had on the ICC issue.

In conclusion and judging from the outcome, it seems that Romania was able to make the most out of a disagreement between the EU and the US. Painfully remembering the NATO summit in Prague, the Government took the agreement as a perfect opportunity to ensure support and secure future NATO membership. Being aware of the disagreement meant also understanding the fact that the EU still depends on the US military capabilities, therefore Romania could estimate that in reality, it risked few consequences from the EU, except a strong disapproval and a few weak protests. Once a member of NATO,

Romania could focus on clearing the air and win back the goodwill of the EU. Moreover, the Government was perfectly aware that the agreement with the US would have to pass the ratification procedure by the Parliament and this could be used to buy some time and allow the two parties (the EU and the US) to reach a common position.

Leadership and Political-Bureaucratic Conflict

The Romania-European Union crisis makes an interesting analysis possible of the different leading styles of the three main Romanian characters (Mircea Geoana, Adrian Nastase and the President Ion Iliescu). The importance of these actors was obvious, considering the public positions they held with the utmost implications for managing the crisis and the roles they assumed during the crisis.

Inside the Nastase Government, Geoana represented a charismatic, young and dynamic official. In the public eye, his image was spotless. His background had nothing to do with the Communist Party and his diplomatic career (mainly as an Romanian Ambassador in Washington for four years) strengthened his image. Geoana's "American past" greatly contributed to his position on the ICC issue. His development as a Minister was a plus for his party's image as well. The public favored him and he always received high rankings in public surveys for trust and sympathy. Therefore, Geoana brought fresh air to the Romanian diplomacy, often accused of dilettantism and of missing rare opportunities for the future of the Romania. In the public eye, he brought a new style of leadership ruled by dynamism, professionalism and responsibility.

Thus, taking into account the fact he was the head of Romanian diplomacy and he was nominated by the Prime Minister as being "responsible" for the planning, negotiation and signing of the bilateral agreement, we can conclude that he played a major role in the decisional process of consenting to the agreement. The Foreign Affairs Minister's role was an active and realistic one throughout every step that preceded the decision and the signing of the treaty. His credibility in front of EU officials helped in creating a constructive dialogue between the two parties in conflict. His role was complementary to that of Nastase, who at one time introduced a firmer communication process with the European Union, bringing the implications of the negotiation process to the table and trying to get a confirmation on the date of adherence (Ziua, 17 September 2002).

Without any doubts, Prime Minister Adrian Nastase was another important figure in this crisis, with a very different kind of authority and leadership style than the Foreign Affairs Minister. Lawyer by profession, he was the first Foreign Affairs Minister after the Romania's first free elections. His diplomatic career

had started during the communist regime, but he was noted as being one of the few young diplomats trained in the West. Nastase's entire career developed in the shadow of President Ion Iliescu, replacing him as President of the Social-Democrat Party, thus becoming the head of the Romanian Executive as well as the head of the leading Romanian party. In the eyes of the public, Nastase was the main figure of the government, who monopolizes almost the entire image capital and public trust. That is perhaps why the Prime Minister felt the crisis was an attack on his image and his political claims to be the next Romanian President. With his slightly aggressive declarations and his rather cold public attitude towards the Foreign Affairs Ministry, he proved that playing the "second most important role" in this game was not enough for him. It also proved that the PM could not handle an assault on his image potential.

In the later phases of the crisis including its resolution, Nastase seemed to be the main actor, since he carried out the talks with the high European officials, starting with Elmar Brok, Gunther Verheugen, and ending with Romano Prodi (President of the European Commission). In other words, the Foreign Affairs Minister's *negligence*, done in the name of national interest, was being repaired by the *most responsible person* in the Government, the Prime Minister through his direct contacts with the main European actors.

The third major Romanian actor involved in the crisis, President Ion Iliescu, is beyond any doubt Romania's most important political figure after the Revolution. His destiny (that of a second tier communist dignitary) was transformed into a dissident of the old regime, later converted to perestroika and to capitalism, like many old or current East European leaders. Nevertheless, his image resulted in a capital of likeness, still present, especially among certain social classes. The failure of the former President Constantinescu's Administration helped him to win a new presidential mandate and to remain as the president who took Romania to NATO. Although the Constitution does not allow him to run for a new mandate, his image capital still placed him in first place in the popular preferences.

His role in this crisis seemed to be one of a supervisory body and approval of the Foreign Affairs Minister's actions. Surely, without getting involved in the project elaboration and the actual negotiations, President Iliescu was fully aware of the American requests. His implication was rather abstract and distant, without being on the first page of the newspapers. It seems that he gave the initial approval and then let the Foreign Affairs Minister do the work. It can be argued that his absence in the beginning of the crisis proved either prudence or complete trust in the capacity of the Executive to successfully resolve the crisis. His interventions in the press appeared towards the end of the crisis, sustaining the agreement as a national interest and supporting mainly Geoana's statements, as an ultimate validation of the decision-making process. However, he also had

contradictory interventions, affirming that neither joining NATO nor joining the EU would bring advantages to Romania (Evenimentul Zilei Online, 24 August 2002). It is hard to say if these declarations were aimed to take the aura off the NATO accession, a mediated success of the Nastase Government after a well-managed crisis, but they managed to raise some questions in the press about the relationship between Iliescu and Nastase.

At the very outbreak of the crisis, the Prime Minister pointed out the Foreign Affairs Ministry to be in charge of “giving answers” thus putting the first reactions on Geoana’s shoulders, who was labeled as being responsible for signing the treaty. However, Nastase did not declare at any moment that he did not have knowledge about the agreement or that Geoana had not properly informed him. Shortly after, Mircea Geoana asserted that the decision to sign the agreement was the result of a team analysis. The option was formulated only after a careful and responsible consultation, rigorously respecting the internal procedures (including the CSAT ones), together with the international obligations and common law. “Besides the legal and constitutional obligations applied in this case, I want to point out that the team solidarity and action unity in our Government are as strong as ever, beyond any doubt. I considered and I still consider that it is in Romania’s best interest to keep away from the political debates on Romania’s integration in NATO and USA” (Evenimentul Zilei Online, 14 August 2002: authors’ translation). The head of the Romanian diplomacy also appreciated that Romania decided upon a very important topic in international relations, not from the point of view “of an eternal candidate to integration but on behalf of a future NATO and EU member” (Ministry of Foreign Affairs, 11 August 2002: authors’ translation).

Coming back to the first reactions of Nastase, his attitude was quite logical. Since the decision procedure was involving the PM, it would have been a mistake to claim that he did not know anything and to blame Geoana, as this would have discredited both him and the Government for being totally uncoordinated and ineffective. On the other hand, he had to protect his image and not rush into taking responsibility, since at that moment it was difficult to predict how serious the consequences would be. Asking the Ministry of Foreign Affairs to make a press release meant neither denial of involvement nor assuming full responsibility, but under the pressure of the moment the gesture was interpreted as taking distance from the problem’s cause. Later came statements from Geoana, who cleared the involvement issue by mentioning explicitly that the decision, although elaborated at the Ministry of Foreign Affairs, had been a collective one and the Prime Minister had been fully aware of it.

After a slightly clumsy start, the Romanian Executive adopted a more coherent and unitary position in explaining the reasons and motivation for signing the agreement afterwards. Several Executives were involved (ranging

from the President, Prime Minister, Foreign Affairs Minister, and the Minister for European Integration) to the legislative representatives (i.e., the Senate's President involved *in a justification campaign*). Adopting a common position on the European Union and reaching a political compromise with the Americans significantly simplified Romania's position, while Romanian unwillingness to ratify the agreement pleased both the Europeans and the Americans and put an end to this crisis.

Victor Micula, spokesman for the Minister of Defense declared that they informed both the EU Danish Presidency as well as various member countries throughout the negotiation process with the US about the bilateral agreement regarding the ICC. Geoana added that the EU countries were also kept informed about the fact that on August 1, Romania was to sign the agreement with the US. He said that there were consultations between the Romanians and the EU concerning the matter of the agreement, but he refused, for diplomatic reasons, to say whether the EU delegation was against Romania's measures (Media Uno Press Group, 2 September 2002). Overall, it can be said that the leading actors and the ministries involved in facing the diplomatic crisis acted in a unitary manner, delivering similar answers. Apart from a couple of ambiguous statements in the beginning, which encouraged the press and the opposition to speculate, there was little room to identify any significant fracture in the leadership during the crisis.

Internationalization

The crisis concerning the ICC was in essence international in character. The crisis broke out in a broader international context dominated by American pressure on foreign governments (including EU member states) to sign bilateral agreements guaranteeing immunity for American soldiers. The American administration, a firm opponent of the ICC, addressed the Romanian Government, and after only three days of negotiations, Romania became the first country to sign this agreement.

The unfolding of the Romania-EU crisis continued through a debate in the international framework between the US and the ICC supporters, in particular the EU and human rights organizations. Internationalization was a logical effect and became later a source of potential threat for the Romanian actors involved. Firstly, the strong reaction of the EU officials pointed to an aspect perhaps underestimated by the Romanian Government: mainly, the power of the precedent created by an EU candidate country signing a bilateral agreement that was not in agreement with EU principles. Finding the legal grounds and reasons to encourage the exemption from ICC was clearly undermining the efforts of the EU to strengthen the ICC jurisdiction. Secondly, the development

showed that cohesion inside the EU was quite fragile and some of the EU states (including the UK and Italy) expressed their intentions to consider signing similar bilateral agreements with the US (Ziarul de Iasi, 2 September 2002).

On the other hand, for Romania it meant in practice that it was confronted with a situation where they received criticism from all directions, thus the pressure kept increasing. The Human Rights Watch sent letters to all parties of the Rome Treaty, asking them to “resist pressure from the Bush administration” (Ziua, 15 August 2002). “It is unlikely that this administration, who fights against global terrorism, would put an end to the military relations across the world for the uncertain probability that an American citizen might be the party of an unjust legal prosecution”, stated Kenneth Roth, the Executive Director of the organization. Signing such agreements “badly affects the ICC’s integrity and credibility”, Dick Oosting, the Director of the Amnesty International board at the EU, stated in a press release in Brussels (Amnesty International, 2 September 2002). According to a juridical analysis done by Amnesty International, the bilateral agreements proposed by Washington contradicted the 98th article of the ICC statute, “the only reason for these documents is to prevent the ICC from exercising its jurisdiction” (Amnesty International, 2 September 2002).

Consequently, Brussels’s opinion was that the bilateral agreements proposed by the US violated Article 98: one signing party of the ICC Statute acts against the ICC’s objectives and principles (AMMIC, 2002). The mounting pressure increased the need for negotiations between the EU and the US. Once an agreement was reached, Romania would have had a clear choice. On the other hand, the effervescent exchange of opinions at the international level also fed criticism in the Romanian media, which labeled the situation as a “diplomatic scandal,” and in turn triggered a political scandal inside the country (Gardianul, 10 August 2002).

The Romania-EU crisis framework was best described in the international press. It presented the delicate position of the Central and Eastern countries, who on the one hand were striving for NATO integration and thus attentive to the American solicitudes and who on the other hand were aiming for EU integration and thus sensitive to the European point of view. Therefore, both the American and the European press pointed out that the Central and East European countries wishing to accede to both the EU and NATO were caught in the middle of a dispute between the US and the EU regarding the ICC. They were facing a problem that they did not need and could not afford – they were being forced to choose between NATO and the EU.

In the Balkans, the matter of war crimes has great political potential. The Government in Zagreb announced that they received a solicitation to sign a bilateral agreement. The dilemma was even more difficult in Bosnia, since it had been the scene for one of the most terrifying war crimes after World War II,

but also the country where 2500 American troops are involved in peacekeeping missions. In Belgrade, the Yugoslavian president rejected the American pressures, announcing that he was not going to sign such an agreement.

Poland, Hungary and Czech Republic, already NATO members and well placed candidates for the European Union, tried to buy some time. Poland and Czech Republic traditionally have a pro-American attitude and had shown resentment regarding the terms dictated by Brussels on EU accession. At the same time, the Czech Government clearly announced that a EU decision would be considered before any other decisions were made.

Although various voices tried to blame Romania for giving into American pressure, the fact that other pro-US countries in Europe avoided signing agreements and pledged to wait for a common EU-US position revealed the responsibility laid mostly on Romania's shoulders. The international press stated that if Romania wanted, they could have refused the US demand, and publications like *Le Monde* and *Berliner Zeitung* used harsh words (*Ziua*, 20 September 2002; *Gardianul*, 16 August 2002). Furthermore, by signing the agreement, Romania threw the EU into a crisis and forced it to react in order to defend its principles regarding the ICC.

Colin Powell, the American Secretary of State, sent a letter to the European governments strongly encouraging them to ignore the EU's appeal to wait for a common EU position. Countries that did not respect the American requests would be punished, and military and diplomatic threats (suspending military help and other similar sanctions) were made. Additionally, the Bush administration warned its European allies that NATO would suffer substantial changes if the EU rejected Washington's request to sign bilateral agreements. The crisis framework was dominated by American pressure to accept limitations in the ICC. Finally a common position was reached between the two parties. Consequently, the crisis "moved" from the international level to the national level. The Romanian crisis ended at the same time the international one did.

Although the Romanian authorities claimed that the US had not forced the signing of the agreement, Nastase said that it was necessary for Romania to carefully analyze its credibility in front of its European partners. He also pointed out that Romania could not afford politically, economically, psychologically, or for national security reasons fail again to acquire NATO membership. He also reminded the Romanian public that five years ago, no country had intervened in Romania's favor when the list of candidate countries for NATO was being made (*Adevarul*, 29 October 2002). Besides this feeling of injustice at the national and international level, not signing the agreement might have damaged Romania's chances of joining NATO.

Communication and Credibility Crisis

The European partners associated the crisis with the lack of communication and the official communication channels between Romania and the EU institutions. Thus, the President, the Prime Minister, the Foreign Affairs Minister and the Integration Minister (Hildegard Puwak) appreciated the fact that there was no direct conflict between Romania and the EU, and that Romania would consult openly with the EU and wait for a common EU position (Media Uno Press Group, October 2002).

The Romanian authorities needed to carefully reflect upon the credibility problem. The European Parliament's President, Pat Cox, said that "we would appreciate a certain level of coordination" underlying the European preference towards a common treaty with the US rather than bilateral agreements (Media Uno Press Group, October 2002). Nastase added that Romania could not afford to fail joining NATO for political, economical, psychological and security reasons and therefore must be concerned with its credibility (Idem). Even more, in the discussions with the European Commissioner for Integration (Gunther Verheugen), the two officials agreed that communication between the Romanian authorities and the EU should be more efficient.

In turn, Integration Minister Hildegard Puwak specified, "the debate with the European Commission revealed that Romania's integration process is not significantly affected by a situation in which the intensity of the dialogue was not enough." The Prime Minister was satisfied with the American-European compromise. It signified the end of a "period of non-communication and misunderstanding with the EU" (Ziua, 4 October 2002). Yet this and other statements made by Adrian Nastase produced an internal credibility crisis. The mass media disputed the Prime Minister's justifications and claimed that he had deliberately misinformed the public. The statement that "our country didn't know about the debates between the EU and the US on the ICC topic [...] and Romania wasn't aware of the significance of the subsequent debates" (Ziua, 28 September 2002) led the ex Presidential Councilor, Zoe Petre, to accuse the Government of making statements that were "either false or compromising" (Gardianul, 30 September 2002). However, the PM's statement could also be considered a subtle complaint to the EU that the Union did little to provide enough information, a clear and unitary position, or even guidelines to its members and candidate countries on the ICC issue.

Conclusions

Some of the facts and suggestions in this case study may set the ground for further questioning the real danger of this crisis. The aim of this chapter was to analyze the crisis from the Romanian perspective and draw conclusions related

to the way this crisis was managed. Let us first look at how the crisis emerged. After being approached by the US Embassy, Romania (as of July 1, 2002, a signing party of the ICC Treaty) decided to sign a bilateral agreement with US, thus coming in conflict with the perceived interests of the EU. Before going further, several possibilities have to be pointed out:

- It is not likely that Romania was pressured by the US to sign, more than other countries were. Some of them refused and some motivated their refusal by saying that they would wait for a common position between the EU and the US before making any decisions. Why did Romania not follow the same path as the others and avoid all of the headaches? We can hardly blame it on the immaturity of the two Ministers involved or their lack of experience in foreign affairs. Therefore it is more logic to assume that there were other incentives, namely joining the NATO – a declared objective of the Nastase Government. Furthermore, on a number of occasions, the Romanian diplomacy used adhesion to various agreements as a sign of cooperative behavior. Romania was the first country to enter the Partnership for Peace and one of the first ones to sign association agreements with the EU. Quick adherence to international pacts without prolonged negotiations seems to be traditionally perceived as a powerful indicator of goodwill in diplomacy.
- Several sources declared that the Romanian Government was aware of the conflict of interests regarding the ICC between the EU and the US. In this light, the feeble attempts to inform the EU about the decision to sign the agreement with the US confirm these declarations and support the theory that Romania pursued its short-term objectives, understanding the risk of disrupting its relations with the EU. Had the information reached the Commission in time, the Romanian Government no longer could sign the agreement with the US, having a clear instruction from the EU to reject it. In the absence of this instruction, Romania was able to obtain US support, while dealing later with the protests from the EU, but from a stronger position.

However, by taking only the available information, one may conclude that either the Bucharest government tried to discretely sign the agreement “through the back door”, or simply notified the European Union too late and at lower levels of the EU, in particular at the Danish Embassy in Bucharest where some communication difficulties occurred. In this case, either the Danish Embassy did not send this information to Brussels, or this information reached its des-

mination (from the embassy or from the Romanian Executive) but it was “misplaced” at the lower levels of the bureaucracy and was not forwarded to the decision-making level. If this was the case, the EU institutions’ summer holiday was not a good excuse for the lack of action, since in the end the deployment of international relations cannot wait for the European bureaucrats to come back from their holidays. Considering the sensitivity of the subject, it is hard to believe that the EU would not have reacted, having found out about the negotiations between Romania and the US.

But if Romania had not properly informed the European Union about its decision by intentionally signing the agreement “behind their backs” in a lull period, then the Romanian Government should have learned an important lesson from the extremely virulent reaction of the European officials, which threatened to affect Romania’s integration into the EU. One may argue that a wise policy for Romania would have been to wait for a common EU position on this topic and for the finalization of the European-American negotiations. But was there a real risk for Romania in going its own way?

If Romania would have chosen to play safe, the summit in Prague could have possibly ended with disappointing results, such as the lack of a clear date for joining NATO. But, according to Geoana, Romania was already a good candidate for NATO membership (*Gardianul*, 31 August 2002). In this perspective it looks like Romania risked the wellbeing of its relationship with the EU for scoring additional advantages with the US, which were apparently not necessary. The delaying of signing the bilateral agreement did not necessarily mean an obvious refusal for US support in obtaining NATO membership – the thing that the Bucharest Executive feared most. What disturbed the European Union most was the suspected haste with which Romania after only three days of negotiation signed this agreement, becoming the first country in the world to sign such a treaty with the US. Such haste proved to be unnecessary. Other countries in the region had declined signing the agreement with the Americans (such as Croatia and Yugoslavia) and others choose to wait altogether for a common EU position on this issue (such as Bulgaria) without jeopardizing their chances for NATO accession.

For Romania there was no other alternative to joining the EU, since the initiated process was an irreversible one, as Verheugen put it (*Evenimentul Zilei Online*, 21 September 2002). Thus the process of enlargement was never questioned, but the date was. Furthermore, the Treaty provides the framework for bilateral agreements, and therefore Romania was entitled to sign such an agreement. It is likely that Romania counted on US support, once it made a gesture of goodwill by signing the agreement, and thus it knew that it had additional resources for solving the potential conflict with EU. In addition, the “escape” provided by the ratification procedure by the Parliament allowed them to please

both the US and the EU. It appears that while winning US support, Romania's decision did not involve very high risks for its relationship with the EU.

The final decision proved to be good in the end from the perspective of the special relationship between Romania and the US, besides ensuring the achievement of the adhesion to NATO in Prague. In the new strategic terms of the global antiterrorist campaign and of the Iraqi war, Romania managed to change its status in the eyes of the US. In fact, this was confirmed by President Bush's visit to Bucharest in November and his visit was followed by the strengthening of Romania's strategic partnership with the US, the establishment of a temporary American military camp at Constanta, and Romanian military troops were sent to Afghanistan. In 2003, the American investment for military purposes exceeded \$10 million (Maior, 11 June 2003). From this perspective, the decision was desirable, and by pursuing its national interests Romania found a place on the new strategic map of the world.

One might consider the European Union's reaction exaggerated, when observing the conditions stated in the 98th Article of the Rome Statute and considering that the Romanian-American agreement eventually fit into the ulterior framework established by the European Union's common position. However, Romania needs to consult, communicate, and coordinate its external policy decisions with the European Union in a way that does not imperil its chances for quick integration, especially since Romania shares the same fundamental values with the EU member states and since it wants to demonstrate this to the Union. Moreover, Romanian officials should remember to look at the larger picture. A decision bringing short-term gains can be destructive in the end. In its efforts to obtain NATO membership, Romania triggered a crisis at the EU level by challenging its cohesion in opinions and its position towards the US. Even when Romania's membership was not put at stake, its credibility and image in front of its future "co-habitants" within the EU were damaged.

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PART V
CONCLUSIONS

Chapter 11

Romanian Crisis Management – A Comparative Analysis and Conclusions

Britta Ramberg and Iulian Chifu

The aim of this project was to contextualize, examine and compare eight crisis events that have confronted the Romanian government in recent years. In this concluding chapter we discuss the most prominent findings of the individual case studies presented in this book. We also take a comparative perspective and discuss the findings related to the propositions that have been outlined in chapter one and explored in previous Crismart research. The eight case studies in this volume contain a variety of actors and policy areas. Individually they represent empirical snapshots of important crisis management experiences in modern Romanian history. By studying these eight cases from a common analytical point of departure, we seek common features and general patterns of crisis management in Romania. More specifically, we connect these features and patterns to the analytical themes outlined in the introduction of this book, starting with the institutional structures of preparedness and prevention of crisis management in Romania. Based on the empirical findings, we discuss the implications that an underdeveloped crisis management infrastructure has for the management of escalating crisis situations. Thereafter we shift our focus from prevention to the response phase, and discuss features such as bureau-political cooperation and conflict as well as crisis communication and symbolic crisis management. Lastly, we direct our attention to the international dimension of crisis management in Romania. Since the fall of communism, Romania's

commitment to European integration and membership in the Western security community has constituted, and still constitutes, an important dimension in shaping and understanding political life in Romania. Therefore we conclude by discussing the relationship between internationalization and crisis management in Romania.

It is worth mentioning that our study of crisis management episodes, although involving a wide political spectrum and several levels, does not provide a comprehensive picture of the tremendous political and economic changes that Romania has experienced over the past fifteen years. In no way do we claim that we have completely outlined the trends in crisis management in Romania, but the eight studies arguably contribute to illustrating some important aspects of the recent and ongoing experiences. The empirical material, upon which the general conclusions are built, was limited. Romania is clearly working towards increased democracy and transparency, but at the time these eight case studies were being conducted there were still major gaps in freedom of information and accountability. This obstructed our possibilities for delving into the details of the decision-making process. Despite these empirical limitations, the case studies in this book provide a useful basis for future research and contribute important steps in capacity building within the field of crisis management in Romania and, by extension, Europe.

Crises and Institutional Volatility

Proposition 1: As strained transitional societies move from one crisis prevention regime to another, vulnerability to major negative events will tend to increase.

After the collapse of communism in Romania, actors in all sectors of society faced the challenge of adjusting political, social and economic life to Western norms. The political will was there, but the reality often painfully showed that this was not enough. Tearing down the barriers to the West, although welcomed by most people, brought some unexpected implications and problems. New threats to societal stability and the wellbeing of the population emerged, and legitimate institutional structures for dealing with these new problems were not yet fully established. The weak institutional infrastructure for crisis prevention and preparedness (to some extent even an 'institutional vacuum') meant that the responsibility, the mandate, and the resources for dealing with preventive issues were not clearly defined. Although the Romania unexpectedly had a rather centralized system of prevention, we also detected patterns of improvisation and institutional flexibility that paved the way to more effective crisis prevention measures when needed.

Crises often expose painful gaps in the institutional infrastructure for crisis preparedness and prevention, but different from the situation in consolidated

democracies, which tend to have more established and entrenched institutions, the infrastructure in transitional states tends to be more loosely knitted and hence more vulnerable. We therefore argue that not only are the prospects for preventing and preparing for crises more challenging in transitional states compared to consolidated democracies, but also the needs are larger. According to Stern et al. (2002:527), “Public problems are more likely to escalate into political crises when old norms, rules, organizations, routines, and other public sense-making structures have been abolished, compromised, or have otherwise abruptly lost their binding character before any alternative structures have settled firmly in the ‘conscience collective.’” Adapting new norms and breaking “traditional” values create uncertainties about responsibility and accountability as well as coordination problems. This in turn obstructs prevention and preparedness measures from being developed and established. It also renders difficulties in the response phase, as we explore in the following sections of this chapter.

An example of a public sense-making structure, that is fundamental in the construction of any nation state, is the very core question of what responsibility the government should have for its individual citizens. This ideological issue moves like a pendulum, swinging back and forth over time. For example, the rise in neo-liberalism in the 1980s resulted in most Western governments withdrawing from a number of social responsibilities. We argue, however, that such reforms are likely to be more painful in transitional states, where the defenders of the status quo might possess a higher degree of influence and the agents for change do not necessarily possess a high degree of public support and/or political legitimacy. The significance of state versus individual responsibility is visible in several of the crises analyzed in this book. More interestingly, this factor does not only impact how a crisis is managed when it reaches the political and administrative levels, but we can also see how a divergence between political strategies and public expectations can lead to a conflict that acts as a catalyst for escalating a crisis. The initial non-response to the alarming reports on increased drug consumption in Romania (see Vasilescu, this volume) was very much related to the fact that there were few institutions with the mandate and competences to act, as we show below. But it was also linked to the dilemma on what responsibility the Romanian government, as such, should take for individuals ‘choosing’ to take drugs. International pressure prompted the government to do something, and appropriate political, institutional and legal tools were slowly established.

The core issue in the Romanian healthcare crisis was finding a balance between the state’s responsibilities versus the individual citizen’s freedoms (see Popescu, this volume). Instead of reallocating funds in the state budget, reimbursing the pharmaceutical companies, and thereby preventing an acute crisis,

the Ministry of Public Healthcare decided to focus on the long-term financial situation of the healthcare sector in order to break down the 'old system', which was marked by corruption and mismanagement, and to pave the way for a more competitive and cost-effective environment. This strategy was meant to send clear signals to the medical profession and to the general population that the government was not going to continue to take responsibility for mismanagement in the healthcare sector. The political price for attempting to redraw the line of state responsibility proved to be high, which is further discussed in this chapter.

A similar pattern was evident in the National Fund for Investments (FNI) case, analyzed by Guidea in this volume. When rumors started to spread that the FNI was becoming unstable, people panicked and immediately demanded their money back. Many Romanians lost their lifetime savings that they had been invested in the FNI, which was similar to a pyramid scheme. An acute, domestic credibility crisis could have been avoided if the government had intervened against the pyramid rackets or had reimbursed the investors. But when the investors demanded to be reimbursed by the government, the response was cold. Prime Minister Isarescu and his government had no intention of taking responsibility for what individual citizens had been enticed to do by private actors in the financial sector. The argument was based on a firm conviction that this crisis, in terms of responsibility, could produce larger public expectations in the future.

Another case examined in this book that well illustrates the issue of the state's role in the wellbeing of individual citizens, or groups of citizens, was the government's management of the miners' crisis. The government treated this crisis as an isolated event disconnected from its political context, yet the civil riots clearly threatened the social stability and public security of the country. As Gavril pointed out, the miners' crisis cannot be isolated from its political context. The government firmly pursued its hard line against the miners (as a social group), and major structural reforms in production and the economy were implemented, to a large extent, at the cost of the miners' livelihood without first discussing the issue with those it directly affected. Later confronted with this fact and the consequences of it, the government made efforts to take responsibility by creating new jobs, but these measures proved to be rather ineffective (see Gavril in this volume).

Strong pressure from the international community forced the Romanian government to take responsibility for the wellbeing of its individual citizens in the drug crisis, yet the government deliberately minimized the state's role in assuming such responsibility (clearly, a neo-liberal trend) in the healthcare crisis, the FNI crisis as well as the miners' crisis. This is, however, not to say that the Romanian government necessarily failed to prevent the crises, just that early

detection of the warning signals and appropriate action could have prevented the crisis situations from escalating as they did. These cases also illustrated how the process of transforming the political and economic structure in Romania led to clashes between the 'new order' (represented by the political leadership) and the supporters of the status quo (represented by different social and professional groups). The fact that these crises occurred between 1999 and 2003 and not in the early 90s, as one might expect, is interesting and is in part related to the slow transitional process Romania experienced. Unlike many other Central and Eastern Europe countries, Romania did not have an organized political opposition to the communist regime that was ready to fill the political vacuum after Ceausescu (Weber, 2001: 213). Instead the National Salvation Front was created as an ad hoc structure under the leadership of Iliescu – a well-known Communist Party personality – and composed of dissidents and former party members. Real changes did not occur until 1996 when Constantinescu was elected president. Moreover, Romania had a weak civil society and, therefore, public pressure on the government was rather limited. In his analysis of Romania's financial system, Gallagher concludes that "Perhaps if Romania, like Bulgaria in 1996, had experienced a full-blown financial crisis under an anti-reform government there could have been a chance for root-and-branch reform [...] The problem is that the old system was not entirely dismantled. Too many of the old relationships survived." (Gallagher, 2005:184). Despite the lack of a well-organized revolutionary movement, these cases illustrate how crises limited to particular sectors successively contributed to societal reforms. In addition, our analysis of these cases supports our claim that not only do fundamental societal changes serve as catalysts for escalating crises, but also crises sometimes serve as a catalyst for initiating or accelerating change.

While the healthcare and the miners' crises stemmed from old and well-known structural problems that had to be dealt with in the new political environment, the Romanian experience can also help us understand how entirely new threats were dealt with once they reached the political agenda. An important and fundamental change in Romanian society was the transition to more open borders, intensified international trade, and increased freedom of movement. In her analysis of the growing problems with drug trafficking and consumption in Romania after the fall of communism, Vasilescu identifies the challenges that confronted the Romanian government. The drug issue was initially considered crime prevention, for which institutional structures existed, but it was not until several years later that its other implications were fully understood and thus, institutional preconditions for properly dealing with the situation of drug consumption were put into place.

The government's first step was to establish an inter-ministerial committee with the intention of organizing a coordinated and holistic approach in the

fight against drugs. Originally, the committee consisted of top-level ministers, but this quickly proved to be ineffective since they were too busy with other tasks. Thus, an informal group of lower level officials jumped in and took over the committee's duties. The committee only had the mandate to provide recommendations and did not have the authority to make binding decisions. When realizing the negative impact this had on the effectiveness of the committee's work, the government decided to extend its mandate (Vasilescu, this volume). The drug crisis illustrates how the lack of routines and an appropriate institutional setting seriously complicated the preventive efforts, but also how improvisation and ad hocery moved the process forward. Although the Romanian constitution provides the government with a rather centralized decision-making structure, the escalation and severity of the drug crisis resulted in the fact that the centralized strategy had to be abandoned in order to accomplish a more pragmatic approach. With the focus on effectiveness and international adaptation, the responsibilities for preventive measures were moved down the ladder of hierarchy. This picture does not significantly differ from the general trends in crisis prevention (see 'tHart et al., 1993); however, in the Romanian context, the drug crisis seemed to constitute the exception rather than the rule.

Decision-making in the healthcare system had, according to Popescu, often been characterized by a lack of coherence, resources, and political willingness to detect and deal with the warning signals. While there was an awareness of the structural deficiencies, political interests and special interest groups prevented long-term reforms in the healthcare sector. During the healthcare crisis, the Romanian government was unable to stand up to the strong coalition between the medical profession and the pharmaceutical companies. In addition, the healthcare system in Romania is, as it was during the communist regime, highly centralized and relatively conservative which has made the sector resistant to fundamental changes¹. The healthcare crisis quickly became politicized, which kept the issue on top of the political agenda. Elements of this centralized decision-making system were evident in several of the other case studies, and this will be further explored in the next section.

It is important to keep in mind that preventive measures, or the lack thereof, cannot be entirely explained by transitions in the macro system. The difficulties in isolating explanatory factors should not be underestimated. One factor that can easily escalate a crisis is scarce resources. Not only is there a lack of physical means, but the actors in transitional governments also find themselves in an environment heavily impacted by competing priorities, tasks, and demands. The drug crisis and the acute crisis in the healthcare system were perhaps the most obvious cases illustrating how the lack of financial and

1 Centralization may also facilitate change if accompanied by a reform oriented leadership (Boin, 2001)

human resources created institutional vulnerabilities. While the problem with increased drug consumption escalated, there were no established information channels between those who could detect the problems in the field (i.e. social workers and customs officers) and those who had the authority to enforce laws and strategies (i.e. the government). Furthermore, a technical system for collecting data and statistics had not yet been put into place, and thus there was a lack of reliable information from which a prevention strategy could be developed and implemented. As time passed, measures were taken to strengthen the links between the central and local levels. Similar to the drug crisis, the health-care crisis revealed how the lack of technical systems for monitoring, warning, and collecting data contributed to the escalation of the crisis. Due to the lack of coordinated data systems for gathering and coordinating information, the government has had little insight into the activities of the multinational medical companies doing business in Romania.

Previous research confirms that even the most surprising crisis seldom strikes like lightning on a clear day. In hindsight, the warning signals are often there, but for different reasons they are not discovered or dealt with until the crisis is an obvious fact (see Parker and Stern, 2002; Perrow, 1984; Boin et al., 2006:26). Failures to detect warning signals and prevent crises can be attributed to individual limitations as well as institutional deficiencies. While most governments and organizations have developed structures for crisis response, organizations in general do not spend adequate time or resources on detecting future crises. Additionally, “[t]he driving mechanisms of crises are often concealed behind (and embedded within) the complexities of our modern systems” (Boin et al., 2006:25). Against this background, it is clear that crises occur and will continue to occur in all societies, no matter how well we build instruments for preparedness and prevention into our political and administrative systems. Likewise, it is also true that adequately designed systems for preparedness and prevention will help to limit the negative effects as well as the severity and frequency of crises in any society. Our research showed that the weak infrastructure for crisis prevention in Romania allowed the warning signals to escalate to the higher levels of authority before they were discovered. In addition, failure to prevent these crises served as a facilitator for the ‘new political elite’ to break with ‘the old system.’ Whether this was a conscious strategy or simply a result of other factors, we cannot say based on these few cases. Nevertheless, we are reminded that crises are not only threats; they can also serve as opportunities for political repositioning and reform (Boin et al., 2006).

Politicization and Mediatization

Proposition 2: As transitional societies move towards Western style democracy and a market economy, negative events will tend to be politicized and mediatized to a much greater degree.

The transformation of a political system, from a one-party rule to a pluralistic democracy, implies changed public demands and expectations on governments in their role as crisis managers. Moving towards democracy also implies moving towards transparency. It is no longer accepted, or even possible, to close the doors for reasons of public control. As democracy provides new channels for public opposition and the media provides a forum for expression (Buus et al., 2005), relations between decision makers and voters have to be established and consolidated. Similar to the findings in previous Crismart volumes (Estonia, Latvia, Lithuania, Slovenia, and Bulgaria), coping with a more outspoken press is a new challenge for decision makers in Romania. The Romanian media has in quantitative terms exploded since 1989, although the qualitative developments in the increasingly independent media have been marked by several obstacles and setbacks (see Apahideanu in this volume).

The cases analyzed in this volume unequivocally illustrate how the politicized and mediatized environment was a challenge for the Romanian decision makers and how they often failed to see the importance of communicating with and via the media. In general, the cases demonstrated that the relationship between the media and the decision makers in Romania was not very well developed, and that the decision makers were rather slow, naïve, or clumsy in their crisis communication. Despite a willingness to be open with the public, there were no planned strategies for dealing with the media in crisis situations. Furthermore, little or no attempts were made to establish a mutual relationship built upon confidence and trust between the media and the decision makers. Instead the decision makers were often surprised by the role the media took and the public's reactions, and thus they dealt with them in an ad hoc manner with varying and often unexpected results. Similar to the Slovenian experience (Brändström and Malesic, 2004), the political elite believed the media was serving their interests and reflecting the reality they wanted to show to the public. This helps explain their over-responsiveness to the media, which was characteristic of the Romanian experience.

The message the decision makers wanted to send to the public following the bribery scandal was that the government was taking the problem seriously and that the political leadership was assuming the duties the voters had invested in them. The first reactions by the Social Democrat Party indicated a widespread conviction that the newly created Ministry of Public Information was to deal with public information. That was not the case, and instead, the responsible

actors were unexpectedly confronted with a lot of media pressure (Aphaideanu and Jinga, this volume). Following that, the Cabinet assumed a pro-active media approach. Instead of accepting the bribery scandal as a failure, the Prime Minister framed the situation as evidence that the newly created NAPO (National Anti-Corruption Prosecutor's Office) was working effectively.

Different from the media's strong role in the bribery case, Chifu's analysis of the media's role in the diplomatic conflict between Romania and the Republic of Moldova revealed other findings. Chifu drew the conclusion that the media primarily mirrored the official view presented by the Ministry of Foreign Affairs at its press conferences. Unlike the bribery case where the media played the role of moral guardians on behalf of the public's interests, the media in the diplomatic conflict with Moldova supported the authorities' definition of the problem (protecting national values). Such nationalist tendencies among media actors have also been found in other post-communist countries (c.f. Buus et al., 2005; Rantanen, 2002).² Another important aspect in understanding the media's role during the Romania – Moldova crisis was arguably the deliberate PR strategy implemented by the Ministry of Foreign Affairs. Providing generous access of information, informal meetings, and public press conferences, the Romanian Ministry of Foreign Affairs successfully dealt with the media and used it as an effective tool for crisis management.

During the healthcare crisis a similar, but less successful, attempt was used to utilize the media as a tool for framing the crisis. In an effort to gain support for the government's long-term structural reforms, the Minister of Public Health made a conscious and active decision to go public with the healthcare sector's financial situation. This was, however, framed in the media and perceived by the public as an inhumane and irresponsible welfare policy. The media's focus on suffering people (e.g., people dying from the lack of medicine) undermined public support for the government's long-term strategy for dealing with the 'sources' of the crisis.

Following the Jean Monet high school bombing, the crisis managers tried to assure the public that they had the situation under control and would respond forcefully to what was perceived as a threat to public security. There was no defined strategy on how to deal with all of the media attention, and the decision makers simply assumed that their messages would be announced and unchallenged if they maintained an 'open policy' with the media. Again the strategy failed. The police and the government could not live up to the promises they had initially made (a classic form of a credibility trap), and instead they were confronted with massive pressure from the media and the public, who were

2 For the role of the mass media in establishing and maintaining a national identity, see for example Gellner (1983) and Anderson (1983).

demanding quick results (Boin et al., 2006). The open policy with the media was quickly replaced with a more restrictive one.

Poor performance in public crisis communication has to be understood in the light of the communist tradition, the lack of experience in coping with transparency and freedom of expression, and the low professional standards in the Romanian media (Pippidi, 1999:141-2). Misinformation and the sensationalization of issues in a less than responsible fashion are commonplace in some media sources. As discussed by Apahideanu (this volume), the fact that much of the populist and commercialized media is sustained and financially supported by strong interest groups should not come as a surprise, but it arguably helps to explain the miscalculations in the government's communication strategies. It is clear that the way in which decision makers respond in the media can have serious effects on how a crisis is managed. During the FNI crisis, the media encouraged the investors to demonstrate and demand reimbursements, something that increased the severity of the crisis. These examples illustrated how poor media management, in combination with over-responsiveness by the decision makers, added fuel to the fire and escalated the crises.

In order to divert the public's attention from the poor institutional structure for crisis management, individual decision makers were used as scapegoats. This was quite evident in the healthcare crisis. The Health Minister was unable to appeal to the public, and despite her formal professional credentials, she appeared weak and hesitant. The crisis reached its symbolic peak after a few deaths (resulting from the lack of medicine) were reported in the media. The public was outraged. So instead of continuing with the ongoing structural reforms, the government decided to redirect the public's attention and shift the blame to the Minister of Public Health (see Popescu in this volume). Minister Bartos was an easy target, since she was not very well liked. A few months later, medical supplies were delayed again; however, little or no improvements had been made in the institutional capacity to respond to such crises.

Another example of this was the Jean Monet bombing. Immediately after the bombing, promises of arrests and dismissals were made. When no guilty party was found, there was a serious setback in public trust and the 'solution' to that was to sacrifice the Police Commander in Chief. Likewise in the bribery crisis, an individual decision maker (i.e. Secretary General Mihailescu), who had no real decision-making power, was made into the scapegoat for what was framed in the media and by the opposition as a symptom of a structural problem within the Social Democratic Party (i.e., corruption).

In analyzing crisis management in Bulgaria, Engelbrekt concludes, "Bulgaria finds itself in the 'neurotic' end of the crisis communication spectrum" (Engelbrekt and Förberg, 2005). Similar to the experiences in Bulgaria, yet different from the Polish experience (Bynander, Chmielewski and Simons,

forthcoming), crisis communication in Romania has been weak and thus has often aggravated crisis situations.

Transitional States and Bureau-Politics

Proposition 3: Transitional polities are likely to experience a high frequency and intensity of bureaucratic political behavior in crisis situations.

This proposition refers to bureaucracy and the role of public servants in a transitional state. Due to the features that characterize crisis situations (i.e. severe threat, time pressure, and high degree of uncertainty), the patterns of bureaucratic organization and communication are often challenged (‘tHart et al., 1993). During communism, the decision-making structure was centralized at the highest political level. The heavy bureaucracy served as an instrument to maintain the status quo. Many of the public servants were also members of the party and there was not much room for reflection, initiative, or disobedience at the bureaucratic level. Responsibility and accountability did not work as a regulatory function in the same way they do in a democracy. This meant that, despite a formal division between the party and the state (Weber, 2001:213), political decisions were in practice made by the communist leadership and thus the state and the party’s interests were intermingled. The democratic transition meant new rules for the bureaucracy. Officials were formally given more authority and independence and were increasingly allowed to contest decisions. They were also prohibited from openly expressing their political views in their jobs. This meant that a clearer division was made between the political leadership and the public administration. But it also opened the possibilities for bureaucratic rivalry and conflicts among actors at the administrative level and between the political and administrative levels. With increased public interest, public demands, and competition, the actors were increasingly forced to take responsibility and assume accountability for their actions and non-actions. It has been claimed that, institutions of transitional countries, where the distribution of authority and responsibility are not clearly defined, are open for bureaucratic entrepreneurship. This is often reinforced by the possibility that the outcomes of crisis responses can decide power struggles and conflicts of authority in ways that are likely to eventually be institutionalized (Rosenthal et al., 1991; Preston and ‘tHart, 1999).

If other types of crises had been included in our analysis (such as floods and other types of disasters that often start at the local level), one might claim that our findings would have looked different. But against the background of the cases examined in this book, we can conclude that the proposition on bureaucratic politics is supported by the Romanian experience. There was a lack of developed routines, at both the psychological and institutional levels,

for delegating responsibility. In addition, there were clearly institutional gaps and overlaps in terms of mandates and responsibilities. According to 'tHart et al. (1993), crisis situations often require decision makers to make ad hoc solutions for effective management. The assumption that one such solution is centralization gained strong support in our case studies. As opposed to the Slovenian experiences of crisis management (Brändström and Malesic, 2004), the Romanian cases paint a portrait of a crisis management system where the important capacities, both in terms of mandates and symbolic capital, remain at the highest political level. Bureaucratic politics and institutional volatility are, however, not the only factors that can explain this centralization. As mentioned in the previous section, it is also explained by the role of the media and the decision makers' over-responsiveness in the media. Despite examples of bureaucratic competition and conflict, the Romanian experience, similar to the findings in the Bulgarian analysis (Engelbrekt and Förberg, 2005), also provides examples of an ability to temporarily unite and assume effective crisis response measures.

During the bribery crisis, the political leadership's strong willingness to actively communicate coherence and unanimity was striking. Apahideanu and Jinga conclude, "Throughout the crisis, no individual member or group whatsoever expressed any distinct position in the matter" (this volume). This strategy was facilitated by the strong political leadership of Prime Minister Nastase and through an informal top-down steering mode that forced the local branch to comply with the national policy. It was also facilitated by exclusion; that is, by expelling an individual decision maker (Secretary General Mihailescu) from the actual decision-making structure. Furthermore, he was framed as the scapegoat in the media and by the opposition as a symptom of the structural problems (namely, corruption) in the Social Democratic Party. Other individual bureaucrats were also sacrificed in the political debates in order to preserve the highly centralized management system.

Another example of strong central leadership facilitating effective crisis response is the FNI crisis (Guidea, this volume). To reassure public trust and prevent a total collapse of the Romanian financial system, the FNI crisis required strong symbolic leadership. Actors on the top political and economic levels assumed this task. Important decision makers from all involved institutions (i.e. Prime Minister Isarescu, President Constantinescu, representatives from the Romanian Commercial Bank and other major banks) managed to coordinate their response and communicate a united front to the public. A sign of the strong coordinative effort was when Prime Minister Isarescu issued an appeal to the public not to withdraw their money from the CEC (The National Savings House). This message was reinforced by the BCR (Romanian Commercial Bank) and other leading banks in Romania. Under the strong

leadership of Isarescu, the government managed to persuade the masses of disappointed investors to stop demonstrating, thereby avoiding violent riots and an escalation of the crisis.

The strong consensus that characterized the initial management of the FNI crisis was, however, later replaced with political conflicts and blame games (Guidea, this volume). The issue of reimbursements turned into a hot debate, contenting different views on responsibility. The crisis occurred during an electoral year, and the desire for electoral capital quickly replaced cooperation across party lines. For example, by promising reimbursements the Social Democratic Party took votes away from the ruling right-centrist CDR (Romanian Democratic Convention). In addition, coordination was poor between the local and national levels during the FNI crisis. Ironically, the demonstrations in Bucharest that posed a great political challenge for the national political level were politically and financially supported by mayors on the county level (Guidea, this volume).

Likewise, the diverse interests and definitions among the actors on the national and local levels in the drug crisis seriously hampered the crisis management. While the top government officials felt the crisis provided a good opportunity to show the international actors its capacity to deal with such problems, the implementers on the local level viewed it simply as another burden. Furthermore, the agency for dealing with the country's drug problems was constantly being changing and reorganized. The bureau-political barriers proved to be massive (Vasilescu, this volume) and this can be explained in part by the lack of experience in working across ministerial borders.

Other cases revealed a more lively bureau-political game that challenged, but did not inhibit the exercise of strong political leadership. In his analysis of the diplomatic conflict between Romania and Moldova, Chifu unveiled some interesting dynamics of inter-institutional bureau politics among some of the institutions with the formal mandate to deal with foreign policy. Considering Romania's general foreign policy strategy regarding NATO and EU integration, the government and the Ministry for Foreign Affairs chose a guarded approach towards Moldova. The ambition was to avoid pushing the conflict up to the international level and thus getting the Russians involved. Other foreign policy agencies (i.e. the Office for the Relations with the Republic of Moldavia and the Senate's Foreign Affairs Commission) focused rather on the Romanian minority in Moldova. Instead of containing the situation on the top diplomatic level (with only the Prime Minister and the President making official statements), experts from the Ministry of Foreign Affairs went public with strong accusations against the Moldovan government. Consequently the crisis escalated to the international level in a way that was not intended by the government, but that in the end proved to be fruitful for Romania.

The difficulty in establishing an accurate problem definition following the Jean Monet bombing clearly illustrated the consequences that follow a situation where the institutional division of responsibilities is not clear. The framing process started immediately at the highest political level, where the attack was defined as a terrorist attack (something that must be understood in the context of previous terror attacks around the world and by the fact that the children of the country's elite attended the school). A Senator quickly arrived at the scene and directly intervened in the operational work. Both the President and the Prime Minister initially took a strong position, but soon pulled away from the limelight.³ The Romanian Intelligence Service was formally supposed to take a leading role in national security issues; however, it refused to assume responsibility and referred to the event as a police matter. The unclear problem definition and division of responsibilities added to confusion to the already chaotic situation, which obstructed the effectiveness of the crisis management.

Whereas the top political leadership permeated every crisis examined in this volume, it was at times contested. With a more consolidated division of responsibilities among and within the governmental institutions, more of the crisis management tasks could have been performed on a routine basis. This would have made down-scaling of the crisis responses possible, or at least provide the potential to avoid immediate up-scaling.

International Pressure on Transitional Countries

Proposition 4: Transitional countries seeking access to Western institutions are likely to experience tension between domestic and European/Western norms and claims.

In analyzing the cases in this book, we found the international dimension to be a central current of the Romanian crisis management experience: both from the internal perspective in terms of the strong political conviction to pursue the road to international integration, and the external factor of influence in terms of international pressure to comply with Western economic and political policies.

For example, the interplay between national and international interests was a strong driving force for the Romanian government to respond to the issue of increased drug consumption. Since NATO members are expected to have a well developed capacity to deal with internal security threats, there was also great pressure on Romania to deal with the marching miners and to find the culprit(s) responsible for the Jean Monet bombing. It also increased the perceived severity

3 Being photographed at the hospital shaking the hand of the father of a wounded child was thought to be an opportunity to communicate sympathy to the victims and concern for public security; however, this man later ended up a suspect to the crime. The media played it up and this seemingly innocent gesture resulted in a great deal of negative public reaction.

following the bribery scandal, since the EU Commission singled out bribery and corruption as major obstacles for Romania's future EU accession. Demands from the IMF to establish systems of economic stability put additional pressure on the Romanian government to respond forcefully to the FNI crisis. EU and NATO integration, and the difficulty in balancing them at the same time, was the very essence of the ICC crisis. While the desire to convey a strong sense of responsibility and maturity to international organizations was visible in nearly every case, the internationalization strategy was most evident in the management of the diplomatic conflict with Moldavia, as explained below.

The eight cases analyzed in this book support only in part the proposition of international pressure creating tensions in domestic politics. Similar to many other post-communist states, developments towards international integration and the aspiration for membership in international organizations have been explicit political goals in Romanian foreign policies since 1989. What makes the Romanian context somewhat unique was the public's strong support for international integration (see Apahideanu, this volume). Domestic reforms were in concordance with international demands and thus often gained quite a bit of legitimacy from the public. The strategy of using international demands as a justification for change and reforms in the institutional system was evident in several of the cases. Several, but not all, of the cases revealed how pressure for international adaptation was successfully utilized as a trigger for institutional reforms that would have otherwise been difficult to pursue. In this respect, the Romanian findings differ somewhat from those on crisis management in transitional states (Stern and Nohrstedt, 2001; Stern and Hansén, 2000; Buus et al., 2005). In fact, some of the crises in other transitional countries were triggered by conflicts of interests regarding international integration.

Yet as is already mentioned in the beginning of this chapter, the developments in democracy inspired by international integration led to clashes between the old system and the new one. The government's tendency to utilize crises to implement reforms backfired in some cases and actually served as catalysts for crisis escalation. The miners' crisis and the healthcare crisis illustrated how international pressure, or rather the uncontested conviction to adjust to these pressures, in fact intensified these crises. Under extreme pressure to comply with the IMF requirements and eager to obtain EU and NATO membership, the Romanian government decided to challenge the miners' traditionally strong position, acquired during the decades of communist leadership (see Gavril, this volume). Unexpectedly, the miners received a great amount of sympathy from the general population. The fact that the government was not in tune with the public's position contributed to the escalation of a seemingly harmless demonstration, something that paralyzed economic and political life in Romania for several weeks. The government made pledges to the international organizations

in an attempt to increase credibility for its domestic reforms, but nevertheless the Romanian government was caught in a sticky situation. It was not acceptable for a country seeking an international position to enforce domestic reforms with repressive methods, which in any way could be associated with an autocracy. Since the Romanian government clearly understood the importance of showing maturity and democratic responsibility, the controversial reforms were hampered. The classic balance between effectiveness and legitimacy was put to the test in the management of the miners' crisis.

The healthcare crisis unveiled a conflict between the 'new order', pursued by the government, and the old elite, represented by the medical profession in coalition with the pharmaceutical companies. While the healthcare system had been reformed within a new framework of insurance laws, the medical profession fought to maintain its financial and managerial control of the system. Due to the media and strong public opposition, the government was unable to push through its long-term reform package and this preserved elements of the old system, which upheld the doctors' powerful position. Ironically without these reforms, the Romanian healthcare system now pays the international pharmaceutical companies eight times more than it did at the time of the crisis.

In five of the eight cases examined in this volume, international pressure and the strong political will to adjust to its demands actually alleviated the severity of the crises by providing legitimacy to the coping strategies. In response to the international pressure following the bribery scandal, Prime Minister Nastase used the international demands as a tool to force his own party to accept the sacrifice of Secretary General Mihailescu, as well as to accept some symbolic gestures in fighting corruption at the institutional level (Apahideanu and Jinga, this volume). In both the drug crisis and the Jean Monet bombing crisis, international demands legitimized reforms regarding certain medical and legal professional bodies. In the Jean Monet bombing case, some liberties were sacrificed when adopting laws against terrorism, especially those regarding public transparency and restrictions on the media's access to public court papers and trials. Legitimacy for such reforms came from international pressure and the need to comply with NATO and the EU. For example, international legislation on fighting drug trafficking and its respective institutional framework were harmonized with the EU aquis (Vasilescu, this volume). To a great extent it was international pressure that led to a reframing of the drug problem in Romania, from a matter of crime prevention to consumption prevention. International pressure served as a motivating force at the national level in Romania, where the benefits of favorable international relations were evident. At the same time, it was more difficult to legitimize the relevance and importance of projects within this policy area at the local level, since these projects did not always receive strong public support.

The ICC crisis (see Ivan and Dimescu, this volume) was complex due to the fact it involved conflicting international demands from the US (threatening Romania's NATO membership at the upcoming Prague summit) and from the EU (possibly delaying its EU membership). The Romanian government underestimated the dynamics of these transatlantic relations, largely due to the fact that Romania was not yet a member of either of these organizations and thus did not have the same access to the informal and formal communication channels. These dynamics led to stronger reactions from the EU than the Romanian Ministry of Foreign Affairs had anticipated. As a result, the EU's requirements had to be presented and explained to a very US-friendly population. The fact Romania eventually obtained NATO membership helped to deescalate this conflict.

During the Romanian – Moldova crisis, the Romanian government was in a situation where it could, on the one hand, pick short-term political goals in the domestic arena by interfering in Moldova politics (a sovereign state) in order to protect ethnic Romanians in the country. On the other hand, it could frame the problem in accordance with European values of democracy and human rights and depict itself as a mature actor on the international arena. Once the crisis escalated, the Ministry of Foreign Affairs successfully used international observations and its need to comply with NATO as arguments for calming the people's demands for an official intervention in order to protect the ethnic Romanians' position. These arguments were also effectively used in preventing the media from arousing the public and encouraging them to take to the streets of Chisinau.

How is it then that international demands and pressure sometimes facilitate legitimacy for domestic political strategies in crisis management, and other times not? Arguably, reforming deep societal structures and strong interest constellations, which are rooted in political history and tradition, is painful. Visions of future membership in the European club could not cover up that fact in Romania, not even with a population eager to obtain EU membership. On the contrary, when there is widespread public dissatisfaction for some part of a national political system, the vision of international integration becomes more attractive. In other words, a 'common belief' is created that corruption, drug trafficking, and terrorism will be less prevalent in a political system integrated in the European and trans-Atlantic structures. This same argument is less likely to be accepted by social and professional groups whose power is closely tied to maintaining the status quo.

By way of summary, it should be mentioned that despite strong public support for international integration (in particular, EU membership), the situation should not be taken for granted. EU membership (and all it implies) will argu-

ably have its share of costs and sacrifices for the population. This subject will certainly be intensively debated in the future.

Concluding Remarks

Romania has experienced a remarkable political, economic and societal transformation in the last fifteen years. In this book, we have tried to outline some of the key episodes and trends in this transitional process. To a great extent, our findings coincide with the patterns revealed in other transitional states studied by CM Europe researchers. In addition to the willingness to adapt to international requirements, a major feature that permeated Romanian politics in the field of crisis management was the use of international demands as a tool to legitimize domestic reforms. Strengthening the institutional capacity in order to enhance crisis coping capacities was a necessary and ongoing process in Romania. As in most, if not all, transitional countries, institutional gaps and overlaps can create a weak organizational infrastructure for crisis prevention and response. But strengthening these capacities by blindly implementing Western solutions is dangerous and the challenge of adapting general solutions to the local context should not be underestimated. Disregarding contextual factors and timing considerations and simply embracing institutional models for crisis management just because they are in line with EU requirements can actually weaken an already vulnerable institutional infrastructure for crisis management and prevention.⁴

Crisis communication is an increasingly essential part of crisis management in any democratic or democratizing country. Public influence, legitimacy, and transparency have become prominent features of democracy and democratic governance. Whereas politicians in the old communist system could count on an obedient and supportive media, public servants in a transitional state are confronted with a more aggressive, commercially oriented, and critical media. Strategies that might have been effective in the old system (such as using the media as a megaphone for sending political messages) today threaten to escalate crises. A closer examination of the crisis management patterns in Romania revealed that the decision makers did not understand the dynamics of crisis communication and the media's new role. Consequently, media relations and crisis communication were poorly handled in many crisis situations. While there was some willingness to communicate openly with the media, decision makers typically ended up taking a reactive, rather than proactive, position in the media and they fell into well known "credibility traps."

⁴ One such example was the FNI crisis. The financial market was liberalized before regulation mechanisms had been created and tested.

These were some of the main findings in our analysis of the eight empirical case studies presented in this book and we hope they are of great benefit to the crisis management system in Romania. The recent floods in Romania and Bulgaria as well as the avian influenza issue have painfully reminded us that crises are, and will continue to be, a reality from which no government can escape. Awareness and preparedness will not change that fact, but they can help crisis managers handle unfavorable situations better, alleviate the negative consequences of a crisis, and contribute to strengthening a crisis management system. It is important to draw lessons from past experiences and apply them to improving crisis management training and practices. The joint research project between Sweden and Romania, which has resulted in this volume on crisis management, has been one modest step in that direction.

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