

# Romania

by Alina Mungiu-Pippidi

<i>Capital:</i>	Bucharest
<i>Population:</i>	21.7 million
<i>GDP/capita:</i>	US\$9,165
<i>Ethnic Groups:</i>	Romanian (89.5%), Hungarian (6.6%), Roma (2.5%), Ukrainian (0.3%), German (0.3%), Russian (0.2%), Turkish (0.2%), other (0.4%)

*The economic and social data on this page were taken from the following sources:*

**GDP/capita, Population:** *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Re-construction and Development, 2006).

**Ethnic Groups:** *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

## Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	2.75	3.00	3.00	2.75	2.75	2.75	2.75	2.75
Civil Society	3.00	3.00	3.00	2.75	2.50	2.25	2.25	2.25
Independent Media	3.50	3.50	3.50	3.75	3.75	4.00	4.00	3.75
Governance*	3.50	3.75	3.75	3.75	3.75	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.50	3.50	3.50
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.00	3.00	3.00
Judicial Framework and Independence	4.25	4.25	4.25	4.25	4.25	4.00	4.00	3.75
Corruption	4.25	4.50	4.75	4.50	4.50	4.25	4.25	4.00
Democracy Score	3.54	3.67	3.71	3.63	3.58	3.39	3.39	3.29

\* With the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author of this report. The opinions expressed in this report are those of the author. The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

## EXECUTIVE SUMMARY

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Since its 1989 “entangled revolution,”<sup>1</sup> Romania’s politics can be roughly divided into two phases. The first, democratization, followed the only “revolution” in Central and Eastern Europe that did not bring about a victory of anti-Communists in the subsequent elections. Ion Iliescu, a former Communist leader, and his populist National Salvation Front, which campaigned with slogans against party politics and Western capitalism, won an overwhelming victory after free but unfair elections in May 1990. The second phase, democratic consolidation, began with Iliescu’s peaceful departure from power in 1996 after losing the elections to a coalition of anti-Communists and deserters from his own party. His return to the presidency in 2000 did not change Romania’s steady course toward European Union (EU) accession. In 2006, Romania steadily pursued and met its EU integration deadlines. While many saw Romania’s forthcoming EU membership (beginning in 2007) as “an end of history,” Romanian public opinion proved to be the most supportive of EU integration out of all European countries. Postponement of the country’s EU membership would have been perceived as a disaster and entailed a serious electoral cost.

**National Democratic Governance.** The Romanian government was relatively stable in 2006, despite continuous squabbles within the government coalition, which achieved its main objective—EU integration from January 1, 2007. The Conservative Party’s departure from the governing coalition at the end of the year deprived the government of the small, mostly theoretical majority it enjoyed in the Parliament. *Romania’s national democratic governance rating remains at 3.50.*

**Electoral Process.** Despite President Traian Basescu’s appeal for early elections, they were not held in 2006. Opinion polls continued to show a larger majority of the coalition Truth and Justice than what the party actually held in parliamentary seats. Romania improved the Law on Political Parties and Electoral Campaign Financing to introduce better control mechanisms and passed legislation for the first European elections, set for 2007, on the basis of national lists. *Owing to a lack of substantial improvements, Romania’s electoral process rating remains at 2.75.*

**Civil Society.** From political integrity to the environment, Romanian civil society continued to advocate effectively on various policy issues in 2006. Pending EU integration, however, with both its challenges and opportunities for civil society development, exposed the insufficient diversification of nongovernmental organization (NGO) income sources in Romania and therefore the vulnerability of the sector. Civil society had also to withstand virulent attacks from politicians

and attempts to create a “fake” or counter–civil society by major political players, a challenge that persists. *Romania’s civil society rating remains at 2.25.*

**Independent Media.** In a year that otherwise saw an extremely lively and often unaccountable media, concentration of media ownership accelerated in 2006. Despite this concentration of traditional media, new media have developed impressively in 2006, drawing on a variety of sources and overall increasing the pluralism of media sources in Romania. A spokesperson for Romania’s main secret service revealed that some agents serve as journalists, triggering a serious crisis of confidence. The criminal code was amended to decriminalize libel, and ongoing lawsuits were effectively ended owing to this legal development, only to have the Constitutional Court later reverse the amendment and recriminalize libel. *As criticism of the government and president appeared openly throughout the country’s print and electronic media, Romania’s independent media rating improves from 4.00 to 3.75.*

**Local Democratic Governance.** A comprehensive legal package was passed in 2006 that aims at providing more coherence and effectiveness to decentralization and civil service legislation. The national mechanism to distribute and administer regional EU funds, which seemed certain to empower mostly the subnational tier of government, also received finishing touches. New legislation prohibiting political migration, a problem since the 2004 local elections when more than a third of mayors left their original parties, became active in summer 2006. *Romania’s local democratic governance rating remains at 3.00.*

**Judicial Framework and Independence.** With Justice Minister Monica Macovei’s reform attempts praised by EU authorities and criticized by opposition parties and some of civil society, 2006 by granting temporary release requests of hard-sought defendants facing corruption charges and by opposing the government policy to make judges more accountable. *As judges appear to have gained more independence from the government, Romania’s judicial framework and independence rating improves from 4.00 to 3.75.*

**Corruption.** Corruption remains a problem in Romania, both with top officials and at the grassroots level, including universities. Anticorruption efforts, however, appear more effective than ever. Those charged by Romania’s Anticorruption Prosecuting Department included a deputy prime minister of the current government, a former prime minister, several members of Parliament (MPs) and government officials, and an entire local council, among others. This same office has secured hundreds of convictions. *Owing to the growing effectiveness of anticorruption reforms, Romania’s corruption rating improves from 4.25 to 4.00.*

**Outlook for 2007.** Once Romania attains its main political objective (EU accession), the potential for political unrest, as evidenced in the push for early elections and the government coalition conflicts in 2006, will become more likely in 2007.

Substantial adjustment to EU standards and coping with integration will create a challenging environment for the government. Although the government of Prime Minister Calin Popescu Tariceanu lacks a majority in the Parliament, only European Parliament elections are scheduled in 2007. With low administrative capacity, it seems likely that EU funds earmarked for 2007 will not be spent and that Romania's membership contribution to the EU budget will surpass the amount of funds it receives. The lack of a majority in the Parliament may stall the passage of legislation remaining for Romania's EU integration. This may lead to activating a safeguard clause in the Romania-EU accession treaty, blocking the recognition of Romania's judicial rulings in the European Union.

# MAIN REPORT

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## National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	3.50	3.50	3.50

Two distinct political dynamics manifested in Romania in 2006. On the one side, the frail government coalition and its dominant member, Truth and Justice (TJ, itself a coalition), entered a process of slow disintegration both in the Parliament, where government bills met opposition from coalition members, and in the media, where bickering nourished daily tabloid talk shows. On the other side, a government further weakened by this process struggled throughout the year to meet tough EU entry conditions upheld by the European Commission (EC). Prime Minister Calin Popescu Tariceanu's majority survived by only a few seats, including the non-aligned group of ethnic minorities, and met frequent gridlocks, especially with its highly sensitive anticorruption legislation.

Despite Justice Minister Monica Macovei's efforts and endorsement by the EC, anticorruption legislation met constant difficulties in the Romanian Parliament, leading to a much milder version than that anticipated by the EC and the government. The monitoring reports of the EC<sup>2</sup> described in great detail the further steps needed in Romania's preparation for EU accession. These reports guided most of the government's activity, first in asking the commission to clearly state the entry date as January 2007, then in implementing their suggested steps and winning support from the Parliament. Gaining support from EU member states in ratifying Romania's accession treaty (signed in 2005) also required intense diplomatic work. Yet the government met both objectives by the end of 2006.

The government was continually hindered in 2006 by its inability to summon a majority in the Parliament, which shifted in favor back and forth between the government and the opposition throughout the year. Maintained by only a few seats, the government coalition majority lacked discipline and, on many occasions, collapsed. Furthermore, absenteeism made gaining the absolute majority required by a number of laws difficult to impossible. In addition to these overarching problems, the two small government coalition members, the Conservative Party (CP) and the Hungarian Alliance (DAHR), went against the coalition on a number of important votes, in both the committees and the plenum.

Frequent squabbles occurred within TJ itself, the main government member. This internal conflict has its origins in a dispute over calling for early elections in 2005 or 2006. According to opinion polls, a solid majority, 40–50 percent, supported TJ throughout 2005 and 2006, considerably more than the 34 percent of seats held by the party in the Parliament. The two members of the TJ coalition, the National Liberal Party (NPL) and the Democratic Party (DP), differed on how to

establish a majority. President Traian Basescu frequently denounced cooperation with the CP as “immoral” and the compromises needed to keep the government coalition going as “unacceptable.”

Although no longer head of the DP—according to the Constitution, the president, once elected, may no longer serve as a party member—Basescu was endorsed by the Democrats. The NPL opposed early elections, fearing that Tariceanu would not regain his position as prime minister. Tariceanu enjoys a good relationship with the CP, the party led by media mogul Dan Voiculescu. The CP (formerly the Humanist Party) consistently stands below the electoral threshold in polls, but through negotiations it entered the last two government coalitions. The CP deputy prime minister in the Tariceanu government, George Copos, resigned under pressure in 2006 when he was charged with tax evasion by the Anticorruption Prosecuting Department (DNA). The party head, Voiculescu, then sought to replace Copos himself, but he ultimately decided to pull out from the government in December 2006, blaming President Basescu’s alleged persecution of the CP.

The DAHR and NPL expressed similar discontent with Basescu. By the end of 2006, the DAHR, which defected on numerous anticorruption bill votes, also confronted serious judicial problems. Deputy Prime Minister Marko Bela, head of the DAHR, found himself under investigation for an alleged bribe<sup>3</sup> which involved DAHR communications minister Zsolt Nagy, as well. Corruption investigations also involved prominent DAHR MP and businessman Attila Verestoy. Dinu Patriciu, the NPL’s richest member and a close friend of Prime Minister Tariceanu, faced charges on several counts in 2006 after years of investigation. He sued the government for damaging the image of his oil business, Rompetrol, a former state company. Prime Minister Tariceanu’s interventions on his behalf stirred major reciprocal accusations of tampering with justice. This unprecedented wave of charges against top officials, which did not spare the president’s party, placed Basescu in an unpopular position with political parties. Furthermore, many perceived Basescu as the main supporter of Minister Macovei, who with EU approval encouraged prosecutors to end the immunity of high officials from anticorruption investigations.

Romania’s political stability came under threat throughout 2006. In May, a no-confidence vote provoked by the opposition had Prime Minister Tariceanu and the liberals worried, and rumors circulated regarding a secret deal between the opposition and the DP. The EC intervened, as the vote was scheduled immediately following the release of their report, signaling that the government should work on accession during the summer rather than shift their attention to early elections. The no-confidence bill fell in the end.

In June, the NPL minister of defense, acting in coordination with the prime minister and without prior discussion with TJ, proposed before the Supreme Defense Council (Romania’s constitutional decision body in defense matters) that Romania remove its troops from Iraq. The proposal stunned the pro-American Basescu, who was scheduled to visit U.S. president Bush within a few days’ time. The vote divided the liberals, with finance and foreign affairs ministers siding with the president. The political situation grew worse in the following days, with the

NPL sanctioning its dissenting ministers and the president pushing for the minister of defense to step down. The minister of defense filed complaints against the president's chief aide, Adriana Saftoiu, and an opposition MP. Despite being cleared in the end, Defense Minister Teodor Atanasiu received his suspension from Basescu, resigned in October, and was later replaced by a Democrat, Sorin Frunzaverde.

The frailty of Romania's civilian control over the military was demonstrated in July 2006. Omar Hayssam, the Romanian-Syrian businessman charged with kidnapping three Romanian journalists in Iraq the previous year, filed for release from prison where he awaited trial, claiming to suffer from terminal cancer. Despite feeble medical evidence, the court granted his release without enacting a follow-up surveillance mechanism. Hayssam, at one time considered a threat to national security, left the country practically unhindered, leaving behind scores of unanswered questions.

President Basescu responded by asking for the resignations of the three heads of the secret services. The president also sacked Prosecutor General Ilie Botos. The parliamentary committee for defense sided with those who resigned and criticized the president, but they did not reverse their decisions to resign. The Parliament, except for the DP (the president's party), also flatly refused to allow the interim leadership to run the secret services until new legislation was passed. The opposition parties and the NPL feared that Basescu would show favoritism in proposing nominations for the vacated jobs. The constitutional right to appoint heads of service lies with the president, but the Parliament must approve the president's nominations. In this case, lacking support from the Parliament, Basescu made a deal with the opposition and appointed one of his advisers and a member of the opposition Social Democratic Party (SDP).

The executive chaired the creation of new, comprehensive security legislation beginning in 2005. The first hearings went poorly, both in the Parliament and in the Supreme Defense Council, and the drafts were classified despite 2003 legislation providing for transparency in policy making. Public objections led to the declassification of the drafts, but mistrust remained high. Civil society and the Ministry of Justice contested articles in the draft written by the secret services. For example, the current legislation draft preserves the right of the secret services to own businesses and introduces the right, in certain cases, to tap phones without a warrant. The secret services have also reportedly provided cover for their agents as journalists, an unpopular practice with the media. The NPL blamed the controversy over the bill on President Basescu and his close ties with the secret services. The government presented a separate draft, which provided for a reduction in the number of secret services. The government and the president's office worked out a conciliatory draft over the summer but did not attain final approval.

The Council for Screening the Archives of the Securitate (CNSAS) provides another source of discontent between the president and political parties. Following Basescu's orders, since 2005 most archives have been transferred to the civilian authority from the secret services. The Supreme Defense Council also ruled that files of politicians, previously classified on grounds of national security, should

become available to the CNSAS for screening. Suspicions persist that the security services handpick what to give to the CNSAS, even if only a tenth of such files have been declassified so far. Furthermore, a politically appointed board representing all parties in the Parliament runs the CNSAS, stirring suspicion that some decisions are negotiated or voted according to political instruction.

Amid media skepticism, the CNSAS disclosed a number of politicians in 2006. Former SDP justice minister Rodica Stanoiu, who was declared an informant, immediately resigned from her party and joined the CP. The NPL also suffered losses as new information revealed the unpopular past of a number of its politicians. The government sent the Parliament a proposal to improve the current legislation, which had stalled by the end of 2006. The chief merit of the proposal is that it tries to reduce the latitude of the CNSAS board to interpret evidence. Current legislation requires the board to pass a verdict on “political police” on a case-by-case interpretation of individual acts. Therefore, receiving a salary from the Securitate or having served as an informant does not automatically lead to a finding of guilt by the CNSAS. The government draft replaces “guilty of political police” with “Securitate collaborator” and proposes a number of steps to differentiate within this status. As the proposal would make it more difficult for political appointees in the CNSAS to shield their own parties, the government struggles to find the needed majority for its approval.

In 2006, former president Emil Constantinescu reiterated his allegations that current president Basescu worked as an informant and in the foreign service of the Securitate while a trade representative in the 1980s. The CNSAS claimed that no file exists for the president. It made similar claims in November 2006 when the NPL’s nominee for Romania’s EC member, Varujan Vosganian, faced similar accusations by a former Securitate defector. Despite the lack of evidence, Vosganian had to step down. Public mistrust remains high as informants who worked for the external service continue to receive protection from the secret services.

Political relations deteriorated between Romanians and Hungarians in 2006. The Law on Minorities, which was presented by the DAHR and introduced institutions of self-government for the Romanian–Hungarian community, stalled in discussions with the DAHR’s coalition partners. The Szecklers Council for Autonomy, a more radical Hungarian group, took advantage of the situation to reintroduce its proposal of territorial self-government for Hungarians living in the Szecklers<sup>4</sup> counties, which account for roughly half of the Hungarians in Romania (the remainder are spread over more ethnically mixed areas). The DAHR, which holds a long-standing monopoly of Romanian–Hungarian representation, did not want to appear less radical than its contenders and endorsed the proposal. This provoked nationalist reactions from some Romanian parties, which denounced the move as a threat to the constitutional order. The Szecklers Council announced its intention to organize a referendum of inhabitants in those counties on the issue. The DAHR, despite its remarkable achievements, including several positions in the central and local governments, has long advocated ethnofederalism. Further complicating the matter, most DAHR leaders have served in the government for

several years with both the Left and the Right, according to Romania's organic power-sharing model. Some have accumulated personal fortunes during their years in politics. Traditionally a pro-EU party, the DAHR often found itself opposing the anticorruption legislation proposed by its own government and required by the EU in 2006.<sup>5</sup>

DAHR leaders also control the funds for the Hungarian community coming from both the Romanian and the Hungarian governments, money frequently channeled through their individual foundations, which angers other Hungarian groups and weakens their position vis-à-vis these more radical challengers. This internal competition, combined with the Romanian parties' lack of negotiating skills, led to a serious escalation over the territorial autonomy of the Szecklers. President Basescu flew to the region for a popular local feast and shook hands with autonomist leaders to alleviate public fears of imminent violence. While Romanian nationalists sought to outlaw the potential referendum and Hungarian leaders oscillated between radical and moderate positions, Basescu tried to position himself as the authoritative arbiter, which the Constitution demands of the president in such situations.

#### Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
2.75	3.00	3.00	2.75	2.75	2.75	2.75	2.75

Despite the president's wish for early elections, none were held in 2006. In June, the Romanian Parliament adopted the Law on Political Parties and Electoral Campaign Financing, promoted by the Ministry of Justice as part of its anticorruption strategy and initiated largely by the civil society group Pro Democracy Association. The law improved existing regulations by pushing for implementation of the existing framework. The new bill transfers some control over party funding from the audit court to a specialized institution—the Permanent Electoral Authority—and introduces supplementary transparency elements. Yet no guarantee of implementation exists, nor is there any certainty that civil society monitoring would not remain far more effective than official monitoring. The current bill also includes a provision that political parties with a greater number of women elected in the Parliament will receive supplementary funds from the government. The funding of parties remains mixed from public and private sources.

The two chambers of the Romanian Parliament created a joint committee to improve the legislative framework for general, local, presidential, and European Parliament elections. On October 19, 2006, the joint committee scheduled elections for the European Parliament, as Romania's EU accession treaty specifies that these must be held in 2007. Romania has 35 seats in the European Parliament according to the EU Nice treaty. Elections will take place at the end of spring 2007 on a proportional system based on national lists, with the usual 5 percent threshold (the rest distributed by the D'Hondt method).

Romania has a proportional electoral system with a 5 percent electoral threshold, which many blame for the political corruption that has led civil society actors as well as nearly all political parties to develop their own pet projects in electoral reform. Voters based in Romania (as Romanians abroad may also vote in special voting sections organized in their countries of residence) will identify themselves with only a voter ID card in the 2007 European Parliament elections. Previous identification methods opened the way to minor fraud in the 2004 elections, in which individuals could easily remove the stamp indicating they had voted, opening the door to multiple voting. Although voter ID cards were printed years ago, not all voters received them.

Parties must present 200,000 supporting signatures to enter electoral competitions; 100,000 signatures are required for independent candidates. The bill also eliminated other sources of fraud, such as special voting sections in Romania (train stations, airports, and so on). Parties will enjoy equal and free advertising time on public media. The parliamentary committee will also need to improve the functioning of the Permanent Electoral Authority and decide on the next legislative and presidential elections. Several propositions exist to change the current voting lists in favor of variants of majority or mixed systems, which would allow for more personal accountability. Lists remain highly unpopular with Romanian civil society and voters. Many of the latter do not know their county representatives in the national Parliament.

The popularity of political parties evolved little in 2006. TJ, despite internal bickering, remains highly popular with over 40 percent of voters, mainly because of its success on EU integration. The opposition SDP, plagued by internal scandals and the inability to rid itself of corrupt “local barons,” remains at roughly 20 percent popularity, mostly among rural voters. The Greater Romania Party faces a challenge with the New Generation Party, led by right-wing populist Gigi Becali. According to polls, Becali’s party has 5–6 percent of voter support and might enter the Parliament in the next elections. President Basescu remains the most popular politician, and Monica Macovei is the most popular minister. The reliability of polls, which are paid for by political parties, continued to decline in 2006.

#### Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
3.00	3.00	3.00	2.75	2.50	2.25	2.25	2.25

Most Romanians, known for their Euro-enthusiasm, see the forthcoming EU integration as great news, but not so for Romania’s civil society. In 2006, concern grew that civil society funding, which in Romania comes mostly from institutional rather than business sources, might dry up after 2007. The experience of other EU-integrated Central European countries has not painted an encouraging picture in this respect. The Romanian Civil Society Development Foundation, originally

established to distribute EU funds to NGOs, lobbied throughout 2006 for the continuation of special funds. EU assistance does not cover NGOs directly but goes to farming and development projects, while NGOs receive indirect assistance through large funds that cover various consultancy costs.

Preaccession programs, however, did benefit NGOs in Romania. Many social organizations have developed from local EU PHARE funds by taking over tasks from local governments, especially in the fields of child protection and education. Most of the concern, therefore, gravitates around NGOs that fulfill various watchdog roles. Some, including the Media Monitoring Agency, Romanian Training Institute, and Local Development and Partnership Foundation, initiated the European Funds Transparency Coalition, whose goals include monitoring the spending of these funds in Romania, promoting citizen participation in prioritizing projects financed from European funds, and increasing the transparency and public awareness of these projects.

Problematically, these organizations also bid for European funds, creating a situation where public authorities encounter these NGOs in their double capacity as both controllers and applicants. The Romanian chapter of Transparency International, for instance, bids for projects funded by the EU and managed by institutions that it monitors, such as the DNA or the Superior Council of Magistrates. The institutions themselves often make the decision on which bids to accept.

The much publicized 2 percent income tax deduction for NGOs had a smaller than expected impact on the financing of the third sector. On average, Romanians earned about 300 euros (US\$400) gross per month in 2006, with a flat income tax of 16 percent. To raise US\$10,000, an NGO must appeal to tens of thousands of people, a cost that runs the risk of outmatching the benefits.

The Romanian Coalition for a Clean Parliament (CPC), an NGO alliance initiated during the 2004 elections, announced its decision to monitor the elections for the European Parliament, using the same methodology as in 2004. All main Romanian political parties (SDP, NPL, and DP) announced they would cooperate with civil society in the effort to present a “clean” list of candidates with credible records. The CPC also lobbied intensely and assisted the Ministry of Justice in creating an official body to oversee asset statements and conflicts of interest among dignitaries, magistrates, and top civil servants. This project followed the model of the U.S. Office of Ethics and met considerable opposition in the Parliament. Other NGOs, notably the Romanian Open Society Foundation, initially sided with MPs, claiming that the project breached certain human rights, but later came to the side of the CPC by declaring the modified bill too weak to create an effective control body. Since the success of the CPC in 2004, parties have openly courted civil society leaders or organizations to gain their support and have created new NGOs mimicking the main civil society organizations. As obtaining EU funds requires cooperation with the government, there is a real danger that Romania’s small civil society could become co-opted in the coming years.

In 2006, an ad hoc alliance of NGOs and intellectuals asked President Basescu to issue an official condemnation of Communism. Basescu turned to a committee

of historians and former dissidents chaired by Vladimir Tismaneanu, a Washington, D.C.-based political scientist, to produce a report highlighting the crimes of the Communist regime. Romania does not have a lustration law banning Communist collaborators from political positions, only a stalled draft bill. The condemnation of Communism drew considerable opposition from political parties with ties to the old regime. During Basescu's speech on December 19 in the Parliament, the opposition Greater Romania Party staged a protest, crying out, "Thieves...you are unworthy of Ceausescu (Romania's dictator, 1965–1989)," and so forth.

Unions play only a minor role in Romania, as leaders frequently receive seats in the Parliament on various party electoral lists. Despite organizing frequent strikes for wage increases, Romanian unions fall short of providing a genuine, autonomous civil society. Many union leaders gained their positions in the early 1990s. *Cartel Alfa*, which includes education unions, is a slightly stronger form of union and threatened a months-long strike to increase the education budget (Romania devotes the smallest share of gross domestic product among all EU member states to education). *Cartel Alfa* has also campaigned with broader civil society and takes part in many civic oriented coalitions, such as Coalition for a Clean European Parliament. In 2004, the Romanian government created a consultative body to allow direct meetings between NGOs, ministers, and the prime minister. Although not very active, the body has proved instrumental in prompting negotiations on laws where civil society disagreed with the government.

New NGOs became clearly visible in 2006. For example, *Ad-Astra*, a network of top researchers based in Romanian universities and abroad that promotes standards of quality in higher education and research, has quickly become a consulting source for the media on education issues. The group has also sued key state universities to force the publication of university employee salaries. Romania's universities complain of underfunding, but administrators sometimes earn 10 times more than their colleagues by abusing their institutional autonomy.<sup>6</sup> Corruption in universities is widespread, and students may buy dissertations from specialized Internet sites.

#### Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
3.50	3.50	3.50	3.75	3.75	4.00	4.00	3.75

In 2006, there was much discussion over the alleged role of the Romanian secret service in the country's independent media. An official spokesperson for the Romanian Information Service (SRI), the main domestic secret service, admitted to an investigative journalist that the SRI had provided cover for several agents as journalists. Former SRI heads rushed to either confirm or dispute this testimony:<sup>7</sup> One claimed that the practice did not exist during President Emil Constantinescu's regime; another claimed that other Romanian secret services maintain even greater

numbers of undercover agents than the SRI. After the CNSAS gained numerous Securitate files, these revelations fed a widespread conspiracy theory that most of the press takes part in the propaganda and disinformation structure run by the secret services in cooperation with Mafia networks built on the Russian model. Civic Media, an NGO set up by journalists at the Bucharest based daily *Ziua* who confessed to serving as informants, put pressure on the CNSAS to disclose other Securitate informants.<sup>8</sup> The situation was further complicated by anti-Semitic attacks from Civic Media members against Vladimir Tismaneanu, appointed in 2006 as head of the Presidential Commission for the Study of the Communist Dictatorship in Romania. Tismaneanu, a professor at the University of Maryland, was labeled “Agent Volodea,” although the CNSAS fully cleared him of all allegations of cooperation with the Securitate.

The issue of collaboration in Romanian media remains quite ambiguous. Although legal protections require the blacking out of names of collaborators in Securitate files, individuals reviewing the files have still been able to identify those who spied on them and have made public disclosures. And Ceausescu’s top propaganda activists continue to be active in the media, promoting the same national Communist line of the past. Current covert agents pose an even greater problem, as the law does not require their disclosure. In fact, many journalists suspect, despite a lack of evidence, that only those Securitate informants who quit after 1989 have been disclosed. Covert agents and retired agents working in the media might explain why Romanian media owners insist on appointing unknown journalists to executive positions.

Furthermore, Romanian media are heavily editorialized and frequently run stories without sources, publish innuendo, or stage wild campaigns on issues that would traditionally not make news in other professional media. Headlines differ considerably, according to the agenda of the owners. In such an environment, significant room exists for covert agents to gain influence, spread diversions, or manipulate the public agenda.

At the end of October 2006, the Cluj prosecutor arrested a group of Transylvanian journalists (including the reputable journalist Liviu Man) as well as former secret service agents for an alleged blackmail attempt. Those who denounced the group claimed they were blackmailed with disclosure and negative coverage unless they bought advertising. When the suspects were denied bail, their lawyer declared that his clients were victims of the local Mafia and struggled to move the trial to a more neutral location.

Additionally, concentration in media ownership continued to increase in Romania in 2006. Controversial businessman Sorin Ovidiu Vantu took over significant “independent” media outlets by acquiring the daily *Cotidianul*, a weekly, the investigative magazine *Academia Catavencu*, and a radio station—these outlets are additions to his influential television channel, the all-news Realitatea. Vantu also started his own news agency, Newsin, and a business TV channel. While not known to interfere openly in the editorial freedom of his journalists, Vantu took a political stand against President Basescu during the year.

Vantu and other media owners benefit from Romania's lack of antitrust regulations. In 2006, Adrian Sarbu bought the daily *Gandul* and is already owner of a significant share of ProTV (a Central Media Enterprise venture), a string of radio stations, the main news agency (Mediafax), and a sports daily. Dan Voiculescu, CP head and the third oligarch in the media landscape, owns two TV channels, a daily, and a financial weekly. Voiculescu transferred control of his media holdings to his daughter, Camelia, when entering mainstream politics; currently, a full and separate editorial team works solely on news concerning him and his party.<sup>9</sup> When one of his editorialists expressed disgust after the CNSAS exposed Voiculescu as an informant in 2006, Camelia sent a statement to Antena 1, the top evening news television station and the family's main outlet, denouncing their collaboration and threatening the editor for not censoring his piece.

Together, these three owners enjoy more than two-thirds of the TV political news market. The situation is more balanced in print media, where the three share influence with Dinu Patriciu, the oil tycoon who bought the daily *Adevarul*. The Swiss publishing company, Ringier, is the fifth largest company in the market and owns the best-selling tabloid, *Libertatea*, and the second most popular mainstream daily, *Evenimentul*, as well as a sports daily.<sup>10</sup> Although the public is concerned about media concentration in the hands of tycoons, investigations into media tax evasion, and other fraud, the media appear to be free. Widespread media criticism of the government and especially the president persists, with talk shows dedicated to bashing the president, sometimes in vulgar and violent terms. Basescu called a number of talk shows to argue with his critics in 2006, an unprecedented practice. Disinformation wars rage continually in the media, but the patient viewer or reader can find credible information alongside misinformation.

The best-selling daily has a circulation of 100,000 copies in a country with over eight million households, and the cumulative circulation of the six best-selling dailies barely amounts to 300,000. Romanians increasingly spend time watching television, particularly reality shows or live broadcasts depicting celebrity lives. Glossy monthlies sell well, while weekly circulations struggle below 30,000. Few of the Romanian print media turn a profit, news outlets least of all. By contrast, Internet media do well. News sites such as Hotnews.ro and sites maintained by the main newspapers enjoyed over two million visitors in September 2006 alone, topping Internet consumption.

In July 2006, amendments to the criminal code decriminalized libel. All criminal lawsuits were automatically dropped. However, critics attacked these decriminalization efforts as unconstitutional, which brought the issue before the Constitutional Court. In December the Constitutional Court reversed the amendments and decided to recriminalize libel, arguing that the right of a person to maintain his or her image is constitutional. The issue might be revisited with the passage of a brand-new criminal code, expected in 2007.

Two cases of open censorship occurred in 2006. In March, Romanian police in Tirgu Mures County confiscated the entire circulation of the Hungarian-language newspaper *Európai Idő*. The newspaper carried the self-government 12-points

program of the Szecklers Council for Autonomy and a text asking for the creation of an independent Szecklers republic. The police later apologized. In another case, the Romanian Ministry of Foreign Affairs asked an Internet provider to shut down a Web site with critical content and aggressive language directed toward the minister and his staff—the site also contained libelous content mixed with links to the ministry’s official documents. The Internet provider complied.

The modification of the Law on Public Television, introduced nearly a year ago, continues to move slowly through the Parliament. The law does not greatly improve the statute of the politically battered public station. If it passes, the responsibilities of the chairman of the board and director general will be separate, but the law will likely have no impact on the main problems facing public TV, the most daunting being that the Parliament continues to approve the yearly report of the president director general and also appoints the board.

#### Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	3.00	3.00	3.00

There were some legislative improvements in local governance in Romania in 2006. The government passed a “decentralization package” that amended several existing pieces of legislation. Negotiated with locally elected parliamentary groups and civil society representatives, the new laws were adopted by the Parliament in July 2006. The package aims to allow greater local autonomy by reforming the intergovernmental transfers system, decentralizing civil service management, and limiting the possibility for state intervention (via the agency of prefect) in local authority functions.

The first laws adopted were the Law on Local Public Finance and the Law on Civil Servants, amending the civil service statute. Timetables and procedures were drawn up to decentralize responsibilities and resource management, including finances. The amended Law on Civil Servants aims to improve career structures and procedures for recruiting high-level civil servants and to depoliticize the service. Additionally, Law 249 on local elected representatives prohibits political migration among parties. Despite questions about the package’s constitutionality, the Parliament passed the law and its enforcement began in the summer of 2006.

Migration from opposition parties to government parties remained a problem in 2006. By the end of the year, about a third of Romania’s mayors had switched from their 2004 electoral parties. Majorities in local and regional assemblies also shifted continuously. The new law prohibiting migration does not, however, touch MPs, who are similarly prone to migrate.

Administrative performance remains insufficient in Romania, and measures taken by the Tariceanu government did not bring significant improvements.

Presented as a key issue for liberals, property restitution (of agricultural land and real estate), which now enjoys a complete legal framework, stalled owing to poor implementation. By the end of 2006, less than one-third of the claims filed by former owners dispossessed by the Communist regime had received any attention, and mayors continue to hold significant sway over the process. All administrative deadlines passed during the year, yet no sanctions were issued for ineffectiveness in implementing the law. The government may revise legislation again to include harsh sanctions for administrations that do not meet the deadlines. It remains unclear, however, who would implement the sanctions: Many property owners have won their court cases, but local authorities have been slow or unresponsive in implementing the rulings.

While legal decentralization in Romania progressed in 2006, the consequences of poor implementation of past decentralization efforts became increasingly visible. Seen as a panacea for all administration ills, the decentralization process has not included a comprehensive evaluation of tasks already transferred to local governments in the recent past. School-related controversies demonstrated the lack of local government management skills. In fall 2006, hundreds of schools failed to open on the scheduled opening day, and still more remained unheated well into the cold season despite a funding transfer to the local authorities in charge. School directors complain that town and city halls, many of which do not have designated education departments, have control over the budget.

In general, capacity and quality are lacking in local governance administration in Romania. In some less developed counties, cross-party alliances of county councillors act as local oligarchies. Since heads of county councils approve most European funds in their regional meetings, they have considerable say over approved projects, overruling the evaluation of the government and civil society experts. In one of its corruption files, the DNA has investigated an entire local council and is preparing indictments for each councillor who voted to prejudice the local budget in favor of a private business. Nevertheless, the incoming European funds, managed primarily at the regional and county levels, generate significant empowerment among all subnational authorities. A complete organizational plan for spending European funds at local and national levels is expected after 2007.

#### Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
4.25	4.25	4.25	4.25	4.25	4.00	4.00	3.75

During 2006, improvements continued in the Romanian judicial system based on 2004 reform legislation, but built-in problems also continued to show. The complicated dual system created by the Romanian legislation is subject to frequent gridlock. Romania followed the Latin European model of a self-governing

judiciary, establishing an independent body—the Superior Council of Magistrates (SCM)—elected by magistrates. The judicial administration used the lack of conflict-of-interest regulations to get itself elected into the first SCM. The Constitutional Court required only that the president and deputy president of this body step down from their administrative positions, although each subsequent EU report has recommended that SCM members choose between their controller and administrative positions.

With the SCM in control of judge recruitment and advancement, as well as providing a check on most legislation, the Ministry of Justice can influence policy only through legislation and logistical support for courts and prosecutors. Consequently, the ministry and the SCM bitterly disputed the appointment of heads of courts, the former asking for an open and transparent competition while the latter preferred direct appointments. The September 2006 regular report of the EC praised the efforts of Justice Minister Monica Macovei and criticized the SCM, stating, “Five of the 14 elected SCM members continue to face a potential conflict of interest in inspection matters as they hold leading positions in courts or prosecution offices.”<sup>11</sup> Some internal rules have been adopted, however, that prevent council members from voting in disciplinary matters that affect their court or prosecution office.

The report also states, “The SCM has not yet addressed the issue that unethical behavior by individual members of the SCM negatively affects the reputation of the Council as a collective body.” This criticism focuses on the decision of the SCM to keep within its ranks a Supreme Court judge who served as an informant of the Securitate. The CNSAS slowly processes magistrates and in this case issued three contradictory rulings. The Ministry of Justice went to court to ensure the enforcement of the statute of the magistrates’ law in this case. The law prohibits anyone found guilty of acting as “political police” from taking the position of magistrate, yet the lengthy contestation process and judicial appeal of CNSAS decisions has ensured that magistrates remain in position, also as a result of collaboration with the Securitate. The EC further criticized the control capacity of the SCM. Fewer than 10 magistrates received disciplinary sanctions in 2005, despite the SCM having full powers of inspection. The commission recommended that new inspectors should be recruited according to new procedures in order to reduce the number of vacancies and to increase the regional representation among inspectors.

Corruption and malpractice within the ranks of magistrates is widely denied. The main association of magistrates protested against newly introduced legal provisions making judges financially accountable for mistakes they make in their rulings, perhaps owing to the frequency of judicial errors. Romania’s judicial procedures accept all appeals as a ground rule, and with each case reviewed twice, the sentence often reverses on the basis of the same evidence. A large number of cases go to the Supreme Court, which has a backlog of nearly two years (an improvement from the previous year). Distrust in the judiciary remains high. Lawyers split into various associations and bars, which compete in the legal market with the aim of forming a monopoly. Court support staff create part of the problem, as they receive low pay

and poor training, but in 2006 they went on strike for a wage increase, which they eventually obtained.

On the positive side, steps have been taken to ensure a more consistent interpretation and application of the law. Also, more objective criteria have been provided for the promotion of judges and prosecutors. Much work remains, however, to implement these measures. Consistent interpretation and application of the law at all levels of the courts throughout the country have not yet been fully achieved, though steps have been taken. A case documentation and management software system is operational in 152 of Romania's 237 courts and in 40 of its 235 prosecutor offices. Since July 2006, all courts and prosecuting offices have had online access to legislation and case law. In May 2006, the Parliament adopted the Law on Mediation, which provides for a system of alternative dispute resolution. The Ministry of Justice, SCM practicing judges and prosecutors, lawyers, and foreign experts began a fundamental review of the civil code and criminal code as well as both procedural codes.

Justice reform receives mixed support among judges, who as a rule consider low pay and poor working conditions their main problems. Senior magistrates, however, receive higher salaries than ministers in Romania. The two prosecutors general each earn more than the president of Romania. Appointed in September 2006, the new prosecutor general, Laura Codruta Kovesi, is expected to address the serious managerial shortcomings of the judiciary, such as the uneven distribution of workloads, lack of proper training, and inability to collect statistics.

### Corruption

1999	2001	2002	2003	2004	2005	2006	2007
4.25	4.50	4.75	4.50	4.50	4.25	4.25	4.00

The main anticorruption prosecuting agency, the DNA, had a good year despite a rocky start. In February 2006, when the government ordinance restructuring the agency sought approval in the Parliament, opposition parties DAHR and CP tried to strip it of its powers and independence. President Basescu eventually struck a compromise, but the parties did not achieve their aim, as they wanted the SCM rather than the minister of justice to nominate the anticorruption prosecutor general, who is appointed by the president. A change in the law would have opened the door to the removal of Daniel Morar, the prosecutor general appointed a year ago who managed to charge top officials from all political parties represented in the Parliament.

European Commissioner for Justice, Freedom, and Security Affairs Franco Frattini warned against such a move, and despite several parties pushing legal proposals on the matter, the process of revising the nomination mechanism did not progress much by the end of 2006. As the EC stated in its September 2006 report:

“In the Parliament there has also been an attempt to change the nomination procedure for both the Prosecutor General of Romania and the Head of the National Anti-Corruption Directorate, which would bring additional legal and institutional uncertainty to the anticorruption framework.”

The quantity and quality of nonpartisan investigations into allegations of high-level corruption continued to increase in 2006. Since Morar’s appointment in the fall of 2005, the DNA managed to charge over 1,000 defendants (including 7 MPs, 2 ministers and a deputy minister, several magistrates, and dozens of employees in law enforcement agencies) and secured over 400 convictions. In the summer alone, the DNA indicted 7 people on charges of high-level corruption, including 4 politicians from the ruling coalition, 2 from the opposition, and 1 high-profile businessperson. From March to September 2006, the DNA indicted a total of 199 suspects, and the courts issued initial convictions against 87 defendants and 82 final convictions in cases initiated by the DNA. The EC report praised the DNA, stating, “The qualitative improvement of DNA’s investigations has continued as is demonstrated by the reopening of cases, which had been closed under the previous management team, and by the launch of new investigations into long-standing public procurement scandals.” In September 2006, the DNA and the internal affairs anticorruption unit of the Home Ministry mounted an undercover operation that led to the arrest of 30 customs officers working at the main Romanian airport, as well as various other public officials, underlining the cooperation established between both anticorruption bodies.

At the end of 2006, the DNA indicted the DP mayor of Arad, a relative of President Basescu, and the head of the DP in the city of Constanta. They charged Dinu Patriciu, the closest political friend of the prime minister and main sponsor of the NPL, as well as one deputy prime minister from the CP, and they indicted another from the DAHR. These prosecutions brought important political retaliations. By the end of 2006, Minister Macovei faced a no-confidence motion, but the fear of having Romania’s EU entry postponed prevented the CP from asking for a vote in December 2006.<sup>12</sup> Owing to the release of these high-level figures on bail, the public fears that the court system does not have the integrity to sentence influential people.

The political will to fight corruption is spread unevenly within Romania’s government. By secret vote, the Parliament denied prosecutors a search warrant for former prime minister Adrian Nastase’s residence in the spring for fear of creating a precedent. They also managed to radically reduce the effectiveness of the proposed National Integrity Agency during the passage of the draft law through the Chamber of Deputies. The EC authoritatively endorsed the National Integrity Agency (ANI) project, with the commissioners of enlargement and justice writing personal letters to party heads to ask support for its passage in the Parliament, an unprecedented gesture. The judicial committee of the Chamber of Deputies nevertheless stripped the would-be agency of all its powers, and the plenum endorsed their version. In the form voted by the chamber, the agency will no longer be able to control assets, only declarations of assets, becoming simply a whistle-blower. It will be no longer

independent, but subordinated to the Parliament itself, although MPs remain a top target for the ANI. Romanian civil society lost its two observer seats.

The initial project also provided that the agency would send the results of its investigations in the form of an administrative ruling to the superior of the investigated official for either dismissal or other sanctions. Currently, Romania's dignitaries and top civil servants are investigated on the basis of a 1996 law that asks whistle-blowers to bring full proof. With such a complicated mechanism, investigations have not been finalized since 1996, and fewer than 10 have been initiated. Meanwhile, two NGOs, the Institute for Public Policies and the Center for Legal Resources, monitored existing control bodies addressing incompatibilities between public office and other positions and found their effectiveness to be low to nonexistent. Having an agency simply to defer cases to these bodies therefore seems pointless. Romania's constitutional article stating that "wealth is presumed licit" lays the burden of proof on prosecutors. Macovei's project, while allowing appeals in the administrative court for defendants, pushed sanctions in the administrative area to avoid an unconstitutional finding for the law. The Constitutional Court ruled in a particular case (Dan Ioan Popescu) that the 1996 law breached the Constitution, ending any hope of judicial pursuit of undue wealth.

The bill passed with 251 votes (5 against and 1 abstention). TJ MPs voted for it alongside the Social-Democrats in the opposition and other smaller-party MPs—that is, alongside those who had "altered" the draft law. After the vote from the chamber, the bill went to the Senate, the decision-making chamber. Despite unprecedented support from the EC and the Romanian media, it seems unlikely that the bill will gain strength in the Senate. Politicians argue in their defense that no EU member country has such an agency. In fact, other control mechanisms ensure that politicians stay clean in the EU, where conflicts of interest or undue gain are regulated in other pieces of legislation.

Romania ranked "strong" on anticorruption policy at the Global Integrity Index yearly evaluation, receiving praise as one of the countries enjoying the best anticorruption arsenal in the world.<sup>13</sup> Domestic polls show that people still expect this arsenal to deliver more corruption culprits.

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- <sup>1</sup> Nestor Ratesh, *Romania: The Entangled Revolution*, Boulder, Colo.: Praeger Publishers, 1991.
- <sup>2</sup> Published in both Romanian and English on [www.europa.info](http://www.europa.info) and [www.euroactiv.ro](http://www.euroactiv.ro).
- <sup>3</sup> This relatively unknown publisher transferred about 30,000 euros (US\$45,000) as an advance. Royalties are generally small in Romania, poetry books like Mr. Marko's receiving about 300 euros (US\$400) in total. The best-sold books do not manage to make authors more than a few thousand dollars, as the readers' market is poor.
- <sup>4</sup> The Szecklers were originally a different ethnic group with their own language based on a Turkish dialect. The Szecklerland, in the internal arch of the Romanian Carpathians (the region where Bram Stoker set his *Dracula*), is currently inhabited in large proportion by Hungarians, and the borders between the two groups have gradually become fuzzy. On Szecklers, see the recent Austrian-Hungarian historian Paul Lendvai, *Die Ungarn*, München: C. Bertelsmann, 1999.
- <sup>5</sup> The vote on anticorruption legislation is monitored at committee level by civil society. See coverage in Romanian media on votes by Hungarian MPs: Ioana Lupea, "Ipocriziile UDMR," [DAHR Hypocrisy], *Evenimentul Zilei*, September 11, 2006, [http://www.hotnews.ro/articol\\_55767-Ipocriziile-UDMR-de-Ioana-Lupea.htm](http://www.hotnews.ro/articol_55767-Ipocriziile-UDMR-de-Ioana-Lupea.htm); Bety Blagu, "Castrarea ANI poate activa clauza de salvagardare," [Castration of ANI Can Activate Safeguard Clause], HotNews.ro, December 20, 2006, [http://www.hotnews.ro/articol\\_62270-Castrarea-ANI-poate-activa-clauza-de-salvagardare.htm](http://www.hotnews.ro/articol_62270-Castrarea-ANI-poate-activa-clauza-de-salvagardare.htm); L. Parvu, "Deputatii din Comisia Juridica au macelarit proiectul ANI," [MPs of Judicial Committee Massacred ANI's Project], HotNews.ro, October 12, 2006, [http://www.hotnews.ro/articol\\_57853-Deputatii-din-Comisia-Juridica-au-macelarit-proiectul-ANI.htm](http://www.hotnews.ro/articol_57853-Deputatii-din-Comisia-Juridica-au-macelarit-proiectul-ANI.htm).
- <sup>6</sup> Mircea Comsa, *Academic Corruption: Causes and Effects* (in Romanian), Cluj: Babes-Bolyai University, 2006.
- <sup>7</sup> Emilia Sercan, "SRI, ia-ti cartitele din presa!" [SRI, Recall Your Moles from the Press!], *Evenimentul Zilei*, July 25, 2006, <http://www.evz.ro/article.php?artid=266359>.
- <sup>8</sup> "Operatiunea Vicoi curate la Ziua," [Clean Voices Operation at Ziua], for confessions of top management, <http://www.ziua.net/display.php?id=204361&data=2006-07-28>, July 28, 2006.
- <sup>9</sup> Remus Radu, Cristian Sutu, "Cum isi face Voiculescu stirile despre el insusi," [How Voiculescu Produces Reporting in Himself], *Cotidianul*, 10/25/2006, <http://www.cotidianul.ro/index.php?id=7594&art=19373&cHash=e768579a67>.
- <sup>10</sup> According to BRAT, Romania's official circulation auditor, [www.brat.ro](http://www.brat.ro).
- <sup>11</sup> See previous year NIT Romania on this issue.
- <sup>12</sup> According to the statement of motion's author, Sergiu Andon, a CP MP, to this author.
- <sup>13</sup> See <http://www.globalintegrity.org/reports/2006/romania/index.cfm>.

