

Romania and Bulgaria join the European Union

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The admission of Romania and Bulgaria to the European Union on January 1 concludes the EU's eastward expansion. In May 2004, 10 predominantly eastern European states joined, heightening tensions within the EU, and the entry of the two remaining candidates will certainly reinforce this tendency.

These two virtually destitute states have been accepted as EU members only with reluctance. Although their admission was agreed in principle in 2003, the voices of those calling for it to be postponed until 2008 had been growing louder. In May 2004, the then Irish presidency of the EU organised a summit and a pompous celebration in honour of the new member states. This time, however, there is to be nothing similar. In Brussels, there is talk of them "joining by the back door."

The two EU commissioners appointed from the new member states will have to be satisfied with comparatively insignificant offices. While Romanian Leonard Orban will take charge of the newly created department for multilingual affairs, no one seems to know exactly what he is supposed to do. Meglena Kuneva from Bulgaria will take over responsibility for consumer protection, a portfolio that was simply detached from the health department.

The two EU governments and corporations that set the tone in the EU have been pushing for the fastest possible admission of Romania and Bulgaria—with some 30 million inhabitants—for geo-strategic and economic reasons. In 1993, both countries signed association agreements with the EU, which came into force two years later.

The European Union has been seeking to extend its influence up to the borders of the former USSR and into the Balkans. With the admission of Romania and Bulgaria the EU will border the Black Sea, providing a direct marine route to the Caucasus and via Georgia to the lucrative oil and gas fields of the Caspian basin. Transport and pipeline projects connecting the Black Sea with the heart of Europe have been in planning for a long time. The river Danube already links the Black Sea with the rest of Europe's well-developed canal systems.

Romania and Bulgaria also offer a massive pool of cheap labour, which can be exploited by the European corporations and used to further lower the wages in the more prosperous EU countries.

With 27 member states, the European Union now covers the entire continent, from the Atlantic in the west, up to the Baltic Sea in the north and the Mediterranean in the south, and across to the Black Sea in the east. The only non-member states are Norway and Switzerland, which are tied to the EU by numerous special agreements, and five Balkan states, which are to join at a later time.

The times are now long gone when the EU could offer new members substantial financial assistance in order to help them somewhat improve their economic and social conditions—as happened

in the 1980s with Greece, Spain and Portugal. The harsh free-market conditions that the EU has attached to the latest admissions have condemned millions to lives of bitter poverty.

The new ruling elites that arose from the rubble of the old Stalinist regimes are only able to keep the growing social tensions under control within certain limits. This stratum has been recruited from parts of the old nomenclature, right-wing émigré circles, criminal elements and far-right forces. It is held together only by its enmity towards the general populace and the absolute will to cling onto its newly found privileges and wealth.

This ruling layer is corrupt to the core, and is riven by bitter infighting for influence and riches; it is hardly in a situation to provide a stable government. The retrogressive social developments witnessed in Poland, Hungary and the other Eastern European states that joined the EU in 2004 will take on even more glaring forms in substantially poorer Romania and Bulgaria.

Under the successor organisations to the former Stalinist parties of state, both countries first sought admission agreements in 1995. Brussels reacted with sympathy and unreservedly supported the radical "reforms" introduced by Bucharest and Sofia, although the situation for most people worsened drastically. The privatisation of the former state-run industries, through which the former Stalinist nomenclature acquired their fortunes, led to a dramatic economic decline and to the pauperization of broad social layers. In winter 1996-97 in Bulgaria, hyperinflation and food shortages led to hunger protests; however, the EU called upon the governments to stick to its "reforms."

Official entry negotiations then began in 2000, during which the EU retreated from its original plans to accept both countries as members by 2004. Nevertheless there was a broad consensus in the EU to push through admission as quickly as possible. In the general euphoria about extending the EU to the east the entry date was then set for 2008 at the latest.

Since then, the fear has grown that the chronic instability and social tensions in these new member states could spread throughout the European Union. Moreover, since the failure to ratify the European Union constitution many issues can only be decided by unanimous vote, providing the new members with a mechanism for blocking resolutions or of extorting the other states.

In foreign policy, the Baltic states, Poland and Hungary are inclined to make common cause with the US against Brussels. The same is expected from NATO members Romania and Bulgaria, who have close ties to Washington. Both were part of the "coalition of the willing" that supported the launching of the war on Iraq under the leadership of the US government. There are extensive US military

bases around the Black Sea, which are to be further developed.

For all these reasons, scepticism has strongly grown over the last years about the admission of Romania and Bulgaria to the EU.

In order to calm the critics of their entry, key conditions were laid down in the areas of the economy, justice and domestic affairs, which Brussels also viewed as necessary to keep up the pressure on the governments in Bucharest and Sofia after their admission to the EU. Further progress must be shown in three months time or sanctions can be applied.

From the outset, both states face a number of limitations. For example, under pressure from Russia, meat imports into the EU will be strictly limited. The EU Commission has threatened to withdraw landing rights for Bulgarian airlines for alleged security deficits. And only 10 of the existing EU members have said they are ready to open up their labour markets for Bulgarians and Romanians. Germany and France, for example, will not accept workers from the new member countries for two years.

Poverty in the new member states is indescribable. Of the 10 poorest regions in the EU, six lie in Romania and the other four in Bulgaria.

The average monthly wage in Romania is approximately €300 (\$400). Over half the population lives on less than €150 a month. Two million Romanians are forced to find work abroad, mainly in southern Europe. While Bucharest uses various ruses to claim the level of unemployment is less than 3 percent, in reality between 25 and 30 percent of Romanians are unemployed.

In Bulgaria, approximately half the population of nearly 8 million lives on less than €2 a day (US\$2.60). Most of the income of the very poorest layers comes from state benefits, which are being cut back year by year.

Around the capitals of Bucharest and Sofia, relatively prosperous centres have developed with comparatively low unemployment and a good infrastructure. The further one travels to the south and the east, however, the worse conditions become. The gross domestic product in Sofia is 50 percent higher than in the rest of the country, while in Bucharest it is 100 percent higher. In the poorest areas of Bulgaria only half of all households possess a toilet, and on the roads there are as many horse-drawn carts as cars.

In Romania, average per capita productivity is €3,700 (\$4,900); in Germany and Austria it is over €30,000 (\$39,600). The average wage in Romania is six times lower than in Slovenia and three times lower than in Poland. Average gross hourly wages are €1.04 in Romania and €0.88 in Bulgaria.

Corruption is all-pervasive. In schools, universities, hospitals or the courts payment of bribes is almost unavoidable. However, corruption is most widespread at the pinnacle of society.

According to a recently published report by the Bulgarian Chamber of Commerce, in tenders for public contracts about 280 millions leva (€140 million) was paid in bribes to senior officials, corresponding to about 10 percent of the total volume of the contracts. Under rules governing all projects co-financed by the EU and Bulgaria, mandatory tenders will be sought next year valued at 8-9 billion leva. The Chamber of Commerce assumes that following past practices, some 800 to 900 million leva in bribes will be paid.

In November 2006, the former prime minister Adrian Nastase was charged with corruption and abuse in office. He is accused of accumulating €1.4 million in bribes during his incumbency. Brussels supported the criminal clique around Nastase while he was prime minister as he was an eager advocate of EU entry.

The European corporations also profit from the corruption of the

ruling elite. The *Deutsche Welle* radio station quoted the example of George Christodorescu, who heads the German energy company EON in Romania. Christodorescu said that the topic of corruption should not be over-exaggerated: "It is not very much more than is happening in other European states."

EON now controls over half of the Romanian gas market. The privatisation of the eastern European energy sector was widely disputed and was carried out under extremely shady conditions. Recently, two ministers belonging to the liberal-conservative Romanian government were charged with relaying strategic information concerning the privatisation of two energy enterprises.

In both countries, EU admission is being accompanied by fierce domestic conflicts. While these were to a large extent suppressed over the last years in order not to endanger EU entry, they are now breaking out even more ferociously.

In Romania, the government of Prime Minister Calin Popescu Tariceanu has lost its majority. The Conservative Party (PC) around the media mogul Dan Voiculescu left the four-party coalition, comprising along with the PC, Tariceanu's National Liberals (PNL), the Democratic Party (PD) of President Traian Basescu and the Party of the Hungarian Minority. Voiculescu gave his justification the fact that several of his party's initiatives had found no support in the coalition.

However, it was only a question of time before the fragile alliance broke apart. Prime Minister Tariceanu and President Basescu have been at loggerheads for two years. Basescu, who is characterised by his vulgar and aggressive manner, deliberately sought to stoke up a conflict between Tariceanu and his competitor Teodor Stojan within the PNL, who has meanwhile announced he is leaving the party.

The government parties are trying to avoid holding new elections at present, since they anticipate substantial losses. The opposition Social Democrats have also been weakened by factional struggles. The beneficiary of this crisis could be the far-right Grand Romania Party (PRM) of former Securitate (secret police) officer Vadim Tudor.

A similar situation prevails in neighbouring Bulgaria. The grand coalition of the Socialist Party led by Prime Minister Sergey Stanishev, the Tsarist Party of Simeon Sakskoburgotski and the Party of the Turkish Minority was established last year with the goal of leading the country into the European Union. However, the coalition is fatally divided and observers do not give it much chance of surviving to the end of the legislative period.

Furthermore, the party landscape faces turmoil. According to recent opinion polls, the Gerb Party, formed at the beginning of December by the mayor of Sofia, Boyko Borissov, could emerge from the next elections as the strongest party. Gerb is an arch-conservative party, which rests particularly on the rural population. Under conditions where the established conservative parties and the Socialist Party are completely discredited, Gerb could now also win growing support in urban areas.



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