



Foundations of Modern Romania: A Concise Overview

Daniel E. Miller, Ph.D.
Walker Clark, LLC

As Western European and North American law firms become more active in the Romanian legal market, many of them are unaware of the fundamental historic, political, and cultural forces that have shaped modern Romania.

This is the second in a series of background briefings on legal markets served by the Walker Clark Central Europe Group.

Dacian origins

During Roman times, an Indo-European people known as the Dacians inhabited the northeastern portion of the Balkan Peninsula and areas north of the Danube River: Transylvania in the bow of the Carpathian Mountains (some historians, especially Hungarians, question the presence of Romanians in Transylvania at this time), the Wallachian Plain to the south of the Carpathians, the Modavian Plain to the east of the Carpathians, and what became known as Bessarabia (today's Moldova) between the Prut River and Dniester River.

The Roman emperor Trajan (53-117, reigned 98-117) conquered the Dacians, partly because he coveted their gold mines. Roman rule over most of the Thracian-speaking Dacians caused them to incorporate a vast number of Latin words into their language. After the Romans, a number of invading

Germanic and Turkic tribes ruled the Dacians, including the Goths, Huns, Gepids, and Avars. Historians accepting the theory of Daco-Roman continuity maintain that the Dacians preserved their language and identity as Slavs migrated toward the Balkan Peninsula in the fifth and sixth centuries by seeking refuge in the Carpathian Mountains.

After the disruption of the Slavs passed, the Dacians returned to the plains and developed into the ethnic group known today as the Romanians. A smaller number of people known as Vlachs who were related to the Romanians were scattered in the western portion of the Balkans in the northern end of the Greek Peninsula. Over the centuries, some Vlachs practiced transhumance, that is, driving their flocks of sheep south in the winter and north in the summer along specific routes.

Byzantine and Hungarian influences

The Romanians came under the cultural sphere of influence of the Byzantine Empire and adopted Orthodox Christianity through the Slavic Bulgarians, who in the late seventh century ruled Wallachia and the portion of Bessarabia along the Black Sea. Beginning in the late ninth century, the Pechenegs and other invaders controlled it.

In the eleventh century, the Cumans took Wallachia along with Moldavia, which had been in the East Slavic state of Halich (Galicia). Meanwhile, in the late eleventh century, the Magyars (Hungarians) held Wallachia for a while and took Transylvania, but some Hungarian scholars argue that Romanians entered Transylvania only after the Hungarian conquest. Bessarabia hosted a number of small states over time, and the Byzantines long controlled of the coast, and in the thirteenth century, the region experienced Tartar or Mongol incursions.

Emergence of the Romanian principalities

The Romanians in Wallachia and Moldavia emerged from Hungarian domination to form independent medieval principalities in the fourteenth century. Prince (in Romanian *hospodar* or *voivode*) Bogdan in the 1360s separated Moldavia from Hungarian rule. Later, Stephen III the Great (1433-1504, reigned 1457-1504) expanded into the northern portion of Bessarabia and successfully defended his state from invaders, including the Ottoman Turks, but he eventually made Moldavia a tributary of the Ottoman Empire. Because of his resistance to the Turks and his patronage of the church, the Romanian Orthodox Church in 1992 canonized Stephen.

Wallachia became independent from Hungarian rule through the efforts of Besarab I (reigned 1310-1352), whose name is associated with the Besarab Dynasty and Bessarabia, the southern portion of which eventually came under Wallachian rule.

In an attempt to preserve Wallachia's independence from the Turks, Mircea the Elder (1355-1418, reigned 1376-1418) joined with other Christian states in military campaigns, but he eventually had to pay the Turks a tribute.

The real Dracula

Wallachia's most famous ruler in the middle ages was Vlad III (1421-1476, reigned 1448, 1456-1462, and 1476). He became known as Dracula, the diminutive form for the moniker of his father, Vlad II Dracul (c. 1390-1447, reigned 1436-1442 and 1443-1447), who had been inducted into the Order of the Dragon of the Holy Roman Empire. Because of his propensity to impale those condemned to death, Dracula became known as Vlad Țepeș, that is, Vlad the Impaler, and his bloody reputation made him the subject of the famous Gothic novel Bram Stoker (1847-1912) penned in 1897 that placed a fictitious monstrous Dracula in Transylvania.

Vlad III sought to build a centralized administration at the expense of the disruptive nobles, known as boyars, and thus restore the status of Wallachia, which had become a tributary of the Ottoman Empire. To achieve his ends, he dealt harshly with the upper nobility, sentencing many to horrible executions, and he sponsored a new class of nobles directly tied to him through service.

Similarly, Vlad III extended no mercy to defeated Turks, at one point impaling

thousands along the road to his newly-established capital, Trgoviște. Some historians see similarities between Vlad III and Russia's Ivan the Terrible (1530-1584, reigned 1533-1584), who also used force to strengthen the state at the expense of the nobility.

The Ottoman era

The Ottoman Empire succeeded in consolidating its hold over the principalities of Wallachia and Moldavia in the fifteenth century, although the Turks did not rule them directly, and in 1453 the Turks conquered Constantinople. The Ottoman Empire then expanded into Central Europe with the conquest of Hungary in 1526 at the Battle of Mohács. Most of the Hungarian nobles elected the Habsburg Dynasty ruling Austria to take the throne, but all that remained of Hungary was a small band of territory bordering Austria.

The Turks occupied the Pannonian Plain, and they allowed Transylvania to form a separate principality. The Hungarian princes of Transylvania skillfully played off the Habsburgs and the Ottomans. Similarly, the Wallachian and Moldavian princes tested the limits of Ottoman suzerainty. One Wallachian prince, Michael the Brave (1558-1601, ruled in Wallachia 1593-1601) took advantage of the weakened state of his neighbors to seize Transylvania in 1599 in Transylvania and Moldavia in 1600, although his effort to unify the three territories failed when a Hungarian rival had him assassinated.

The Romanians consider Michael the Brave a national hero. The Ottomans extracted a fee from each prince who took the throne, one reason, aside from disloyalty to Constantinople, that reigns were brief. The

principalities also paid a yearly tribute and portions of certain harvests.

The Habsburgs

After the Turks' attempt in 1683 to take Vienna failed, Habsburg forces pushed the Turks out of Hungary, taking control of Transylvania in 1687 and regaining all of medieval Hungary in 1699 with the Treaty of Karlowitz.

In 1698 a group of Romanian Orthodox believers in Transylvania agreed to come under the jurisdiction of the Catholic Church. This Uniate Church, also known as the Eastern Rite of the Roman Catholic Church, Greek (or Byzantine)-Catholic Church, or preferably Eastern Catholic Church, maintained all the Orthodox ritual but accepted the pope as the head of the church, adhered to the Catholic doctrines of purgatory and the filioque clause (the Holy Spirit originates from the Father and the Son, not just the Father, as the Orthodox believe), and used unleavened bread for communion. The Habsburgs accepted Eastern Catholics as equal to the Lutherans, Calvinists, and Unitarians, all of which had practiced their religion freely in independent Transylvania, but about half of the Romanians who refused to accept the merger and remained Orthodox had only tolerated status.

After the end of the Rákóczi Rebellion of Hungarian nobles in 1711, the Habsburgs ruled Transylvania through a governor, and Vienna endeavored to strengthen the Uniate Church at the expense of the Orthodox Church.

Romanian scholars in Transylvania, in part because of the contacts the Uniate clergy had with Rome, came to understand that their language was related to Latin, and the Uniate clergyman Samuel Clain (1749-1806) devised

a means of writing Romanian using Latin script and diacritical marks. Eventually, Romanians everywhere began to abandon the Cyrillic alphabet in favor of the Latin script.

The peasant rebellion of 1784-1785

A peasant rebellion in 1784-1785 under of Vasile Ursu Nicola, known as Horea (1731-1785), led peasants to sack approximately 230 castles and kill about 100 nobles before Horea was captured and executed. Their frustration stemmed not only from the strains of serfdom but also from the inferior status of the Romanians in Transylvania.

A few years later in 1791, Clain and others petitioned the Habsburg Emperor to grant the Transylvanian Romanians equal status with the Hungarians, Szeklers (or Széleky, a Hungarian ethnic group), and Saxons (German settlers) in their *Supplex Libellus Valachorum* [The Humble Petition of the Romanians]. Their efforts failed, but it was the first time that the Romanians, who comprised a majority of the inhabitants of, Transylvania organized to take a strictly political stand on their own behalf.

The Phanariots

In the Ottoman tributary states of Wallachia and Moldavia, the boyars elected the hospodars, but the sultans had the final say in who would rule; however, beginning in 1711 in Moldavia and 1716 in Wallachia, the sultans appointed as hospodars Phanariots, that is, wealthy Greeks from the Phanar district of Constantinople.

The first appointed Phanariot was Nicholas Mavrocordat (1670-1730, reigned in Moldavia 1709-1710 and 1711-1715; reigned in Wallachia 1715-1716 and 1719-1730), who

was appointed as hospodar in 1711 in Moldavia and for both of his terms in Wallachia. He was responsible for a number of cultural accomplishments in Wallachia: he constructed libraries, he wrote the first Greek novel, and he introduced Greek at court. He won the loyalty of the boyars by granting tax exemptions, and he did not hesitate to severely punish disloyal boyars.

His two sons followed him as hospodars, and one, Constantine (1711-1769, reigned in Wallachia 1730, 1731-1733, 1735-1741, 1744-1748, 1756-1758, and 1761-1763, and ruled in Moldavia 1733-1735, 1741-1743, 1748-1749, and 1769), rationalized taxation and brought an end to many aspects of serfdom in both principalities four decades before the French Revolution.

Although other Phanariots enacted important reforms, most were famous for having paid large bribes to the sultan to secure their appointment and for having taxed heavily to recoup the cost of the bribe and to realize profits during their short reigns.

Extension of Russian influence in the early 19th century

The frequent Russo-Turkish wars brought changes to the Romanian principalities. Bessarabia went to the Russians after the 1806-1812 Russo-Turkish war. Beginning with the Greek war for independence in 1821, the Porte no longer trusted the Phanariots, who played a leading role in the Greek revolt, and began to appoint Romanian boyars as hospodars. After the Russo-Turkish war of 1828-1829, which resulted in the creation of a small independent Greece, Wallachia and Moldavia came under Russian occupation.

After the war, Russia and the Ottoman Empire shared equal roles as protectors of the principalities: Russia over Moldavia; the Ottoman Empire over Wallachia. The Organic Statutes, which the Russians imposed on both principalities, gave Russia and the Ottoman Empire the right to approve the suspension or dissolution of the boyars' assemblies, and either the hospodars or the assembly could appeal to the Russian tsar or Ottoman sultan to intervene on their behalf.

The Romanians came to resent Russian interference, just as they had hated Ottoman influence, and some began to discuss the possibility of unifying the principalities.

Furthermore, young liberals, taking their cue from movements in the west, formed the Philharmonic Society in 1833, ostensibly for advancing culture, the Society of Romanian Students in 1846, and other groups, some of which were secret, to press for reforms. Radicals in Wallachia responded to the French revolution of 1848 with a revolt of their own and managed to establish a provisional government that freed Roma (Gypsy) slaves and planned a sweeping land reform.

Initially, the sultan was sympathetic toward the revolutionaries but then cooperated with Russia, which put down a disturbance in Moldavia and, along with Turkish troops, occupied Wallachia. Although defeated, the tenets of the 1848 revolution in Wallachia set the course for future changes.

Formation of the Romanian state (1862)

The second half of the nineteenth century brought about the unification of Wallachia and Moldavia. The Crimean War of 1853-1856 saw a Russian withdrawal from the principalities, both of which eliminated the Organic Statutes,

and Russia returned the southern part of Bessarabia to Moldavia.

In 1859 both principalities elected the same prince, Alexander Cuza (1820-1873, reigned 1859-1862 as prince of Wallachia and Moldavia; 1862-1866 domnitor of Romania), who had been one of the participants of the 1848 revolution.

The two principalities, already with their common capital in Bucharest, formally united in 1862 to become Romania, also referred to as the Regat to distinguish the union of Wallachia and Moldavia from the larger Romania that existed after the First World War.

Cuza gave the peasants title to the land they worked, leaving the landlords with one-third of their land, and he added to the peasants' holdings by giving them land he had expropriated from the church. He established the University of Iaşy and the University of Bucharest, started compulsory elementary education, instituted universal manhood suffrage, and implemented a new law code. Angry landowners conspired to remove Cuza, whom they forced into exile.

The Romanians turned to the Hohenzollern-Sigmaringen family, a branch of the ruling dynasty in Prussia, and installed as domnitor of Romania Carol I (1839-1914, reigned as domnitor 1866-1881, and as king 1881-1914).

Romanian troops aided the Russians in defeating the Turks at Plevna in 1877 during the 1877-1878 Russo-Turkish war to liberate Bulgaria. With the 1878 Treaty of Berlin, Romania lost the southern part of Bessarabia to Russia, receiving the northern portion of Dobruja (or Dobrogea) in return. After the Second Balkan War of 1913, Romania received southern Dobruja from Bulgaria, even

though few Romanians lived in the region. Romania's economy prospered in the late nineteenth century. It became an important exporter of wheat, despite the large number of poor peasants and sharecroppers, who revolted in 1907 and faced brutal suppression. Before the turn of the century, foreign investment developed Romania's oil industry.

Transylvania under the Habsburgs

Romanians in Transylvania struggled to gain cultural and political freedom within the Habsburg Monarchy throughout the latter half of the nineteenth century and until the dissolution of the Monarchy.

During the revolution of 1848, the Romanians of Transylvania, under the leadership of the Orthodox bishop Andreiu Şaguna (1809-1873), joined with Slovaks, Croats, and Rusyns to support the Austrians against the Hungarians. After the Austrians, with Russian assistance, suppressed the Hungarian revolt in 1849, Franz Joseph (1830-1916, reigned 1848-1916) placed Transylvania under the control of Vienna, ended serfdom, granted Romanians in Transylvania full citizenship, and distributed some land to peasants, but there were no further concessions.

As a result of the defeat of Austrian forces against the Prussians in 1866, Franz Joseph was willing to give concessions to the recalcitrant Hungarian nobles and agreed to the Ausgleich of 1867, which divided the Monarchy into the Austrian Empire and the Kingdom of Hungary. Vienna returned to Hungary full control of Transylvania. The Romanians, like the Slovaks, Rusyns, and others, faced Hungarian efforts at assimilation known as Magyarization that ran contrary to the liberal-sounding law on nationalities that the Hungarian Diet had adopted.

As a result, the Romanians had no schools and no university in their own language. Newspapers had to make high deposits that the government would confiscate if they transgressed censorship laws. Political parties could exist, but the electoral laws assured that Hungarians, not Romanians won elections in Transylvania.

In 1892, the Romanian National Party petitioned Franz Joseph, complaining about the lack of freedoms for nationalities and high taxes. Franz Joseph rejected the petition, and the Hungarians tried and sentenced to prison those involved in the act.

At the 1895 the Nationality Congress of Romanians, Serbs, and Slovaks, non-Hungarian ethnic groups pledged to work together to improve conditions for the minorities, but they accomplished little.

Although the Romanians in Transylvania could look across the border to an independent Romanian kingdom and cultural ties between the Romanians in Transylvania and the Regat existed, the Transylvanian Romanians were loyal to the Habsburg Monarchy and hoped for democratic reforms, even throughout most of the First World War.

The First World War

Few could have predicted that the First World War would have resulted in the unification of lands inhabited by ethnic Romanian majorities for the first time in modern history.

Just weeks after the war had begun, Carol I died. He had no son and his daughter had died, so the throne passed to his nephew, Ferdinand (1865-1927, reigned 1914-1927). Two years into the First World War, Ferdinand brought Romania into the conflict on the side

of the Entente. The Central Powers forced Romania out of the war in May 1918, and Romania lost much of Doubruja to Bulgaria.

When Bulgaria surrendered to the allies in September 1918, Romania reentered the war in November on the side of the Entente, and Romanian troops occupied Transylvania. As a result of the treaties ending the war, Romania received a significant amount of territory. The largest was Transylvania from Hungary, the population of which was one-third Hungarian. It received Bukovina from the Austrian portion of the Habsburg Monarchy, which in 1774-1775 had received it from the Turks, even though it historically had been a part of Moldavia. Bessarabia originally declared its independence from Russia in February 1918, but two months later voted to join Romania.

Romania between the World Wars

The gains resulting from the First World War may have been euphoric for Romanians, whose Greater Romania had double the size and population of the Regat, but the country faced the daunting problems of integrating three economies, legal and political traditions, as well as new minorities (nearly one-third of the population), including the numerous Hungarians of Transylvania.

A coalition government of the National party, whose leaders were intellectuals from Transylvania, and the Peasant party from the Regat ruled Romania after the conclusion of hostilities. Its plans to decentralize the state and conduct a sweeping land reform in 1920 prompted King Ferdinand and the Liberal party, which represented industrial, financial, and bureaucratic interests from the Regat, to install a conservative government of the Liberals and their allies, the People's party.

In 1921 the government enacted a land reform that reduced the size of the great estates of the Russian and Hungarian landowners, but the reform was disorganized and did not include additional crucial measures, such as consolidating scattered land holdings.

In the 1920s the Liberals further centralized the administration, passed a law to give more seats in the legislature to any party with more than 40 percent of the votes, and excluded the heir to the throne, the later Carol II (1893-1953, reigned 1930-1940), because of an extramarital affair with Elena Lupescu (1895-1977), whose Jewish background was an added complication for anti-Semites. Both Ferdinand and Ionel Brătianu (1864-1927), the premier Liberal politician, died in 1927, and the Liberal-led government lost popularity when it failed to secure a foreign loan and Romania faced two years of poor harvests.

The National and Peasant parties had merged in 1925, becoming the National-Peasant party, and in late 1928 the party's leader, Iuliu Maniu (1873-1955), a native of Transylvania, headed a coalition government. Under the National-Peasant party's initiative, Romania ended censorship, held free elections, and took other steps to liberalize civic life. In 1930 Maniu cooperated with others to remove the young King Mihai (Michael, born 1921) and his regency in favor of Carol, but instead of being grateful to the National-Peasant party, Carol manipulated it as well as other political parties. Between 1930 and 1940, the time Carol was king, Romania had more than two dozen cabinets and eighteen prime ministers, including the famous historian Nicolae Iorga (1871-1940).

In the 1920s and well into the 1930s, Romania was allied with France and with

Czechoslovakia and Yugoslavia was a member of the Little Entente, designed in part to thwart Hungarian efforts to revise the treaty of Trianon.

The rise of Romanian fascism

In 1927 Corneliu Zela Codreanu (1899-1938) established a new element in Romanian politics: the native fascist movement known as the Legion of the Archangel Michael whose paramilitary group was the Iron Guard. Its anti-Semitic and anti-Bolshevik yet devoutly nationalist and religious message gained it the support of the country's small working class, the large number of university graduates who could not find employment, certain groups of state bureaucrats and military officers, agriculturalists suffering from a decline in the prices they received for their produce, and refugees resulting from population exchanges with Greece and Yugoslavia.

While the Legion sought electoral gains, the Iron Guard, which gradually became synonymous to the Legion, carried out assassinations and intimidated politicians. In 1938, in an effort to stem the violence, Carol II dismissed the government and took power into his own hands for several months. He had Codreanu arrested, and late in the year Codreanu was killed, supposedly in an attempt to escape. Romania appeared to have overcome the crisis associated with the Iron Guard, but international events destabilized internal politics and cost Carol II his throne.

The Second World War

The Soviet Union and Germany allied in August 1939. Just days later, on 1 September, Germany invaded Poland, and the Soviet Union took the portion of Poland specified in

the Molotov-Ribbentrop Pact. The Soviet Union did not go to war along side Germany in the West, but in it took territory on its western border, winning a portion of Finland in the Winter War of 1939-1940 and in June 1940 taking the Baltic States of Estonia, Latvia, and Lithuania.

Also in June 1940, it demanded northern Bukovina and Bessarabia from Romania, which decided to surrender the territories instead of defending them against their larger neighbor. Hungary then claimed Transylvania, in part because of its historic possession of the region but also because of its large Hungarian minority, which amounted to slightly less than one-third of the population. After Hungarian-Romanian negotiations floundered, Germany and Italy mediated, deciding to give a portion of Transylvania to Hungary in the August 1940 Second Vienna Award (the first gave Hungary portions of Slovakia and Ruthenia).

The territorial losses discredited Carol II, who had maintained Romania's alliance with now-defeated France. In September 1940, Gen. Ion Antonescu (1882-1946) took control of the government as Conducător [leader] with the backing of the Iron Guard. He removed Carol II from power on 6 September and reinstated Mihai as king. On 7 September 1940 with the Treaty of Craiova, Romania agreed to return the Southern Dobruja to Bulgaria, and the two states participated in a population exchange with Bulgarians in Northern Dobruja moving to Bulgaria and Romanians in Southern Dobruja moving to Romania. The Legion, now the only legal political party, imprisoned and assassinated its former opponents.

In January 1941, Antonescu, whose association with the Iron Guard was based on

opportunism more than a commitment to fascism, used division within the Iron Guard to forcibly eliminate his erstwhile allies and side with their opponents in order to pacify the movement, but not before radicals in the movement massacred about 120 Jews in Bucharest.

In November 1940, Romania allied with Germany, and in 1941 the German military not only guarded Romanian grain and oil, which was crucial for the German war effort, but used Romanian bases to undertake its Balkan Campaign against Greece and Yugoslavia. Then in June 1941, when Germany marched against the Soviet Union, Romania invaded Bessarabia and northern Bukovina, taking back those territories from the Soviet Union. Two months later, it occupied Ukraine between the Dniester and Dnieper River.

After winning the Battle of Stalingrad in February 1943, the Soviets advanced simultaneously toward Berlin and the Balkans. They crossed into Romania in early August 1944, and King Mihai along with members of the military removed Antonescu later in the month. Romania declared war against Germany, and Romanian troops fought with the Red Army in the remaining months of the war, but Romania had to surrender unconditionally to the Soviet Union.

During the war, more than half of the Jews of Greater Romania perished in the Holocaust, the greatest percentage coming from Transylvania and Bessarabia. The Antonescu regime did not deport Jews to Germany for extermination. Romania sustained about 300,000 military deaths and additional casualties both as allies of the Germans and the Soviets. It emerged from the war without Bessarabia, Northern Bukovina, and Southern

Dobruja but with all of Transylvania, cleansed of its Germans, some of whom fled and others the Soviets transported east for laborers. The borders of postwar Romania confirmed in the Paris Peace Treaty of 1947 are those it has today.

Into the Soviet orbit

Between 1944 and 1948, Romania came into the Soviet orbit, in large part through the presence of the Red Army in Romania. As the Red Army advanced, Romanian Communists began intimidating other parties, particularly the National Peasant party. The Soviet General Andrei Vyshinski (1883-1954) arrived in Bucharest and persuaded King Mihai to appoint a new government on 6 March 1945 that included members from the Communist-dominated National Democratic Front. This was the government that announced the return of Northern Transylvania and enacted a land reform, both popular achievements.

In January 1946, the government broadened its base to include the non-Communist National Peasant and Liberal party members, but neither had real influence. The elections of November 1946 were anything but fair, and in the middle of 1947, the authorities banned the National Peasant party after its leader, Iuliu Maniu (1873-1955) and one of his supporters were arrested, tried, and sentenced to life imprisonment for treason.

In November 1947, reflecting changes found in other Soviet bloc states, the Social Democratic party merged with the Communists to become the United Workers' party, until 1965 the official name of the communist movement in Romania. Also in November 1947, the Communists forced King Mihai to abdicate. The United Workers' party dominated the government coalition, known as the People's

Democratic Front, which included the Ploughmen's Front, National Popular party, and Hungarian People's Union. Rigged elections took place in March 1948, and in April the country adopted a Stalinist constitution.

Stalinization

Stalinization in Romania was in line with other East-Central European and Balkan states. Five-year plans determined the course of investment in industry and set targets for manufacturing outputs. Collectivization eliminated private agricultural holdings. The Communist party controlled all forms of expression and information through an effective propaganda machine. The secret police guaranteed compliance through arrests and intimidation. It forced the Eastern Catholics to unite with the Orthodox. Finally, purges removed unreliable elements in the party as well as in society.

Departing from purges in other socialist countries, the Communists who stayed in prison in Romania during the war, at the head of whom stood Gheorghe Gheorghiu-Dej (1901-1965), removed the Muscovites, that is, those who spent the war years in Moscow, including Ana Pauker (1893-1960), a member of the Secretariat of the Communist Party and foreign minister who had resisted some of Stalin's policies with respect to Romania. Her Jewish background also made her look suspicious at a time when Stalin was engaged in the anti-Semitic Doctor's Plot .

Reforms during the Khrushchev era

While the death of Stalin and rise of Nikita Khrushchev (1894-1971) meant dramatic changes in the Soviet Union, Poland, and Hungary, the change in Soviet leadership

brought only a few economic reforms and no significant political changes in Romania. Nevertheless, the country forged a new path in foreign policy.

Gheorghiu-Dej realized that Khrushchev's reforms could threaten his power, so he permitted more consumer products and ended compulsory agricultural deliveries, even though he intensified efforts to complete collectivization. He also ended the SovRoms, firms which tended to supply the Soviet Union with Romanian resources more than they fulfilled their stated purpose of rebuilding the Romanian postwar economy.

As a showpiece of de-Stalinist reforms, Gheorghiu-Dej ended his control of the state and party for a short time in 1954-1955 by having Gheorghe Apostol (1913-2010) head the party as first secretary. In foreign affairs, Romania sought to balance the Soviet threat of forcing de-Stalinization on Romania through closer ties with Yugoslavia and China, where Mao Zedong (1893-1976) was still loyal to Stalinism.

In 1957 Miron Constantinescu (1917-1974) and others who favored Khrushchev's reforms were unable to dislodge Gheorghiu-Dej. Despite Romania's independent stance with respect to the Soviets, Khrushchev withdrew Soviet troops from Romania in an effort to improve relations, but the absence of the Red Army only emboldened the Romanians to pursue an even more independent line. They accepted the tenets of economic integration within the Soviet Bloc through the Council on Mutual Economic Assistance (CMEA), but they rejected the notion that Romania should focus on supplying agricultural goods as opposed to developing an industrial capability. They also they pursued friendly relations with the West.

A complete break between the Chinese and Soviets occurred in April 1960 at the Romanian Communist party congress. In what became known as the Sino-Soviet split, Romania at first sided with the Soviets, but over time its independence in the ideological debate became apparent.

Ceaușescu

After Gheorghiu-Dej's death in 1965, Nicolae Ceaușescu (1918-1990) emerged as the head of the party and the state. Although no structural political reforms accompanied the change in leadership, the Ceaușescu regime's first decade brought an improvement in the country's standard of living.

Romania continued to pursue an independent foreign policy, voting against the Soviet Union in the United Nations and continuing diplomatic relations with Israel during the 1967 war, unlike other states in the Soviet sphere of influence. In 1968 Romania not only refused to participate in the Warsaw Pact invasion of Czechoslovakia, but Ceaușescu openly condemned the act.

The Soviet Union tolerated Romania's independent foreign policy stance because the position of the Romanian Communist party was secure, Romania was an important partner in the CMEA, and it was not as strategic in the cold war as was the German Democratic Republic, Poland, and Czechoslovakia. The United States and its allies courted Ceaușescu because he refused to cater to Soviet policy makers.

The late 1960s also brought a slight liberalization, but it ended in the 1970s, after Ceaușescu had visited China. The West made credit available to Romania in the 1970s, and in the 1980s Ceaușescu eliminated the debt he

had incurred by increasing exports, a policy that exacerbated the shortages common in central planning.

The birth rate dropped, a trend already noted in the 1960s, so the regime prohibited abortions, took contraceptives off the market, and tested women for pregnancies. The state maintained tight censorship and used the internal police or Securitate to intimidate the citizens.

Finally, Ceaușescu encouraged not only a cult of personality but also advanced his family, creating what observers of East-Central European and Balkan politics referred to as the only dynasty to rule a socialist country. His wife, Elena (1916-1989), who had a doctorate in chemistry that she may have obtained through her husband's connections, held some of the highest positions in the party and was a deputy prime minister. The couple groomed their youngest son, Nicu (1951-1996), to succeed his father. Romanians quipped that they had "socialism in one family," recalling Stalin's slogan for the Soviet Union of the middle of the 1920s "socialism in one country."

The revolution of 1989

Throughout the Communist era, the status of the Hungarian minority in Transylvania deteriorated. The government reduced number of Hungarian-language schools and teachers, and it merged the Hungarian university in Cluj with its Romanian counterpart. Hungarians were discriminated against in the bureaucracy and in upper-level management.

The regime moved Romanians into Hungarian areas. It also planned to eliminate approximately 7,000 Hungarian villages and

resettling families in newly-expanded urban centers through a program called systemization. It started in strictly Romanian areas and had a dramatic impact on Bucharest when planners destroyed parts of the historic city center to make way for a broad boulevard and the People's Palace, originally to serve as Ceaușescu's palace but is now the building of Romania's bicameral parliament.

In 1989 László Tókéş (born 1952), a Hungarian pastor in Timișoara, preached against systemization, and attempts to transfer him led to protests by his congregation that gained the support of Romanian students. On 17 December, more than a month after crowds breached the Berlin Wall, a crowd protecting Tókéş from eviction began to denounce the Ceaușescu regime. When the police fired on the protesters, killing many, the demonstrations spread not only throughout the city but throughout Romania.

On 21 December, a crowd heckled Ceaușescu as he gave an open-air speech in Bucharest, prompting him to leave the podium and escape the city by helicopter. Fighting erupted as the Securitate attempted to disperse the crowd, and several hundred died. Ceaușescu and his wife were apprehended in Târgoviște and on 25 December were tried by a military court and executed. Their bodies were shown on national television, to accentuate the break with the old regime and to end the violence.

Government and politics after the revolution

Unlike other states in the region, Romania has a strong, popular elected presidency who names the prime minister and, under certain conditions, can exclude cabinet ministers as well as dissolve parliament and call for early elections. Presidents must not have party

affiliation while in office, but parties back them in the elections.

Between 1989 and 2004, the president was Ion Iliescu (born 1930) from the Social Democratic party, and his past affiliation with the Communist party was at once an advantage that gave him experience and connections but a liability because it discredited him in some circles. In 1990, when students protested the presence of former Communists in the government, Iliescu brought miners to Bucharest to break up the demonstration. The miners arrived again in 1991, almost toppling Iliescu.

In the 1996 elections, Iliescu lost power to Emil Constantinescu (born 1939), who had the backing of the Democratic Convention of Romania. He and his reform-minded prime minister sought to reduce the influence of the so-called neo-Communists but had little success. The government also set Romania on a course for European Union and NATO membership.

In 2000-2004 Iliescu returned to power. The president now, Traian Băsescu (born 1951), was suspended from office for a short time in 2007 because of corruption allegations, a retaliation for his support of a lustration law to remove former Communists from state administration, but a referendum confirmed him in office.

In the interim, Nicolae Văcăroiu (born 1943) served as president. Emil Boc (born 1966) of the Democratic Liberal party is the current prime minister, leading his party in a coalition with the Social Democratic party. Băsescu and Boc have made some headway in strengthening a civil society, weakening the grip on the administration of former Communists, a cohort now reaching

retirement, and eliminating corruption. Furthermore, the European Union offers encouragement and assistance in decreasing corruption and other sorts of abuse.

Seeking closer ties with the West

After the fall of Communism, Romania sought to associate itself with the West through membership in NATO and the European Union. In March 2004, Romania along with Bulgaria, Estonia, Latvia, Lithuania, Slovakia, and Slovenia entered NATO, which established bases in Romania and Bulgaria in order to have a military presence near the Black Sea and closer to hot spots in the Middle East. Romania joined the coalition that invaded Iraq, but it soon began to distance itself from the United States, mirroring the actions of Western European states, so as not to jeopardize its bid to enter the European Union.

In January 2007, Romania acceded to the European Union along with Bulgaria. It hopes to enter Schengen in 2011, but questions still remain about whether it can secure its lengthy border with Moldova and Ukraine to prevent illegal emigration. Romania is scheduled to adopt the Euro in 2015 or some time afterward.

The transition from state control of the economy

Unlike some former socialist states that introduced capitalism through rapid shock therapy, Romania pursued a slower course. Many mines were inefficient, but the state decided to keep them open in the face of protests from the miners. State subsidies still exist for the energy sector, and state control over a major portion of the finance sector discourages foreign investment.

About one-third of the workforce is engaged in agriculture, but it supplies less than 13 percent of the GDP. The government returned land from the collectives to individual farmers, but the result was the creation of numerous, inefficient small farms, many of whose owners found it profitable to rent the land to farmers with modern equipment, expertise, and connections with the old Communist *apparat*.

Industry employs about a quarter of the work force and is responsible for more than half of the GDP. Romanian machine tools as well as SOFTWIN virus software, Dacia automobiles, and petroleum products from Petrom and Rompetrol are known in the Balkans, East-Central Europe and other parts of Europe. The service sector employs just under half of the workforce. Overall, the growth indicators for the Romanian economy are sound.

Lingering ethnic issues

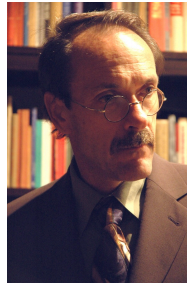
Ethnic Romanians reside in all states contiguous to Romania, but their presence does not pose any foreign policy difficulties.

Relations with Hungary sometimes become cool, largely because of Hungarian concerns about its ethnic minorities abroad, not only in Romania, but the minority guarantees of the EU, the freedom of movement within the EU, and the desire on the part of the newly-admitted states of Central Europe to avoid negative attention tend to discourage politicians from persecuting minorities and from escalating the rhetoric about minority issues. The Hungarian-Romanian Basic Treaty of 1996 reassured both sides because the two countries recognized their current borders and Romania committed itself to respect its minorities' rights, including the ability of Romania's 1.7 million Hungarians to use Hungarian in administrative dealings.

In the immediate post-Communist era, there were questions about the possibility of Romanians in Moldova, the current name for Bessarabia, wanting to unite with Romania. The most vocal proponents of unity in Moldova emigrated to Romania over time. The Romanians in Moldova realize that although they speak Romanian, their ethnicity is quite different from Moldavians across the border.

Finally, the Romanians realize that while nearly 70 percent of the Moldovans speak Romanian, 11 percent are Ukrainians, 9 percent are Russians, and 4 percent are Gagauz (a Turkic ethnic group that is Orthodox Christian), and nearly 6 percent are of other nationalities. Furthermore, the EU is concerned about the border with Moldova because of illegal emigration, and since 2001, the Romanians have tightened the border and required that Moldovans coming into Romania have passports. As a result, neither side seriously entertains the notion of unity.

About the author



Daniel E. Miller is a senior consultant for Walker Clark, LLC, and specializes in business strategy and related economic, political, and cultural issues in the legal markets of Europe, with particular experience in expertise in the Central

European countries of the Czech Republic, Hungary, Poland, Romania, and Slovakia. He is a member of the Walker Clark Central Europe Group.

As a professor of history at the University of West Florida in Pensacola, Florida, Dr. Miller teaches graduate and undergraduate courses in Central European history as well as other aspects of Modern European history. Dr. Miller's publications include *Forging Political Compromise: Antonín Švehla and the Czechoslovak Republican Party (1918-1933)*, which deals with agrarian politics and democracy in Czechoslovakia between the two world wars.

Research and teaching frequently take Dr. Miller to over a dozen European countries, especially those in Central Europe.

Dr. Miller's languages include English, Czech (near fluent), Slovak, and German. He can be contacted at daniel.miller@walkerclark.com.