

**ROMANIA'S MEMBERSHIP OF THE EUROPEAN UNION.  
RECIPROCAL BENEFITS 10 YEARS AFTER JOINING THE E.U.**

STANCIU SORIN<sup>1</sup>, IANCU TIBERIU<sup>1</sup>, CAMEN DORIN<sup>2</sup>, FORA CIPRIAN<sup>2</sup>,  
ȘTEFAN CAROLINA<sup>2</sup>, MOATĂR MIHAELA\*<sup>2</sup>

<sup>1</sup>*Banat's University of Agricultural Sciences and Veterinary Medicine "King Michael I of Romania" from Timișoara, Faculty of Agricultural Management, Romania*

<sup>2</sup>*Banat's University of Agricultural Sciences and Veterinary Medicine "King Michael I of Romania" from Timișoara, Faculty of Horticulture and Forestry, Romania*

\*Corresponding author's e-mail: mihaelamoatar@yahoo.com

**Abstract:** *Every anniversary, and even more, the 10th anniversary of Romania's membership and 60 years of European integration, is not only a festive dimension but also a reflection. What can mean for Romania the 10th anniversary of presence in the EU? [9]. The answer to such a question can only come from the context of this decade, marked, inter alia, by the economic and financial crisis, security developments at the EU's borders, the refugee crisis, terrorist attacks in various major cities in the Union, and, not least, by Brexit.*

**Key words:** *crisis, economical, Brexit, parliament*

### INTRODUCTION

This multiple-challenge avalanche, which, according to the President of the European Commission, Jean Claude Juncker, marks [5] a period of uncertainty, an "existential crisis" in the EU, naturally transforms every anniversary into a necessary moment of reflection and balance to use a more balanced and constructive reading grid. This grid, also applicable to a wide range of subjects, from macroeconomic developments to access to the internal market, should prevent us from slipping either in excessive festivals or in incurable defeatism.

Without reducing membership in the EU position in a simple relationship between two factors, how and how much we receive from the EU budget must however say that this decade, 2007-2017, the balance of financial flows Union was overwhelmingly positive one. It is about EUR 27 billion and is the result of some € 41 billion of inputs, mainly in the form of Cohesion and Agriculture funds (both for the MFF 2007-2013 and 2014-2020) and outflows in the form of payments to the EU budget, amounting to about 14 billion euros.

In the case of macroeconomic developments, the figures, assessed objectively, show us that, during these last ten years, 2007-2016, we should not forget, from the most serious economic and financial crisis of the last century, Romania's Gross Domestic Product (GDP) doubled. [16] The value achieved in 2016, at EUR 168.9 billion, makes GDP at the moment at about 60% of the EU27 average (compared with 38% in 2006).

GDP growth, both driven by the increase in domestic production, including the increase in European funds absorption and exports (exports of agri-food products to EU countries, for example, increased about 5 times, from EUR 747.4 million in 2007-3 889 million euro in 2015) was reflected in the growth of average gross wages (by 146% in nominal terms compared to 2006 and by 66% in real terms) and the minimum wage (about 100 euros in 2006 to about 264 euros in 2016). Major structural mutations, which reflect structural changes in the Romanian economy and the growing importance given to the creative industries sector, have also occurred in the labor market: if ten years ago bankers ranked first in the list of the best paid employees in the economy, the first position is currently occupied by IT sector employees (in 2016, an IT employee earned an average of 5,382 net / month, while a bank employee earns 4,309 ROL).

Beyond any statistics, studies and analyzes (econometric or not) to measure the impact of adherence on various macroeconomic indicators, capital flows, commodities or people, social and institutional developments, the impact of membership must also be assessed in relation to the perception of the ordinary citizen, and for it membership meant, above all, the possibility of working and studying in the EU [1]. This advantage, deriving from the status of Member State, was identified as the most important in the list of positive effects of accession (Standard Eurobarometer 86, November 2016). The question "what does the EU mean to you personally?" In 53% (4 percentage points above the EU average) Romanians ranked first freedom to travel, study and work anywhere within the EU, thereby strengthening the response to another the question of "the biggest benefit of EU membership", where they also felt that the freedom of movement of people, goods and services (9 pp above the EU average, respectively 35% versus 26 %) [11].

At EU level, the anniversary of 60 years of the Treaties of Rome takes place in a political climate increasingly laden with skepticism, they are looking for answers to a number of priority themes of interest not only European but also national : what will be the political priorities of the future?

Multiannual financial framework post-2020, which will be the direction of reforming the traditional policies of the European Union, particularly cohesion policy and the common agricultural policy, as will the structure of the next competitive development strategy that will replace the Europe 2020 strategy and , not least, on what level will the Union redefine after the United Kingdom? [4]. All these issues call for the timely identification of realistic, constructive and European-added value solutions. Ten years after the accession, the European integration project remains a strategic one for Romania and intrinsically linked to the long-term internal development project. In this context, ensuring the presidency of the EU Council in the first half of 2019 is a test that Romania has the capacity to prepare thoroughly and to conclude it "very well".

## MATERIALS AND METHODS

Romania's accession to the European Union meant, first of all, a number of mutual benefits for both the new Member State and the community to which it joined. Even though the training process started many years ago, and the Romanian state has improved its legislation so that it reaches European standards (*acquis communautaire*), only from the moment of accession (2007) [12]. Romania can play a direct role in decisions taken at European level, with any EU Member State delegating certain competences to the European Union.

### Recognition of professional qualifications

There are 7 sector regulated professions for which Romanian diplomas benefit from automatic recognition at European Union level (physician, dentist, pharmacist, nurse generalist, midwife, veterinarian and architect). For example, a graduate of the Faculty of Medicine and Pharmacy has the opportunity to work in another EU country because it is automatically recognized as a diploma, so the right to practice.

The delegation of certain decision-making powers by the Member States to the European Union is carried out at the level of specific competencies [3]. The competences in question are three-fold and relate to:

a) Exclusive competences - the EU is empowered to make certain decisions exclusively (there are a number of areas in which the Union can only legislate, such as: customs union, monetary policy for euro area countries, common fisheries policy, trade policy the conclusion of certain international agreements);

b) Shared competences - both the EU and the member countries can make decisions (they relate to areas where both the European Union and Member States can legislate, such

as: the internal market, social policy, the environment, consumer protection, energy, development and humanitarian aid, etc.);

c) Supporting competences - The European Union can only intervene to support, coordinate or complement the action of EU countries in certain areas such as industry, culture, tourism, education and training, civil protection, etc.

In addition to the three competences already defined, there is also an obligation on Member States and the Union to act jointly to coordinate the economic and employment policies of the Member States in order to promote economic and social progress in the Union. The EU membership position implies not only the right of that state to participate in the decision-making process, but also the rights resulting from the European citizenship. Every person holding the nationality of a Member State is automatically a European citizen [8]. This does not mean that Romanian citizenship is, for example, replaced by European citizenship, but that the two co-exist, acting in common. The Romanian citizen enjoys both the rights and benefits that exist in Romania, but also those that have been established at European level.

The right to live, work and retire anywhere in the European Union

Romanian citizens can reside in other Member States without any restrictions up to 3 months, only on the basis that they have a valid identity card or passport. After 3 months, certain administrative requirements (registration with the competent authorities of the place of stay) have to be met. The right to permanent residence in another Member State is obtained after 5 years, when the person concerned must have lived there in legal form.

The right to benefit from consular protection in third countries (where there is no embassy of their own country)

To travel to another Member State there is no need for an identity card or passport, with no restrictions on entering another EU country (visas, etc.). In the case of trips outside the European Union, Romanian citizens (for example) enjoy consular protection from an embassy belonging to an EU Member State, unless there is an embassy of Romania in that place [7]. For example, if a Romanian citizen needs consular protection in Ecuador and can not travel to Peru (the diplomatic representation of Romania in Ecuador is provided by the Romanian Embassy in Peru), he can address the French Embassy in Ecuador.

Right to choose and be elected

Citizens of the Member States vote in the European Parliamentary elections every five years, but also have the opportunity to run themselves in the local elections organized in the Member States where they live (as long as they respect the electoral law). In recent years, more Romanians have run for the local elections in the Member States where they have settled, and some have received the votes of the majority to serve as mayor or local councilor. Such situations have been encountered particularly in Spain and Italy. In addition to the rights set out above, there are also other issues relating to the possibility of petitions to the European Parliament or complaints to the European Ombudsman, contacting and receiving a response from any European institution in one of the 24 official languages and the occasion to develop a citizens' initiative [13]. The quality of a Member State implies, in the case of Romania, proportional representation in each of the 7 EU institutions:

The right to be represented within the European institutions

1. In the European Parliament, Romania has 32 MEPs elected following the 2014 elections;

2. In the European Commission, Romania is represented by a Commissioner, the current being responsible for the Regional Policy Portfolio;

3. In the European Council, the Romanian State is represented at the highest level of President or Prime Minister;

4. In the Council of the European Union, Romania is represented by the relevant ministers, depending on the field in which the European legislation is negotiated or adopted (in each of the 10 councils);

5. The Court of Justice of the European Union is composed of one judge from each EU country and 11 general advocates;

6. The European Court of Auditors shall consist of one representative from each Member State;

7. The General Council of the European Central Bank (ECB), consisting of the ECB President, the Vice-President of the ECB and the governors of the national central banks (NCBs) of the 28 EU Member States. The NBR is part of the European System of Central Banks, consisting of the European Central Bank and the national central banks (NCBs) of all EU Member States, whether or not they have adopted the euro.

### RESEARCH RESULTS

One of the most important arguments for countries wishing to join the European Union is related to the development of the economy. Each state seeks to provide a better standard of living for its citizens, and this is seen in the desire to belong to a stable economic construction such as the EU [19]. As far as Romania is concerned, joining the EU has helped to increase trade with European partners, boost foreign direct investment and stimulate entrepreneurship, as follows:

#### ***Doubling Gross Domestic Product***

The 2007-2016 period was characterized by significant economic and social development, gross domestic product almost doubling in 10 years, although the period under review was marked by the largest economic and financial crisis and sovereign debt in Europe in the last century. On the other hand, if we refer to GDP per capita compared to PCS28, Romania is approaching 60% of GDP in the EU27 average, compared with 43% in 2007.

#### ***Improving the structure of the Romanian economy: + 6.3%***

The share of added value in agriculture declined by half in 2016 compared to 2005 (when it was 12.1%), while the contribution of services to GDP formation increased by 6.3 percentage points (in 2005, the share was 49%) [20]. These developments took place against the background of maintaining an export-oriented industry.

#### ***The access of Romanian products to the European market: + 4.7%***

The share of exports of intra-Community goods increased by 4.7 percentage points, from 70.5% in 2006 to 75.2% in 2016, which means that more Romanian products have reached the European market.

#### ***Significant improvements in the labor market situation: 66.8%***

Thus, on the background of the recovery of real and potential growth, the employment rate of the 20-64 age group improved slightly to 66.8%, which places Romania at a distance of 3.2 percentage points of the target set The Europe 2020 strategy. The estimated unemployment rate, estimated according to the ILO criteria (estimated for 2016), is 6%, one of the lowest among the Central and Eastern European countries.

#### ***Average turnover per company: + 64%***

The inflow of European foreign direct investment in small and medium enterprises was one of the premises for increasing the economic performance of Romanian companies.

In 2015, the average turnover per company reached 1.8 million lei, up 64% compared to 2006. The gross profit on the total economy increased by about 53% over the same period.

### ***Increase of the population incomes***

Gross average earning increased in 146 by 146% in nominal terms compared to 2006, and in real terms it was 66%. It can be argued that salary policy has tended to align with European standards, given that after the crisis, the share of the minimum wage in gross average earnings improved significantly as a result of raising the minimum wage to 264 euros in 2016 to around EUR 100 in 2006 [17]. The fact that significant labor market improvements have occurred and increased the incomes of the population has led to improved indicators of poverty and social exclusion. The share of the population at risk of poverty and social exclusion has decreased compared to the pre-accession period, but remains around 40%. Eurostat statistics show that between 2008 and 2015 1,990,000 people have emerged from the risk area of poverty and social exclusion [2].

At the other end, according to an analysis of the sectors with the highest average wages in 2007 versus 2016, there is a significant change in the labor market: if ten years ago bankers ranked first among the top salaried employees in the economy, IT employees have taken their place [10]. Thus, an employee in the IT services sector earned an average of 5,382 ROL / month in 2016 on average in 2016, while a bank employee earned an average of 4,309 ROL / month in the same period.

The development of the Romanian economy also benefited from European funds. The impact of the Structural and Cohesion Funds (FSC) over the period 2009-2016 on some socio-economic indicators (Gross Domestic Product, Investments, Employment and Unemployment Rate, Consumption and Average Salary) was estimated at the beginning of 2016 by the National Prognosis Commission based on an analysis model used by the European Commission, adapted at national level [6]. The general conclusion of CNP simulation was that the implementation of the Structural Instruments during 2009-2016 had a net positive effect on the Romanian economy and society, as follows:

### ***Increase in real gross domestic product***

The net effect of the implementation of European funds during the period 2008-2016 is positive, so that real GDP (constant prices 2010) is cumulative at the end of this interval, 13.6% higher than it would have been in the absence of these funds [19].

### ***A lower unemployment rate***

The benefits of European funds are also seen in the evolution of the unemployment rate, which at the end of 2016 was 3.7 percentage points lower than it would have been without these funds.

### ***A higher occupancy rate***

The impact of EU funds on employment: an increase of 4.6% at the end of 2016.

### ***Increase of the average wage***

There was a significant increase (29.9%, cumulative 2008-2016) of the average earnings per employee.

Also, if we were to analyze the difference between the European funds that arrived in Romania and the contributions we paid from the member state (2007-2017) 34, the situation would look like this:

- EUR 14 billion went from Romania to the EU budget in the form of contributions to support European policies.

- EUR 41 billion went from the EU budget to Romania (mainly in the form of cohesion funds and those dedicated to agricultural policy and rural development).

- EUR 27 billion have been added to Romania as much as contributed to the EU budget.

Cohesion policy / regional policy has consistently and consistently supported the process of European integration, thus contributing to growth and job creation. Without cohesion policy, regional disparities at EU level would have been even greater [14].

Furthermore, this policy has been able to deliver integrated development strategies that bring together interventions in diverse areas such as infrastructure, human resources and the business environment, environmental protection, climate change and energy efficiency in a coherent package of measures addresses the regional or even local context.

On 31 March 2017, the estimated absorption rate for the seven operational programs 2007-2013 (ROP, POST, POSM, POSCCE, POSDRU, PODCA and OPTA) is over 85% of the EU allocation (approximately € 19.2 billion). For the period 2014-2020, the allocation from Romania of the Structural and Investment European Funds is of approx. EUR 31 billion (includes allocations for cohesion policy, agricultural policy, maritime and fisheries policy).

Another area that has become even more important with the accession of Romania the EU is the one of energy. Romania is now part of the second energy market in the world as a number of consumers, and the deepening of the liberalization process that characterizes the market European market will allow Romanian consumers to choose their electricity and gas supplier natural gases [18]. As such, they will be able to negotiate terms directly with vendors and the conditions regarding the provision of electricity / natural gas service, such as would be the prices, the payment methods and the quality of the service.

Also, EU membership retains the right of the Member State to decide on to their own energy mix, according to their needs, profile and development strategy. However, taking on climate change targets at European level implies a a series of obligations to which Romania has to respond (eg promoting energy efficiency and increased use of energy from renewable sources) [15].

One of the most important projects in the energy sector has been developed within the CESEC - Central East South Europe Gas Connectivity Initiative, where Romania, along with the states by the central and south-eastern European region, aims to develop strategic projects such as is also BRU A - Gas transport corridor Bulgaria - Romania - Hungary - Austria, an initiative aimed at creating a transport capacity between interconnection points existing between the Romanian, Hungarian and Bulgarian systems [19]. BRUA is an infrastructure project of major importance for the entire region, with benefits for each of the states partners in the region. The support provided by the European Commission by signing the grant financing in early September 2016 is an indisputable confirmation of the central role of the BRUA project to the concept of the region's energy security architecture.

Accession to the European Union also had a positive impact on transport, so that a number of European directives are being applied or are being implemented in the Romanian legislation have contributed to better respect for passengers' rights (such as compensation and assistance to passengers in the event of refusal of boarding and cancellation or delay prolonged flights or the fact that inland waterway vessels carrying passengers must be built and equipped for "persons with reduced mobility").

## CONCLUSIONS

The 10<sup>th</sup> anniversary of Romania's accession to the European Union is not only an important moment of reflection, strategic evaluation, but also a projection for the future. During the years that have lapsed since Romania's accession, Romania has continued on its path - that of respecting its European commitments, of a European action that responds to the interests and expectations of the citizens.

From the perspective of Romania, the European integration project remains a strategic one, intrinsically linked to our long-term internal development project. Romania is working to strengthen European integration, the principles and values on which it is based, in order to preserve the inclusiveness of European construction, allowing the unprecedented challenges of the Union to be overcome by common, consensual efforts [5]. This course has to continue and develop, especially in view of Romania taking over the presidency of the EU Council in the first semester of 2019. We have the advantage of significant support from citizens for the European project that allows us to maintain a clear pro-European stance, but it also compels us to make better use of the benefits of membership of the Union [20]. At this time a moment of reflection and mapping of initiatives at European and national level is needed to identify those that serve a dual conditionality given by national and European interests. The priority vision would therefore be that of the European Union's democratic refutation, and the question would be: when, along with whom and how? [12]. The EU must simultaneously focus its reform efforts on several priority themes such as: good governance of the euro area, border security, creating a sustainable growth model, cohesion, etc.

We have before us an immense and perhaps unique window of opportunity in rethinking European policies and the distribution of the competences of the actors involved, respectively the way in which they are exercised at national and European level. We also have the chance to increase democratic oversight and citizens' involvement in the process of making and implementing European decisions, starting from the means that new technologies offer us. The EU was from the outset a European project based on a free coalition of those who wanted, a project that depended on popular support [4].

Pro-European leaders will need not only to bring citizens closer to the EU in the next period but also to reconfirm that the prosperity of all depends on the Union through a consensual and effective action. We must have a Union that is of all citizens, where no one is left behind and develops a defense mechanism in the face of the crisis, both of the Union as such and of its citizens.

The fact that Romania is today a safe and predictable European country in a multi-faceted and unknown area requires us to take decisive action in the future with the Member States that want further development of the European project. Only in this way will we be able to continue to develop and ensure that the Union's neighborhood is more democratic, more stable, more secure [1]. The continuation of the enlargement process, an active neighborhood policy with an emphasis on developing relations with the Eastern Neighborhood partners, will remain the fundamental coordinates of Romania's action on the EU's foreign policy agenda. The challenges associated with the UK's outbreak in the EU and the other crises, translate into a volatile reality, which will significantly mark the rhythm and future agenda at European level. The way we handle the process will be a test for the unity and solidity of the Union [16]. It is necessary in this process to preserve the fundamental principles and freedoms on which European construction is based, preserving the integrity of the EU internal market, and the necessary tools to reduce development gaps between EU Member States.

REFERENCES

- [1]. **BUSINESS EUROPE**, 2017, Comments On The 2017 “Services Package”, <http://www.europarl.europa.eu/cmsdata/121682/BusinessEurope20%position%20paper.pdf>
- [2]. **COMISIA EUROPEANĂ**, 2016, Mapping and analysis of the implementation of the CAP. Final Report, [https://ec.europa.eu/agriculture/sites/agriculture/files/external-studies/2016/mappinganalysis-implementation-cap/fullrep\\_en.pdf](https://ec.europa.eu/agriculture/sites/agriculture/files/external-studies/2016/mappinganalysis-implementation-cap/fullrep_en.pdf)
- [3]. **COMISIA EUROPEANĂ**, 2017, Romania CAP in your country, [https://ec.europa.eu/agriculture/sites/agriculture/files/cap-in-your-country/pdf/ro\\_en.pdf](https://ec.europa.eu/agriculture/sites/agriculture/files/cap-in-your-country/pdf/ro_en.pdf);
- [4]. **CONSILIUL NAȚIONAL AL ÎNTREPRINDERILOR PRIVATE MICI ȘI MIJLOCII DIN ROMÂNIA**, 2016, CNIPMMR nu sustine revizuirea Directivei 96/71/CE privind detasarea lucrătorilor în cadrul prestării de servicii, <http://cniipmmr.ro/2016/03/17/cniipmmr-nu-sustine-revizuirea-directivei-9671ce-privind-detasarea-lucratorilor-in-cadrul-prestarii-de-servicii>
- [5]. **COȘEA, M.**, 2017, Oportunitatea reindustrializării României, [https://www.dcnews.ro/oportunitatea-reindustrializarii-romaniei\\_555525.html](https://www.dcnews.ro/oportunitatea-reindustrializarii-romaniei_555525.html)
- [6]. **CRĂCIUNESCU A., MOATĂR MIHAELA, STANCIU S.**, 2014, Comparative study in Romania and European states regarding the management afforestation lands, *Lucrări științifice Management Agricol*, XVI (4), 83-88
- [7]. **CRĂCIUNESCU A., STANCIU S., MOATĂR MIHAELA**, 2014, The implementation of European forest legislation for a sustainable development, *Research Journal of Agricultural Science*, 46 (1), 158-165
- [8]. **HUNYA, G.**, 2017, Romania: Ten Years of EU Membership, *Romanian Journal Of European Affairs*, 17(1), 5-15
- [9]. **JULA, D., JULA, N. M.**, 2017, Foreign Direct Investments and Employment. Structural Analysis, *Romanian Journal of Economic Forecasting*, 20(2), 29-44
- [10]. **KLASOVA, S., KOVAC, V., LIPTAK, F.**, 2015, Structural Convergence of Economies of Slovak Republic and Czech Republic, *Mediterranean Journal of Social Sciences*, 6(5), 235-242
- [11]. **MINISTERUL ECONOMIEI**, 2013, Strategia Națională de Export 2014-2020, [http://www.minind.ro/strategia\\_export/SNE\\_2014\\_2020.pdf](http://www.minind.ro/strategia_export/SNE_2014_2020.pdf)
- [12]. **PAUL A. M., POPOVICI O. C., CĂLIN A. C.**, 2014, The attractiveness of Central and Eastern European countries for FDI. A public policy approach using the TOPSIS method, *Transylvanian Review of Administrative Sciences*, 42 E: 156-180
- [13]. **PIANTA, M.**, 2014, An Industrial Policy For Europe, WP-EMS # 2014/01
- [14]. **POPOVICI O. C.**, 2015a, Assessing the Impact of the Labour Market Determinants in Attracting FDI, *Journal of Academic Research in Economics*, 7(1)
- [15]. **POPOVICI O. C.**, 2015b, Assessing FDI determinants in CEE countries during and after transition, *The Annals of the University of Oradea*, XXIV(1), 113-122
- [16]. **POPOVICI, O. C.**, 2013, Analiza investițiilor străine directe în noile state membre ale Uniunii Europene, Teză de doctorat, Academia de Studii Economice din București
- [17]. **POSTOIU, C., BUSEGA, I.**, 2015, Romania's Agriculture and its Role in the Convergence Process, *Global Economic Observer*, 1(3), 34-43
- [18]. **STRAT, V. A., POPOVICI O. C.**, 2015, FDI Convergence versus Real and Structural Convergence at the EU Level. An Approach Based on the GINI Coefficient, *Economia. Seria Management*, 18(1), 150-162
- [19]. **VADUVA S.**, 2016, From Corruption to Modernity, The Evolution of Romania's Entrepreneurship Culture, *SpringerBriefs in Economics*
- [20]. **WORLD BANK**, 2017, Doing Business 2017, <http://www.doingbusiness.org/~media/WBG/DoingBusiness/Documents/AnnualReports/English/DB17-Full-Report.pdf>