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## **REMARKS ON THE QUESTION OF TRANSITION: THE RHETORIC OF PROGRESS AND LIBERATION IN MODERNITY**

**MARIUS JUCAN**

**ABSTRACT.** Transition proves to be an expanding field of interest, today. Out of the numberful issues concerning transition, the author of this paper chose to deal mainly with the concept of transition, as it was stated especially in the 19<sup>th</sup> century and the first half of the 20<sup>th</sup> century, during a span of time regarded as foundational for the theoretical articulation of the concept, as well as for pragmatic policies of transition as "Europenization" or "Americanization". Starting from a hermeneutical approach, the paper focuses on the various theoretical premises resulting in different interpretations of transition. Transition is shown as being closely interrelated to the idea of modernity.

The word *transition* has obviously a long history. One may speculate on the interrelated nature of our actual understanding of "transition" and "history", as recurrently used terms to enhance the specificity of modernity, generally speaking. "History" and "transition", though not viewed as the two sides of the same coin, may share the perspectival attitude of modern man, his capability of redefining the past and envisioning the future. No matter how incomplete or even superfluous to speculate on the adjoining semantic spheres of "transition" and "history" would be, pointing to a common ground between the above mentioned terms stands for an important and implicitly recent gain in comprehending our presence in history. In other words "transition" and "history" seem to be as close as never in our interpretative attempt, primarily because analyzing the way in which "history" is written and the modalities in which transition was historically applied, we can notice their inherent link, according to their rhetoric of progress and liberation, intertwined in the so-called "accommodation"<sup>1</sup>. Nevertheless, it seems inconsistent to extrapolate the

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<sup>1</sup> Funkenstein, Amos, *Teologie și imaginație științifică din evul mediu până în secolul al XVII-lea*, traducere din engleză de V. Fotescu, Humanitas, București, 1998, pp.17-20.

traits of transition occurring in one field of human activity (like for instance in philosophy, science or literature) as to construe a universal understanding of the concept of the transition validated by reality. Rather on the contrary, starting from the diversity, difference and conflicting aspects of social reality in Europe, especially since the 19-th century, one would meet the opportunity of assessing the referential frame of the concept, noticing not to overlook the particular (regional) traits of the process, occurring at different times and in different contexts. Along with the presence of rather diffuse meanings which came to be acknowledged by the use of the term "transition", we are nowadays more or less prone to decipher behind the sometimes glamorous or sophisticated coating of the concept, the rhetorical means of a tentative attempt to comprehend change in European social reality, as well as in the culture of present-day humanity. The acknowledgment of a *state of progress*, so optimistically, valued in the 19-th century was accompanied by a resurgent nostalgia for the "olden times", and the germs of a radical criticism of modernity burgeoned in the same age of the full assertion of "transition". Not to mention that the same century, so richly represented by the foundational definitions of modern history, was, so to say, engrossed not only in asserting the destiny of the nations, but also in reviving ancient Greek and Roman history, and moreover looked at present through the distorting lenses of Roman or Greek history. The consensus on the state of progress was far from being unanimously reached, and as we know, it provoked a more profound upheaval, in the sense of advocating for a far more demanding cause, namely for *an applicable ideal of liberation*, which was expressed in an urgent and radical way. Besides the messianic tone in which the ideas of "transition" were put as a necessary stepping over present reality and moving toward future as the only *acceptable* choice to salvage the inheritance of human culture of mankind, generally, one should notice the major role assumed by history (actually by historians) in designing the *perspectival* component of reality. "History" and "transition" enlarged thus their common ground as the perspectival analysis of social reality, of human culture thought to provide for pragmatic answers required by a general feeling that modernity was under the mounting pressure of time, or in expectation of an end<sup>2</sup>.

Such a general approach would not count for more than a first move in an ample overture: the "music" of time played simultaneously in different

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<sup>2</sup> Norris, Christopher, "Versiuni ale Apocalipsei: Kant, Derrida, Foucault", în *Teoria apocalipsei și sfârșiturile lumii*, (editor Malcolm Bull), traducere din engleză de A.Cârâc, Editura Meridiane, București, 1999, pp. 269-284.

registers by written history (employing variedly historic hermeneutics) and by applied "transitive" policies enhancing accommodation to a "spirit of time". The goal of this paper is far too modest as in comparison to the greatness of the question looming in the distance. If one were only to assess the differences springing from the various premises and assumptions underlying the concept of transition and its connection with the history, we would probably fail to start answering the question. However, it is worth emphasizing that the overwhelming concatenation of differences in this field should be looked at as building a "cultural tissue", consequently instilling a certain *awareness* of the need to comprehend and evaluate *transition in history* as a continuous process.

The word transition comes from the Latin *transitiō*, meaning "passage", "passing" as in "transitiō ad hostes". The verb *transiliō* means to jump over as in "transiliō in hostium naves", "transiliō muros" and figuratively shows the action of overlooking, or of going over something. "Trānsitus" means "passage" as in "trānsitus fossae" and *in transitu* shows the action of being "in passage".

The word appears in French in 1501 and is accounted as a rhetorical means, standing for a manner of passing from the expressing of an idea to another and by extending its use, from one style to another, and also the passing of a planet, etc. We should add that in French *transir* meant in the 14<sup>th</sup> century "to die" and the term "transi" used in the 20<sup>th</sup> century designates a sculpted figure in the Middle Ages or Renaissance, represented a "human body eaten by worms"<sup>3</sup>. In English the term covers almost the same semantic spheres, adding to them a special use in music, namely "musical modulation". In Romanian, which borrowed the term via French, the same semantic spheres are in use. One should notice that other terms widely used nowadays in English, French or Romanian, as "transcient", "transitory", "transit", "transitive" are derived from the same late Latin *transire* which meant "to go beyond" being employed also to denote the state of dying. In German, the usual term is "Übergang" which is a translation of the Latin term, accompanied by a more rarely used word "Transition".

We think it is relevant to emphasize that the idea of transition is primarily relying on a double play between continuity and discontinuity, or between rupture and rediscovery of an organic frame. In this respect, the critical revisiting of the past emerges as one of the most eloquent proof of founding the "layers" of the present on the interpretation of the past, generally speaking, on the concrete development of hermeneutical practices (as for instance, in

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<sup>3</sup> Petit Robert, dictionnaire de la langue française, 1967.

theology, philology, law), which eventually call for an active involvement of the individual in the cultural identification of the age, as well as for the salient role granted to the imaginary<sup>4</sup>. The thematization of transition presupposes a continuous assertion of *newness* in an increasing number of the fields of human activity. Starting with the impact of geographical discoveries, of scientific theories, of the birth of new sciences and radical developments on the political stage, we may envisage the "age of transition" as an uninterrupted course in acquiring, producing and expanding of novelty. In this regard, the main place of the modern author, the channel of the aesthetic imagery and the direct influence of the industrial revolutions act as determining factors, shaping the understanding of "transition" according to economic, political and social interests. The so-called "disenchantment" of the world (Weber) and the increasing spiritual autonomy of the individual, the rising interest in the study of cultural hermeneutics and the emergence of a unitary conception about the "end" of time, as well as of philosophy, art, etc. We underline in this view the build-up of the conviction (based on the mounting role played by *will*) that time contains an inherent directioning, which being overtly known and comprehended would augment the authenticity of man. The dramatic upheaval rooted in the Enlightenment, when man's religious belief was relegated to sciences, and the reactionary mood of Romantic spirituality which pleaded for an investment in man's (or nation's) essence, contributed definitely to bring into life an *ethos of transition*. By this, we follow the Weberian model of

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<sup>4</sup> The question of the "imaginary" may be regarded as having been defined by Gilbert Durand in his *L'imagination symbolique*, PUF, 1964, and especially in *L'imaginaire. Essai sur les sciences et la philosophie de l'image*, Hatier, Paris, 1994, where a description of the functions and contents of the imaginary comes into focus, stemming into the research and use of the symbols as according to the works of Jung, Cassirer, Lacan. From another perspective Peter Burke deals with almost the same topic in his *History and Social Theory*, Polity Press & Blackwell Publishers, London, 1994, when defining "culture" Burke underlines that definitions of culture, especially following the main trends of the interpretative American anthropology look for the "symbolical-expressive aspects of human behavior". In this respect, one should also mention the salient contribution of Kenneth Burke (*On Symbols and Society. A Rhetoric of Motives*). In his *Pour une histoire de l'imaginaire*, Société d'édition les Belles Lettres, 1998, Lucian Boia views almost exclusively the contribution of the French researchers. The term "imaginary" is replaced by "the habitus" in Bourdieu's approach of the same question. More interested in the rhetorical effects produced by the study of "imagination", Danto and Hayden White proposed another vision on the writing of history as fiction (so employing imagination as well as the "figures" of the imaginary), even from the '60s. One should also mention Richard Rorty's remarks on the modalities of "writing" philosophy.

interpreting change in modernity, originating in early religious-cultic beliefs and experiences, but being at certain moment brought to a stage of universal process, as for instance rationalization of religion, expansion of the aesthetic imagery and the "artistic" component in the building up of the modern discourse. At the same time, the accelerated rhythm of technical inventions provided scientific and cultural information and formation more and more accessible to larger categories of individuals, shattering old cultural hierarchies and bringing to the fore the new standards of the rising liberal meritocracy. The ethos of transition is deeply rooted to the continuous process of labor division, the cult of work appearing not only as a means of "salvation" in a changing world, but also as the *ascetic* mode of coping with a continuously augmenting design of the individual's aspirations. The problem of work emerges as a principal factor in the action of evaluating "justice" of history (Marx), the end of metaphysics as an implementation of the consequences of scientific thinking (Comte), as a means of radically reorganizing work (Fourier, Kropotkin)<sup>5</sup>. Toward the end of the 19<sup>th</sup> century, the concept of culture was redescribed in the light of the importance of work, as the all-including spectre of human activity by British anthropologists, according to whom, as we know, man is a "tool-maker". Thus, work asserts the urgency and even the radicalism of employing means of changing the state of things in order to allow for the achievement of what the prophecies of the 19<sup>th</sup> century strongly advocated for, namely for the "plenitude of man", or "empire of liberty".

It is quite obvious that the ethos of transition dealt with the problem of work as with a double reality, on one hand conserving the already existing tradition in the field (especially after the first industrial revolution and the decline of the "pastoral" symbols with which work was invested), on the other hand, by opening work to an experimental design (the beginnings of industrial management and the rise of the political-economic interpretations of transition after Adam Smith). As far as this paper is concerned, the problem of work could be seen in the light of a new attitude toward the past, as expressed in the attempt of tracing an effective borderline between past and present, the latter being the offspring of "progress", contained in both a higher level of wealth as in a critical awareness in judging the interaction between man and society. From this point of view, transition may be said to stand for the affirmation of a state of discontentment with the inner rhythm of social development as compared to a general favoring frame of conditions, and consequently, transition points to a

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<sup>5</sup> Meakin, David, *Man and Work. Literature and Culture in Industrial Society*, Methuen, London, 1974, pp. 98-115.

rational adequacy between the spirit of the time and the existing (concrete circumstances). Actually, the task of defining the contents of the spirit of the time was firstly assumed by philosophers (Hegel, Marx, Nietzsche), but very soon it was also "borrowed" by economists, politicians and artists. The increasing range of the angles from which transition was debated meant that the authoritarian type of the philosophical, scientific, artistic discourse was constantly weakening, so that one could witness a plurality of viewpoints competing for supremacy. The question of a "governing" spirit and the danger of a "spiritual anarchy" was felt as the sign of an imminent end, which, after all, proved to be only the beginning of early modernism. So, transition stepped into the practical modes of envisaging *modernization* as concrete but diverse policies of achieving the above mentioned adequacy. Stemming in an Eurocentric understanding and interpretation of culture, transition aimed then at going beyond this, along with the challenges coming from the two Americas, as well as from countries as different as Russia and Japan. Under these conditions, transition meant a critical (but actually a rhetorical) description of the origins as well as an attempt to transcend the limit traced by origins and to implement "the spirit" of transition into other parts of the world. The European colonial experience quickened the sense of the change in the dominating cultural spheres of Europe (in the 19<sup>th</sup> century, mostly) and it brought about a challenging assessment according to which modernization was more likely to be paralleled by a profound process of *democratization*. Regarding this aspect, *cultural frontiers* emerged as holding the key to interpret transition, enabling modern man to situate himself among other individuals, within the community or as a "citizen of the world".

Transition is regarded in our view as inferring a critical analysis (performed through new scientific, rationalized and pragmatic modes) on the *situation* of the present, in the sense of tracing as objectively as possibly the "map" of the present, contrasting thus present with past, upholding the advantageous position ("situation") of the present as an age of through fulfillment. Distance from the past does not automatically involve a complete breaking up with the past, therefore we favor the vision of a "cultural tissue" with the past, pointing at the selective choice of grounds and motifs stemming in the past or deriving from the past, demonstrating besides a "descendency", the theoretical suasive background to trigger change. Apart from this, the interest for the past in the so-called age of transition is immense, ranging from the Romantic authors' investigation on ancient Rome and Greece, or into the domain of folk-culture, to the bolder and bolder studies made on the native populations of North America, African Indonesia, considered as "barbarous" or



"primitive". The traits of modernity emerge as quickly changing or contrasting with each other, depending on different schools of interpretation in classic anthropology from Franz Boas, Edward Tyler to Leo Frohenius, a.s.o. At the same time, the enhancing of modernization in Europe as well as in North and South America underlines differently, according to specific contextual, cultural circumstances, the passing from an elitist culture to "popular" culture by creating an expanding network of academic centres (universities and colleges) which take over the task of implementing transition in education. The triple bind among capital, science and culture provides for the development of new sciences (anthropology, psychoanalysis, sociology) not to mention the great impetus of interdisciplinary sciences. The process of urbanization witnessed at the end of the 19<sup>th</sup> century not only the soaring interest for a modern, *functional* architecture laying its imprint on the new habitat of the increasing urban population, but it brought along a rationalization of the very structure of the city, marking out the stepping into the age of the society of consumption. So, one can note without passing carelessly from particulars to generals, is that situating the present in the perspective of an imminent end, however major concern (even a "fashionable" one for artistic manifestoes or for political theories), provided practically an outlet for a *different continuation*. Transition backed up various versions of the end which are distinct from utopian predictions, as they implicitly denote their historicity, being actually necessary from the inner need of building a perspectival interpretation of present time. Therefore, such versions reflect the problematic character of situating the present moment, inviting to the solving the lively dilemma of possible, alternative models of transition as Europeanization or Americanization began to compete for a hegemonic model. In setting transparent standards to assess the situating of present, *accountability* remained the central concern of those interested, in the sense of providing an *image* as comprehensive as possible, paying attention to the waylaying dangers of presenting either Europeanization or Americanization as absolute models of transition. The rhetoric of progress, the myth of the civilizing European began to be slowly overshadowed by the discovery of new scientific data and of the continuous improvement of the means of the cultural research. Nevertheless, the impressive results on which transition was propagated on a world scale, were coated in what today Richard Rorty would name a "final vocabulary"<sup>6</sup>. But, we should find in the discourse of transition the main preoccupation to find out optimal solutions, and

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<sup>6</sup> Rorty, Richard, "Ironist and Metaphysicians" in *The Truth about Truth*, edited by Walter Truett Anderson, Penguin Putnam Inc. New York, 1995, pp. 101-106.

consequently to advocate for a *feasible optimization* of the world. We could view transition not only as gaping distance between past and present, but also as a sort of concealed correspondance between anteriority and posteriority, once situating the present moment came to the fore. Transition meant also an analysis of the causes invoked for conflicting differences, or rather for the existing discrepancies among various states and nations, for the lagging behind of ethnic communities and populations, advocating for an inner or external liberation from different obstacles thwarting a *predictable* course on the development of these countries. Beyond the magnitude of such a general project which looked for establishing eventually "the dignity of man" as well as his "rights", one has to notice the pressure of time, the building of the modern imaginary relying on the philosophical dimension of the temporality of man<sup>7</sup>. The question of the economic, social, political discrepancies spanning among nations and communities betrays the conviction of the unity and integrality of mankind, which at least up to the second half of the 20<sup>th</sup> century remained a persuasive ground to call for urgent policies of achieving transition. After World War II, transition augmented its scale, as we can speak about transition to communism, the dissolving of the colonial system, transition of the Western society to the welfare state, a.s.o. But, we should mention that as far as this paper is regarded, we would rather attempt to look into the "cultural tissue" of transition as being both a social and cultural change, involving on the surface the institutions and at the bottom, the imaginary of the last two centuries. So, for the time being we leave aside the issues of reform and reformism, of the economic, political, religious developments underlying the different forms of transition. In the following pages we concentrate on three main issues:

a) The articulation of a modern awareness which advocates transition, by situating modern times as a culminating threshold of the human race. In this respect, the Euro-centric vision is evident, as well as the rhetoric of progress upholding the supremacy of Europe in the world. Nevertheless, not all viewpoints share the same optimism, and more and more voices blame self-flattery in such a type of assessment

b) Critical interpretations of transition began to thrive since the assertion of early modernism. The nostalgia for the past resounded not only in literature, art (eclecticism) but also in the weakening of the Euro-centric positions, allowing thus for different "exotic" cultures to take the lead even

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<sup>7</sup> Heidegger, Martin, "Scrisoare despre umanism" în *Repere pe drumul gândirii*, traducere și note introductive de Thomas Kleininger și Gabriel Liiceanu, Editura Politică, București, 1988, pp. 297-298, 316-321.

under the form of inspiring sources. The "return" was not a simple, direct reappraising of the past, but a more acute quest for "originacy" and redefining the present.

c) Transition did not remain a theoretical debate engaging so to say only members of a club, whatever. The issues of Europeanization and Americanization were debated arduously in different parts of Europe (as for instance in Spain or in Romania), in North and South America, as well.



Wondering about the modern founding of the concept of transition, we should firstly appeal to the cyclic, dynamic model envisioned by Giambattista Vico, as far as the "development" of history was interpreted within what was named "the new science". The model provided by the influential philosopher of the history rests on the change of perspective which arises from the acknowledging of a plurality of sources<sup>8</sup>. We would like to underscore here only some aspects which proved to have lasting influences, bringing important clarifying remarks on the initial (theoretical) stages of transition, especially concerning the emergence of a "new time". Thus in "Poetic Chronology", Vico explained that there is a knowledge of the *progressive* of mankind seen in the succeeding stages of events and customs<sup>9</sup>. The sublunary world is the world of man, in the sense of the succesion of phases, a remarkable observation calling forth for the assertion of human will manifested in the instauration of "aristocratic states", "naturally" formed by those "powerful". But at the same time, the sublunary world constitutes the ample field of interpretation, an area explored by Vico through philological, political, economic and juridical means<sup>10</sup>. Resorting to hermeneutics (as for instance in the case of "peregrinus/hostis") in order to make apparent the hidden sense of history interpreted as inherent change, outpassing, development of other condition and finally end, Vico analyzes the diversity of languages closely interrelated whit that of customs in Europe. The principle of descendency is thus asserted, pointing to a distant "originacy"<sup>11</sup>. Another aspect which distinguishes Vico's foundational definitions regarding transition is his conviction that present time represents a civilization

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<sup>8</sup> Berlin, Isaiah, "The Idea of Pluralism" în *The Truth about Truth*, op.cit. pp. 36-45.

<sup>9</sup> Vico, Giambattista, *Știința nouă*, studiu introductiv, traducere și indici de Nina Façon. Note de Fausto Nicolini și Nina Façon, Editura Univers, București, 1972, pp. 393-395.

<sup>10</sup> Funkenstein, Amos, op.cit. pp. 222-229.

<sup>11</sup> *Idem*, pp. 204-218.

completely developed which seems to be spanning everywhere. Besides his heterogeneous discourse, Vico's main impact on ensuing major thinkers who defined modernity and transition, one should have in view the use of the triad in the exposing the succeeding phases of history<sup>12</sup>. At the same time, even if "divine providence" remains rescrutable for man, Vico proposed a historic vision in which experience reigns<sup>13</sup>.

It is well know that later on, Hegel provided for an ampler and more argumented description of the "spirit of the time", as well as for a vista of the modes in which transition from one epoch to another occurred. For the German philosopher the present may be portrayed as the age when the spirit acknowledges itself as free, what actually confers, articulation to its will<sup>14</sup>. The rhetoric of progress opens to one of liberty and liberation in the sense that the spirit does not contain itself any longer, it wins a "right" for itself<sup>15</sup>. We also remember that analyzing Reform, Hegel was of the mind that there was a German spirit expressing *totality*, as compared to a spirit of separation or division, which would characterize the Latin world. Contemplating the "deepest unity", Hegel opens the way to engage into the question of the "originacy". Remarking on the abrupt upheavals distinguishing the modern age, Hegel asserts the presence of secularization as being the awoken "interiority of the spirit's will"<sup>16</sup>. Secularization (as described by Weber) appears in the Hegelian describing of the modern epoch as belonging tu our temporal world, the moment when *reason* constitutes the only frame of conscience, of the outside world as of nature. Experience emerges as the singular source capable to provide answers for describing organically modernity. In the world which basically oriented toward will, one can envisage transition as a serial process, directed toward the ultimate, concrete manifestations of the spirit. We find this argument in the very idea about will, which willing only itself, wishes however something different, namely to pass from its formal status to concrete forms.

Let us now follow the scenarios of transition in connection with the major assumption on the matter, from the viewpoints of the Romantic thinkers, starting naturally with the prodigious remarks of Schiller. Thus, the author of

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<sup>12</sup> Berlin, Isaiah, *Vico and Herder. Two Studies in the History of Ideas*, The Viking Press, New York, 1976, pp. 65-68.

<sup>13</sup> *Idem*, pg. 73.

<sup>14</sup> Hegel, G. W. F., *Prelegeri de filosofie a istoriei*, traducere de P. Drăghici și R. Stoichiță, Editura Academiei RSR, București, 1968, pg. 384.

<sup>15</sup> *Idem*, pg. 386.

<sup>16</sup> Habermas, Jürgen, *The Philosophical Discourse of Modernity. Twelve Lectures*, translated by Fr. G. Lawrence, The MIT Press, Cambridge, Massachusetts, 1992, pp.27-31.

the *Ideas on the Aesthetic Education of Mankind* views modernity as the age when true human freedom may be said to assert itself through art (the Second Letter). In another fragment (the Fifteenth Letter), the modern epoch is described as being possible menaced by the dangerous polarization between the "savagery" of modern man and decadence of the upper classes, weakened and withdrawn as a deviant effect of understanding the role of art. As far as our topic is concerned, we consider that especially in the eleventh and the twenty-sixth letters the concept of the transition is directly dealt with by Schiller. So, in the first letter the author underscores temporality as *becoming*, which enables the reader to envision temporality as a *succession* occurring both within man's life and outside this existential frame. In the latter letter, transition is regarded as a work of civilizing the "savage", a complex phenomenon described by Schiller by love for appearance, inclination to ornament and play.

The 19<sup>th</sup> century witnessed at its very beginning the appearance of Schelling's seminal work, *The System of Transcendental Idealism*, which contains as for the concept of transition a notable suggestion, namely that of an "infinite progressiveness"<sup>17</sup>. Noticing that progressiveness does not actually determine human perfectibility, the German thinker highlights the idea of establishing of a *universal juridical constitution*, as a ultimate guarantee of freedom. In this way, the ideal scheme of the process of transcendence is pictured as having a last stop in the highest achievement which reconciles contemplation and action, namely in guaranteeing human freedom. One can recognize some directions contained by Hegel's *Systemprogramm* (1794-1795), and mostly the idea of reconciliation between different tendencies, emerging in the form art can give to the ideas of goodness and justice. Even though, Hegel departed afterwards from his early conceptions about "poetry being the mistress of the world", the imprint of his thinking lay an indelible mark on other Romantic thinkers and writers.

Thomas Carlyle starts in his much commented upon essay "The Signs of the Times" (1829) from the findings that there is a need to discern the signs of the times, by acknowledging several advantages and disadvantages, attempting to achieve correction of a wrong or estranged course. The portrait of the age gets done rather succinctly, though suggestively, by what Carlyle names the

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<sup>17</sup> Schelling, F. W. J., *Sistemul idealismului transcendental*, traducere de R. G. Pârnu, Humanitas, București, 1995, pg. 273.

"mechanical age"<sup>18</sup>. The essayist remarks in an tone that in the mechanical age everything is done or performed indirectly, depending on calculation and on "contrivance". At the same time, the author mentions rather worriedly the shift in the balance of wealth and power, the increasing difference spanning between the rich and the poor, which may infer social upheavals<sup>19</sup>. The interpretation of the modern times, implicitly of transition involves what Carlyle names the relation between "the visible" and "the invisible", pointing to the fact that where as during the Reform change occurred on the spiritual level, in modern times (in the "mechanical age") it affects mostly economy, politics and the pragmatic aspects of the social life. The not so veiled suggestion is that in the mechanical age people lost their belief in what the author names "the invisible", (we might read the transcendent) and that logic and the interest for communication took over, meditation (or contemplation) being substituted by argumentation. The echo of these remarks got a creative development in R. W. Emerson's and H. D. Thoreau's vision on the new epoch, in the sense of a growing tendency to resist utilitarianism and the positivism of the age. The American transcendentalists, though only barely familiarized with Kantian philosophy or with Schelling's system, opted for an original interpretation of the central role of the transcendental, mostly denouncing the perils of utilitarianism and positivism, which accompanied their rhetoric of progress with a soothing optimism. Thomas Carlyle deplored the loss of the spiritual, the disappearance of various traditions which kept alive the "soul" of people. In this way, the novelty of the transition in the mechanical age is ostensibly shown as belonging to a chain of transitions, underlining that the main import of the present-day change lays on economy and politics or on sheer profit. The discriminations made by Carlyle were afterwards employed mostly as strong points in criticizing modernity by conservatorist trends which expressed more and more openly disagreement and struggled to restore a "harmonious" vision of the world<sup>20</sup>. Carlyle pointed to the process of rationalization and modernization as factors determining pauperization in the field of human experience, or in other words, cutting out it from the rich and formative inheritance. Influenced by Carlyle's leading question on the danger of shrinking mankind's understanding and interpretation of modern age, American transcendentalists wrestled however to assert their independent and original viewpoints. Emerson's contribution to

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<sup>18</sup> Carlyle, Thomas, "Signs of the Times" in *Critical and Miscellaneous Essays*, Collected and Republished (1839, 1869) vol. I. Boston, Dana Estes and Company Publishers, pp.464-466.

<sup>19</sup> Williams, Raymond, *Culture and Society. 1780-1950*, Penguin Books, 1962, pp. 85-90.

<sup>20</sup> *Idem*, pp. 95-98.

assert a triumphant idealistic individualism was closely followed by Thoreau, who gave it another turn, a more pragmatic approach, later on estimated to have crossed over the border of his "time". The perception of the value of common day life and the understanding of the "present" are commandments for the new generation of American intellectuals who boldly disagree with Continental nostalgia or jeremiads<sup>21</sup>.

The concept of transition and the emerging "danger" of Americanization are largely debated by Matthew Arnold in his "Culture and Anarchy", one of the completest and most challenging assessments of the Victorian age. The critic starts from the need of salvaging mankind through culture, meaning by it "the study of perfection" or a "harmonious perfection"<sup>22</sup>. Reexamining the fundamental notions and customs of the 19<sup>th</sup> century, by underscoring the progress of society, Arnold was of the opinion that culture (as the only mediating factor) is a continuous process which develops in a specific space, outside visible contingencies, and therefore a "material" framework of it would be hard to imagine. In other words, Arnold upheld the "spiritual essence" of culture, as in the famous pair of terms "sweetness and light" focussing on an aesthetic-hermeneutic formula, opposing utilitarian solutions, but remaining nevertheless utopian. On the other hand his remarks on culture as an organic mediator hold true, though the inference that culture should hold aloof, beyond all changes, being "absolute" and "eternal" are contradictory with what the critic demonstrates as being the change within society (the advent of the middle class, the decline of the aristocracy)<sup>23</sup>. Analyzing transition and evaluating its traps and mishaps, Arnold attempts to restore the organic design of culture in an anistoric vision. In this light, it is shown that that the study of perfection should focus on "the inward condition of the mind and spirit and not in an outward set of circumstances"<sup>24</sup>. Therefore, once reaching this specific level which characterizes (or rather should distinguish culture from its decayed and estranged copy-like versions), Arnold advocates *the flexibility* of culture, which would mean but an enhancement of "life and sympathy". Noticing that on both sides of the Atlantic the "religion of culture" got assaulted under various attacks coming from different sources, Arnold resumes Carlyle's theses, especially those denoting the consistency of the change, writing about an "inevitable

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<sup>21</sup> Emerson, R. W., *The America Scholar*, in *The American Tradition in Literature* (ed. Bradley, Beatty, Long) W. W. Norton, New York, 1962, vol.1, pp. 1040-1050.

<sup>22</sup> Arnold, Matthew, "Culture and Anarchy" in *The portable Matthew Arnold*, edited by Lionel Trilling, Penguin Books, 1973, pp. 477-489.

<sup>23</sup> *Idem*, pg. 513.

<sup>24</sup> *Idem*, pg. 493.

transitoriness". Under the circumstances, culture should shape the present, which is defined as a "time of expansion", a "time of ideas"; potentially threatened by anarchy, culture should play the plenary role of integrating "harmony of ideas", pointing to set for a new principle of authority.

But perhaps, the most prominent thinker who examined the concept of transition in modernity, bearing on the radical unmasking of the rhetoric of progress and liberation, remains Friedrich Nietzsche<sup>25</sup>. For him, the present is "our period of transition", in the sense that individuals acting under the pressure of time should assume a role; the philosopher upholds that for those endowed with a "free spirit", there is an inner capability of choosing the role, whereas for the spiritually enslaved, the role chooses its "actors". The most striking characteristic distinguishing Nietzsche's commentary on transition is likely to be detected under the form of a new discourse, the famous "mixed discourse" where paradoxes, oracular or sapiential fragments, confessions and above all a spirit of irony manipulating the masks of parody dominate in an obvious and well intended assault against the pretention of truth, scientific objectivity and high morality. The emphasis laid on the question of art, as well as the building of an aura making the artist the most creditable among the "actors of transition" brings Nietzsche close to Schelling and Schlegel, generally to the beginnings of Romanticism. But similarities leave place for great differences when it comes to the more effective conclusions regarding transition and mainly to the crucial part played by the concept of the will-to-power. Viewing in the *Graeculo histrio* a cultural mode of influencing other cultures<sup>26</sup>, Nietzsche outpaces the question of Romantic localism and leaves behind the quest for a "spirit" of the communities and nations. Actually he departs radically tradition in a soaring effort to encompass all ages and to get to an overall interpretation of what lies behind the manifested, overt forms of invested culture. His critique does not spare modernity either, especially in regarding "Americanization", the philosopher deploring in this respect the loss of "authentic" cultural style, as the ceremonious, courteous life in Europe, that is an "authentic" rhythm of time. Actually, as far as transition is viewed, Nietzsche looks critically at the laudatory tone of those appraising acceleration of the rhythm of life, burrying thus what the philosopher meant by so-called *vita contemplativa*<sup>27</sup>. Modernity does not hold an exceptional chance for the plenary achievement of man, as it appeared in

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<sup>25</sup> Habermas, Jürgen, *op.cit.*, pp. 87-93.

<sup>26</sup> Nietzsche, Fr., *Știința voioasă* ("la gaya scienza"), traducere de L. Micescu, S. Dănilă, Humanitas, București, 1994, pp. 232-234.

<sup>27</sup> *Idem*, pg. 329.



most of the commonly expressed opinions, but rather on the contrary, it constitutes only the opportunity of creating *distance* from present, and of searching for other spiritual horizons<sup>28</sup>. In a celebrated metaphor in his *Will-to-Power*, Nietzsche employs a gastronomical image, rendering thus the aggression of sensations and impulses bearing a disorienting effect on the individual; modernity appears under the form of a heap of messages and stimuli no longer coherently ordered by any principle of authority, but that of the will-to-power. Man becomes alienated, being forced to survive under an absurd pressure of "newness" which has actually emptied itself. Victimized by the chaotic influx of unnecessary novelty, the individual is reduced only to a *reactive* status<sup>29</sup>. In this way, the remark on the "chosen actor" as opposed to the "chosen role" resumes the antagonist agonistic play between "the weak" (the conquerors of modern age) and "the strong" ones (the defeated ones). However, one could not regard Nietzsche's views on modernity as being thoroughly adverse; the philosopher oscillates between a sharp criticism of what modernity blindly holds to represent (actually by its militant propagators), and the greeting addressed to a new age, which stands for end of a "convalescence"<sup>30</sup>.

Transition and its policies became the focus of a long and arduous debate for Spanish philosophers, writers and academics at the turn of the last century (Unamuno, Maeztu, Ortega y Gasset). Thus for Miguel de Unamuno, the concept of transition reflected central issues of the relation national culture – European culture, implying the idea of a grossly interpreted discrepancy between them. So, European culture would appear as a sort of "superior", encompassing instance of culture, while national (Spanish) culture would be placed as a provincial, peripheral culture. Writing about *castiza*, as about a symbol of the race, about Calderón as a symbol of Spain, Unamuno centered the spirit of a people in the highly appreciated literary aura of Renaissance, accentuating the national specific, refusing to accept that many of literary motifs for instance were a common ground for a number of European literatures. Thus, the Spaniards proved their "authenticity" long before someone had talked about "European culture"<sup>31</sup>. Taking to the idea of "European" and even of "modern European", Unamuno radically departs from the levelling tendency of the emergence of a so called "directing" European spirit. Attempting to find out

<sup>28</sup> Habermas, Jürgen, *op.cit.*, pg. 86

<sup>29</sup> Nietzsche, Fr., *Voința de putere. Încercare de transmutare a tuturor valorilor*, traducere și studiu introductiv de Cl. Băciu, Editura Aion, București, 1999, pp. 53-54, 70-74.

<sup>30</sup> Nietzsche, Fr., *Știința voioasă, op. cit.*, pg. 9.

<sup>31</sup> Unamuno, Miguel de, "Despre europenizare" în *Eseiști spanioli*, antologie, studiu introductiv, note și traducere de O. Drîmba, Ed. Univers, București, pg. 191.

what are the existential layers of the modern European, Unamuno remarks that the most profound roots of Spanish culture are to be identified on the *castizos*<sup>32</sup>. In other words, Unamuno rejects Europeanization as an impoverishment or even an annihilation of the national element and therefore he proposes a Spanish conquest of Europe (in the light of culture) in order to demonstrate the lively spirit of his country. The fundamental element remains as Unamuno shows, the unavoidable specificity of language which is not "either European or modern", and the method to make salient the cultural richness, estimated by Unamuno to be "pure and authentic" remains "passion" (in the sense of ardour). Besides the imaginary of the purity and authenticity of race, rather transparent in the philosopher's formulations, the criticism of the abstract and empty figure of the "European" reminds of the Nietzschean vehemence pointing to the self-flattery of being a "European". In the same line, Ramiro de Maeztu remarked on the existence of two exclusivist meanings, namely self-pride and levelling. In order to balance the inherent tension between the two parties, Maeztu provides the emblematic figure of Don Quijote "a spirit of an equality of essence"<sup>33</sup>. From this perspective we witness a noticeable change within the spiritual assertion of national authenticity, and consequently an outlet for a universal comprehension of national literary experiences.

A new vision upon transition, on Spanish transition especially as well as on modernity generally was brought by the impressive theoretical contribution of Ortega y Gasset. First of all, one should perceive that the thinker unfolds the strategies of the aesthetic image in moulding reality into an intelligible and comprehensive discourse. Asserting that in the making of a work of art, there operates a will of style, the author of the *Dehumanization of Art* opposes to those holding the assets of the national specific, by arguing that any style brings about a de-realization which implicitly bring along the process of dehumanization<sup>34</sup>. The influence of Nicolai Hartmann's phenomenology is evident, and further more Ortega y Gasset affirms the lack of transcendence as far as art is regarded. Looking at artistic and literary modernism as being anchored in an agonistic, playful manifestations, the philosopher upholds the revolutionary perspective of the shift within the aesthetic perception. Passing from aesthetic considerations to historic ones, Ortega y Gasset looks for a "method of the epochs", writing that a nation "is not born, but it makes it self", which may thought as a key-concept for the philosopher's valorizations on

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<sup>32</sup> Unamuno, Miguel de, "Spiritul castilian", în *Eseiști spanioli*, *op. cit.*, pg. 166.

<sup>33</sup> Maeztu, Ramon de, "Umanismul spaniol" în *Eseiști spanioli*, *op. cit.* pg. 239-241.

<sup>34</sup> Gasset, Ortega y, "Dezumanizarea artei" în *Eseiști spanioli*, *op. cit.* pg. 329.

transition<sup>35</sup>. From the angle of modernity, the author of *The Theme of our Time* remarks on "an emergent time" which affects even the "pure thought", alluding to those who still considered that philosophy as an exercise of thinking was exempted from contingency. In this way, Ortega y Gasset underscored that the imaginary and the mentalities gear a hidden influence, not yet evaluated, on the moulding of philosophical ideas, generally. Mentioning the role of science not only in the prediction of future, but mainly in moulding the concrete ways of advancing toward future, as a process of outpassing present-day conditions, solving actual problems, Ortega y Gasset rejects the unilateral "culturalist" tendency, drawing the attention on the formation of what he named a "hieratic culture", noticing the antagonism between a "ready-made culture" and "an emergent culture".

Meditating on transition, the philosopher holds in view the *radical disorientation* of the European as a symptom of transition. Approaching the reality of transition, we should take account of a *perspective* as being the principal component of reality. From this angle, modernity is acknowledged as being distinguished by a period characterized by "the plenitude of time", meaning that Ortega y Gasset obviously separates our century from the past century which pretended to have represented the pinnacle of modern development. The essence of interpreting transition consists in the awareness that transition is a continuous process, which does not consider itself as being definitely completed. Ortega y Gasset demolishes thus a mechanical understanding of modernity as the "end of history" (although the theme has been recurrently resumed), and the idea of an advancement going up to a moment (the end), is considered to be no longer valid. The philosopher points thus to the fundamental ambiguity of modernity, in the sense of being articulated by a series of completed transitions, which actually paved the way to other transitions to come. Within this line of thought, the height "of our time" denotes a relative superiority of modernity. Modernity is superior to other ages, but our age is inferior to itself<sup>36</sup>.

As one can notice "Europeanization" and "Americanization" as cultural policies of transition lose somehow their violent antagonistic potential, though not being completely overlooked. Ortega y Gasset seemed more inclined to define the dimension of a comprehensive cultural hermeneutics which was apt to identify and solve the difficulties of the matter, rather than establishing the

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<sup>35</sup> Gasset, Ortega y, *Spania nevertebrată*, traducere de S. Mărculescu, Humanitas, București, 1997, pp. 151-162.

<sup>36</sup> Gasset, Ortega y, *Revolta maselor*, traducere de C. Lupu, Humanitas, București, 1994, pp. 60-65.

rightness of one way or of the other. In discussing the concept of transition emphasis is no longer put on the question of demonstrating the national against the universal, but on finding out (actually building up) an interpretation of modernity which would value and restore the diversity of the viewpoints, not for the sake of a necessary reconciliation, but to uphold an integrative vision.

The concept of transition holds a central part in Romanian culture, generally. Largely debated on the 19<sup>th</sup> century, it reached the climax during the interwar period, when Romanian intellectuals sided with "the Europeanist" or "the traditionalist" trends, attempting to express their theses on the particularity of Romanian culture. We do not intend to resume the arguments of the question, neither do we want to reexamine the causes, influences and the issues which eventually emerged following to above mentioned trends. What we consider to be worth mentioning is the fact that between the two world wars the awareness of situating Romania in the world reached perhaps the most complex forms of expression. Therefore, without belittling the recurrence of the traditional themes, we shall comment the works of three authors as different as, D. Drăghicescu, Eugen Lovinescu, Emil Cioran. In this respect, one can acknowledge the necessity of recognizing the deficiency of the level of civilization in Romania. The above mentioned authors, though employing different premises and employing consequently distinct ways of presenting their theses, struggle to assert another perspective on crucial matters as Romanian history and issues to reach compatibility with European standards.

With D. Drăghicescu we can notice a first critical attempt to approach Romanian mentality, and at the same time to construe a model of understanding Romanian civilization. "The psychology" of Romanians as viewed by D. Drăghicescu sets forth beyond the bitter tone of recognizing the "inner" dimensions responsible for our lagging behind Europe, the question of establishing ways to implement change. Quite true, our author does not see any serious possibility of the kind, being completely overwhelmed by the amount of incoherence reigning within Romanian society. D. Drăghicescu indulges into an almost fantastic if not apocalyptic envisioning of present Romania (or as it appeared around the turn of the century as the was published in 1907), showing at the same time that his main interest was engrossed in Romanian pre-modern history, as well as in the manifestation of a Romanian ethos (folk customs, regional habit, the question of language). Actually one witnesses the author's eclecticism which in many instances obliterates access to genuine interpretations. Aspects of race, geographical factors, social and historic events blend together in an attempt to portray the Romanian "soul". The overt author's ambition to reach a maximum of comprehension by using a "modern"

approach, proves to let loose an impressive amount of data and facts, without actually showing the constraints of a rigorous, scientific method. In spite of this, D. Drăghicescu stands for a first critical examination of the inefficiency of Romanian society as compared to European standards. It is noticeable that our author tries to evaluate the survival of Romanian nation. Considering that Romanians are a Western race having Oriental habits, D. Drăghicescu invokes the absence of continuity in the manner in which history was lived in Romania. It is according to this "interrupted course" of history, that the author considers that the Romanians' "character" cannot be recognized in Europe<sup>37</sup>.

Starting from a vast sociological grounding, as well as from convincing philosophical and cultural premises, Eugen Lovinescu asserts in his *History of Modern Romanian Civilization* (1924) a distinctly original viewpoint, according to which the perspective of transition is not *optional*, but on the contrary, it appears to be the unique opportunity to continue a historic process begun in the 19<sup>th</sup> century. For Eugen Lovinescu, the most important representative of modernism in Romania, the building up of Romanian civilization cannot overlook by any means the founding influence of Western culture, though one should not put aside the influences of Orthodox East. It was quite obvious for him that Romanian society must step out from belated, sometimes even thwarting realities of this cultural area, and try to tailor another vision, naturally by updating in full accordance with European standards. The difficulty of such a move, implies for Eugen Lovinescu a strenuous effort to carefully value to transition in the past, and especially to design the future dimension of the development of Romanian civilization. The spirit of time is not "an abstract concept", therefore it must be viewed on a contingent reality which rests mainly on the effervescence of intellectual life and on the accelerated rhythm of economic situation. These two factors constitute a leitmotif in establishing a perspectival dimension of Romanian civilization<sup>38</sup>. Even if the articulation of the modes in which "ideas" set the cultural layers for "the time to come" is less explained, Eugen Lovinescu insists on a "solidarity of mentality and of social forms characterizing various historic epochs"<sup>39</sup>. Advocating the implementation of modern policies, (as policies of transition), the author examines the consequences of the industrial revolution,

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<sup>37</sup> Drăghicescu, D., *Din psihologia poporului român*, introducere, studiu introductiv de V. Constantinescu-Galiceni, îngrijire de ediție și note E. Simion, Editura Albatros, București, 1995, pp. 98-112, 341-350.

<sup>38</sup> Lovinescu, Eugen, *Istoria civilizației române moderne*, ediție, studiu introductiv și note de Z. Ornea, Editura Științifică, București, 1972, pp. 75-76, 379-380, 384-385.

<sup>39</sup> *Idem*, pg. 367.

the changes brought by the expansion of the network of communication, directing transition to an integrationalist perspective. Integration in Western Europe appears to be thus more feasible, due to the rapidity of achieving commercial changes, but also in bringing closer institutions, primarily juridical and political ones. In this light, E. Lovinescu upholds the Western influences were not impeded by the traits of Romanian actual staltality in the 19<sup>th</sup> century. Socially and economically, Western influences were active, constantly increasing, up to the formation of the Romanian independent state, playing thus an indelible pro-European effect. It is however questionable how the outcome of such nurturing influences were rather slow to coalesce a higher amount of pragmatic actions toward modernization, rather than *reactions*.

The question of "imitation" (G. Tarde) and of the superiority of the model appears as Lovinescu's answer to the description of Romanian transition. Having in view that imitation of social forms (cultural forms included) presupposes also *invention*, E. Lovinescu relies on a detailed examination of several crucial moments of European history, demonstrating that the "principle" of imitation was an efficient one, stemming in the "solidarity" of social, cultural *nascent* forms. The integrative aspect of imitation which underlines the vulnerable side of isolationist (traditionalist) interpretations, is constantly focused with regard to European radical changes passing the way to modern age<sup>40</sup>. Imitation may be understood as touching not only on the rationalization and democratization of institutions, but also on the mentality of the elites, of individuals. The Romanian critic evaluates imitation as going on cultural phenomenon relying on the *prestige* of imitated models or forms implying the *power* which propel such forms (cultural, economic, political) to the attention of the community of the nations. So, the seemingly unitary (essentialist) core of the traditionalist theses are shown as shrinking to a rhetorical mode. Tradition should not be discarded, simply because it appears by the passing of time, old-fashioned; the lively course of transition claims for transcending the petrified formulas, unfettering thus the spirit of time, the spirit of change. Looking at the examples set by Russia and Japan (at the turn of the century and the first decades of the 20<sup>th</sup> century), noticing their different rhythm of development and accomodation, E. Lovinescu pleads for a "revolutionary" transition in the case of Romania. A transition which would be imitative (in the sense shown above) without attempting to "fill in" the missing links of our civilization.

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<sup>40</sup> *Idem*, pp. 387-388, 404-435.

The case of Emil Cioran is notably a different one. The work to which we refer (*Schimbarea la față a României / The Changing of Romania*<sup>41</sup>) represented one of most influential, much commented one, from the so called "Romanian" period of creation of the philosopher who accomplished his highly original career, as a singular thinker in France. The author himself confessed to be rather puzzled by the pathetic and sometimes emotional tone of his vision. Nevertheless, *The Change of Romania* deals with the major themes of a possible Romanian transition; vehemently debated, transition departs from the field of scientific argumentation, migrating into sparkling essayistic presentation which eventually remains the vision of a "writer", in the sense it exhibits intentionally the subjectivity of the author. The polemical gift the author encompasses almost all the topics touched upon, but the effect is rather strange, in that, one feels inclined to consent to the persuasive, inflamed rhetoric, betraying thus a side of the Romanian elitist mentality around the '40s. One of the main topic is Romanian incapacity to live a European "destiny". Dealing with the aspects of cultural, social, political gaps, Cioran vituperates against a "mentality" which somehow remains abstract, being spread all over in Romanian institution and over forms of modern life, so that eventually it would be hard to find someone to blame. The passionate accusing tone drowns into a general commiseration. The artistry of images and metaphors, alluding to Drăghicescu, Unamuno or Keiserling turn into a kind of modern, jeremiad, inciting the reader's appetite to contemplate a kind of heroic disaster. Though transition is energetically claimed its analysis is practically delayed. The "change" no matter how clamorously invoked turns into a paradoxical acceptance of victimization and contemplation of a completely different future.

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<sup>41</sup> Cioran, Emil, *Schimbarea la față a României*, ediția a patra, Humanitas, București, 1990. The translation of the title in English implies a certain amount of difficulty, as the author relies on the significance of a Christian Orthodox holyday observed in Romania, when "the change of the face" means the advent of the new belief in Christ. The advent of new ("modern") times is thus viewed by the author in close connection to the secularization of the religious discourse in the traditionalist line, allowing him to build a paradoxical interpretation of transition.

## **SOCIAL EXCLUSION IN CONTEMPORARY EUROPE ? (POLITICAL, ECONOMIC AND CULTURAL PERSPECTIVES)**

**VALENTIN NAUMESCU**

**ABSTRACT.** A new '*social evil*' has been identified and nowadays it seems to become the central issue of the advanced social studies. Beginning with early 1990`s, both in US and Western Europe, social researchers, political scientists and especially students in Anthropology talk about **exclusion as the main `disease`** of contemporary societies. Feminists, multiculturalists and other `theorists of difference` strongly demand *societal recognition and participation* for certain groups (often called '*minorities*'), traditionally considered excluded from public life or located at the borderline. As we shall notice later, *exclusion and marginality* have clear and distinct meanings, even they use to focus on the same kind of problems.

*'Who is in and who is out?'* this is one of the major interrogations that often press social researchers to identify **limits of the communities** and to describe the **core** of these groups. It is self-evident that such a rigid and exclusivist approach cannot assimilate the liberal theory of the *open society* and thus fail in the effort of explaining dynamic processes like social mobility, frontiers` dissolution or cultural globalization. According to Robert Goodin, „*the solution is not to make our communities more inclusive but rather to change their nature- making them at one and the same time both less exclusive and less inclusive*”.

The debates about whatever kind of exclusion are in fact debates about limits and boundaries and about those who are `outside`. Generally speaking, exclusion is meant to ensure exclusivity but discussing in terms of `**exclusivity**` rather than `**exclusion**` seems to shift the focus away from margins toward the core and from *aliens* to common values and principles of those who are `inside` (example: a private club). This new perspective simply tries to put things in a positive light but facts remain the same.





The language of politics usually prefers the concept of '**integration**' instead of inclusion. Anyway, the best politics can do for excluded individuals or groups is to 'push them just over the line'; *transforming them from excluded into marginalized*. They remain of course 'borderline' but (from the political rights perspective), they can be considered 'inside'! It is the same situation when parents ask their children 'to include Paul' in their game. Obviously Paul has not a central position among that group of children and probably he will not become immediately a core member of the game. While politicians use to consider already integrated individuals or groups that are formally on 'the right side of the system' but never deal with social, economic or cultural marginality, it is the task of social researchers to be preoccupied with '**the boundaries of citizenship**' (Spinner, 1994). Remaining always borderline, subjects located in such peripheral places or insular minorities are in fact excluded from participation in the democratic mainstream and finally have not a full citizenship.

Concepts in the field of social science are generally defined in terms of their contrasting perspectives. That's why speaking about exclusion cannot avoid speaking about inclusion. We assume in a logic manner the fact that '*exclusion implies inclusion*' and '*inclusion implies exclusion*'. If somebody is outside, somebody else has to be inside. On the other hand, inclusion (integration) as a practice only makes sense if something remains for different reasons beyond the limits of our community.

We have talked about inclusion and exclusion as 'catch all' concepts. Now we intend to identify **specific meanings** for *inclusion*, taking into consideration three essential aspects: political participation, full citizenship and tolerance.

*Inclusion as code for 'participation'*

Advanced theories of democracy emphasize the aspect of **political participation**, talking about '*participatory democracies*'. This model calls for more popular involvement in government decision-making at central and especially local levels. The issue of participation implies the rebirth of the classic dilemma regarding *direct* ('ancient Greek') versus *indirect* ('representative') forms of democracy.

Even in the most democratic regimes, we notice that relative small and sometimes ossified **elites** (based on the principle of representation) traditionally assume the affairs of the state on behalf of the entire nation. One might say that

delegated authority is absolutely normal in contemporary societies dealing with complex problems and there is nothing to do in the matter of `work division`. On the other hand, participatory democrats demand participation for a **much broader part of the community**. Participation is sometimes described as *'the politics of presence'* (Philips, 1995).

Regarding social benefits paid by the welfare state, recent political debates about participation have clearly positive effects. As we all know, the famous theory of social citizenship (T. H. Marshall, 1950) claimed for universalistic social rights such as *'basic income'*, unconditionally provided to all members of society. The **economic perspective** of the welfare state supporters like Beveridge or Keynes explains in a very simply way (**Poverty means exclusion!**) the social philosophy of unconditioned welfare benefits. This is *'something for nothing'* complained several decades conservative politicians and economists.

Beginning with the New Right Reforms of the 1980's, more realistic approaches argued that social benefits have to be paid on the condition that recipients are involved in `active citizenship` (Commission on Social Justice, 1994; Atkinson, 1995). *'Participation income'* became the key-concept meant to evoke several specified forms of civic activation, such as work (participation on labor market), community service or education.

The language of inclusion (integration) seems to represent the contemporary political *argot*. Moving accents from participation to inclusion, we simply accept *'more trendy and politically saleable terms'*, as Robert Goodin considers but we also assume more comprehensive meanings of **being inside**.

#### *Inclusion as code for 'citizenship'*

It was for the first time in 1950 when T. H. Marshall enriched the notion of citizenship with the idea of social rights. Now every student in social science knows that the evolution of citizenship first included **civil rights** (18-th century), then **political rights** (19-th century) and most recently **social rights** (20-th century).

Following the postwar trends of extending and deepening citizenship, Judith Shklar (1991) associates the traditional passive status of citizens with the complex process of political, economic and social inclusion and creates the conjoined term of *'inclusive citizenship'* (**active citizenship**). In terms of political philosophy we just mention here the progressive concepts of *'positive rights and liberties'* and *'life chances'*, stating that real citizenship has to represent a useful value for each individual and also economic means for a

decent life. This new approach clearly tries to abolish the classic legal assumption that *one is either a citizen or one is not* and suggests that being citizen is not always similar with being full citizen. The main consequence of this conceptual enlargement resides probably in the fact that a new stigma was born: '*second-class citizens*', a phrase full of tension, confusion and ambiguities but often speculated by politicians.

There is obviously a completely different attitude talking in terms of citizenship. While concepts like inclusion and exclusion use to fixe attention on limits and boundaries and emphasize criteria of separation, citizenship shows us what is common or specific in certain communities and what their members do share.

*Inclusion as code for 'tolerance'*

Sometimes inclusion can be seen as an image of **tolerance, open borders** and **free movement**. As we know, multiculturalism and ethnic diversity are major themes in the contemporary public discourse. It is probably the merit of the European Union and its integration strategy to enforce the vision of free movement. The main argument is that *Europeans should resist any temptations to exclude foreign influences* in terms of people, goods, capital, services and ideas.

Discussions about inclusion and exclusion cannot avoid to mention the complicate issue of the **migrants**, which probably stays at the origin of this traditional debate. Having won the right to enter, but having lost the arguments for full citizenship, migrants are usually condemned to a social marginalized status, even so considered more attractive than the situation they had in their native countries.

*Toward a non-exclusive concept of the state'*

The last section of this paper focuses on Goodin`s surprising theory about exclusion. Robert Goodin does not demand a deeper inclusion in contemporary society like other social researchers do. He simply states that the most important risk in this matter is in fact *too much inclusion* provided by the Nation-State system that finally makes possible any form of exclusion. So his counter-proposal suggests to think more in terms of **a less inclusive concept of the state** and this is the reason why it comes quite close to the liberal perspective of the open society.

His theory talks about a *'world with multiple, overlapping memberships, with correspondingly multiple sources of identity, multiple sources of claims and multiple places to lodge them'*. Certainly he agrees with new concepts like European citizenship growing up alongside the traditional and restrictive national citizenship.

Probably the best definition of what Goodin tries to establish (at least in a theoretical frame) is **a community internally less inclusive and externally less exclusive**. This is obviously a *theory against limits and borders*, both in their inclusive and exclusive meanings. His solution calls rather for a *'minimal inclusion'* than for a maximal one. He believes that *'contemporary state system tries to partition the world (territories, and people tied to them) into a set of mutually exclusive and jointly exhaustive parcels. Everyone, ideally, is tied to some particular state and, ideally, to only one state. In this sort of world, each citizen has ultimately exactly one source of social succour. Everything we need we must get from the state or from those operating under license from it'*. This quotation is actually a key-point for the theory of a less inclusive concept of the state.



Social exclusion can be discussed also from the perspective of the **Welfare State Reforms**. Beginning with mid 70's economic depression, the *'Golden Age'* of the postwar welfare capitalism seemed to be ended. Multiple crises such as the fiscal crisis, the crisis of political legitimacy or the structural crisis threatened the great project of establishing a future *'European social model'* based on universalistic and generous welfare benefits, social solidarity and social cohesion. Europe was obliged to growth its economic competitiveness and to enter in the huge arena of globalization. The new consensus was that welfare state must be reformed and its public expenditures reduced. *'It is the right time to roll back the frontiers of the Welfare State'* claimed Thatcher and Reagan Regimes and the 1980s belonged to the New Right Policies. A more conservative climate has been settled in economic and political terms. This meant that concepts like **workfare** demanded *work* for welfare benefits, *social duties* attached to social rights and *reciprocity* instead of passive compensation.

Combining French and Anglo-Saxons traditions, the most complex definition of INTEGRATION includes the following major dimensions:

1. the **democratic and legal system**, which promotes *civic integration*,
2. the **labour market** which promotes *economic integration*,

3. the **welfare system** promoting what may be called *social integration*,
4. the **family and community system** which promotes *interpersonal integration* (Commins quoted by Atkinson, 1999).

Coming to an end and trying to reach a conclusion, we suggest a possible answer to the question raised at the beginning of this paper. The issue of inclusion and exclusion in Europe brings together political, economic and cultural aspects regarding the integration process. As we all know, there are two main political perspectives in Brussels: one claims for an internally more inclusive community, the other argues in favor of opening borders to newcomers. While **deepening** pressures tend to make bigger and bigger the differences between insiders and outsiders but to preserve the internal character of a `select club`, the supporters of **enlargement** demand less exclusivity for those who are beyond the frontiers of the European Union. Social exclusion in contemporary Europe seems to be less than a full reality but more than a pure fiction.

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## **MUTATIONS DANS LA GESTION DES TERRITOIRES DANS QUELQUES PAYS DE L'EUROPE CENTRALE ET ORIENTALE APRES 1989**

**MARIUS SUCIU**

**RÉSUMÉ.** La chute du communisme dans les pays de l'Europe Centrale et Orientale a déterminé, à coté des changements démocratiques concernant les rapports entre l'Etat et le citoyen, des amples mutations concernant les rapports entre l'Etat et les collectivités locales. Tous ceux-là ont eu des conséquences importantes sur les modalités d'administration des collectivités locales. Dans cet article nous allons faire une analyse comparative au niveau des quelques pays centrales et est européens<sup>1</sup> sur l'évolution du processus de réforme dans le domaine de la gestion des collectivités locales.

Dans tous les pays de l'Europe Centrale et Orientale après 1989 on a eu un ample transfert des compétences du niveau central vers les échelons infranationaux. L'objectif générale poursuivi a été de donner davantage d'autonomie aux collectivités locales gérées à présent par des conseils élus par le suffrage direct. Ainsi le role des acteurs locaux devient de plus en plus important dans la gestion des territoires. La démocratisation de la vie politique, économique et sociale a déterminé aussi la multiplication des groupes qui intervient au niveau des territoires et qui représentent des intérêts divers et souvent divergents. La gestion des territoires dans une société démocratique peut être définie comme la réponse du pouvoir ou des pouvoirs aux attentes du corps social. Mais comme ces attentes sont le plus souvent divergentes, le role de ceux chargés de la gestion des territoires ne sera pas du tout facile et exige, a coté des moyens financiers, des capacités spécifiques d'arbitrer des situations souvent conflictuelles.

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<sup>1</sup> L'analyse sera menée sur les pays qui ont déjà déposé leur candidature à l'intégration européenne: Hongrie, Pologne, République tchèque, Slovaquie et Roumanie et qui font partie maintenant de CEFTA.

L'ampleur des réformes dans le domaine de la gestion des collectivités locales, la rapidité de leurs mise en oeuvre et surtout l'impact socio-economique des celles-ci diffèrent d'un pays à l'autre.

La réforme dans le domaine de finances publiques locales constitue l'une des conditions essentielles pour la réalisation d'une véritable autonomie des collectivités locales. Mais on peut constater comme ligne générale pour tous les pays de l'Europe Centrale et Orientale qu'il y a une discordance entre la décentralisation administrative (au niveau du partage des compétences) et la décentralisation des ressources financières ce qui fait que les collectivités locales ne puissent pas exercer pleinement leurs nouvelles compétences.

Dans une première partie de notre étude on va faire une présentation des structures administratives et des ressources financières des collectivités locales selon les pays et dans une deuxième partie on va essayer de mettre en évidence les points communs et les différenciations qui marquent le processus de décentralisation dans l'espace central et est européen.

## **Une analyse comparative**

**HONGRIE.** L'organisation locale dans ce pays est à deux niveaux:

- **un niveau déconcentré composé** de huit régions placées jusqu'au 1996<sup>2</sup> sous le contrôle d'un commissaire d'Etat, nommé par le Président de la République;
- **un niveau décentralisé** constitué de vingt départements (comitats) et de 3084 communes<sup>3</sup> plus l'agglomération de Budapest. Les conseils des départements et les conseils des communes sont élus au suffrage universel. Les présidents des conseils des départements sont élus au suffrage indirect et les maires sont élus au suffrage universel dans les villes de moins de 10000 habitants et par le conseil municipal pour les autres.

En ce qui concerne les compétences obligatoires des communes celles-là portent sur l'entretien de la voirie, les écoles maternelles et primaires (prise en charge des salaires des enseignants), l'approvisionnement en eau, l'éclairage

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<sup>2</sup> La loi no.26 de 19 mars 1996 sur le développement régional remplace les commissaires par des conseils du développement régional où l'Etat est représenté par des fonctionnaires de ses services régionaux.

<sup>3</sup> La loi no.24/1991 sur l'autonomie locale a dissous les groupements des communes existants pendant la période communiste ce qui a fait que le nombre des communes double après l'adoption de cette loi.

publique, les cimetières, les services sanitaires et sociaux de proximité, la défense des intérêts des minorités.

La politique hongroise de décentralisation s'est accompagnée au début des années 90 d'un accroissement important des budgets locaux<sup>4</sup>. En 1994 le montant des budgets locaux représentait 73 % du budget de l'Etat ou encore 16,9 % du PIB.

La fiscalité des collectivités locales se compose:

- **des recettes fiscales partagées** (8 % du total), constituées de l'impôt sur le revenu et des taxes sur les véhicules;
- **des recettes fiscales propres** (15 % du total des recettes);
- **revenus provenant par la cession de patrimoine**<sup>5</sup> (8 % du total des recettes en 1994);
- **les dotations et les transferts de l'Etat** (61 % du total en 1994).

Après 1990 les collectivités locales sont autorisées à contracter librement *des emprunts* et à émettre des titres dont l'émission est réglementée par la loi VI de 1990.

Depuis 1990, les collectivités locales ont la possibilité de confier la gestion de leur compte à la banque de leur choix. Mais 95 % d'entre elles l'ont laissé à l'OTP (Országos Takarékpénztár es Kereskedelmi Bank), organisme qui a géré leurs comptes avant l'année 1990 et qui représente maintenant la première banque hongroise avec 31 % du total des actifs du système bancaire hongrois. D'autres banques hongroises telles que la Budapest Bank, la Kereskedelmi and Hitel Bank, l'Unicbank ainsi que des banques mutuelles agricoles ont commencé à pénétrer le marché des dépôts et prêts municipaux; certaines ont contracté des prêts auprès d'organismes multilatéraux comme la BERD ou la BEI.

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<sup>4</sup> La réforme sur les finances publiques locales est commencée par une loi de 1990.

<sup>5</sup> Depuis les transferts de 1990 venant du patrimoine national, les collectivités locales disposent de biens immobiliers très importants. Les revenus de cession ont augmenté considérablement depuis cette date (60 % en 1992 par rapport l'année précédente et de 33 % en 1993 et 1994).



**POLOGNE.** L'organisation administratives est aujourd'hui à deux niveaux<sup>6</sup>:

- **un niveau déconcentré** avec 49 *voivodies*, qui ont en tête un préfet (*voivod*) nommé par le gouvernement et qui coordonne une assablée dont le rôle est de représenter les communes;
- **un niveau décentralisé** avec 2459 *gminas*, dont environ 800 villes. Le conseil municipal élu au suffrage universel direct, élit une commission administrative, un président du conseil et un maire en son sein.

Les compétences propres sont l'enseignement primaire, l'aide social, le logement, la culture, la protection de l'environnement, l'urbanisme, le transport en commun, la voirie, la collecte des déchets, l'ordre public, le cadastre.

Les ressources des collectivités locales sont en croissance depuis quelques années. Elles ont enregistré une hausse importante de 1993 à 1994 (+16,2 % en valeur constante) et la part du budget des collectivités locales dans le budget de l'Etat a augmenté (15 % en 1992 et 18 % en 1994).

Les communes perçoivent deux types des recettes fiscales:

- **des recettes partagées** : 5 % du produit de l'impôt sur les sociétés et 15% du produit de l'impôt sur les revenus de personnes physiques;
- **des recettes propres**: taxe immobilière (13 % du total), taxe foncière, impôt sur l'agriculture et les forêts, taxes sur les moyens de transports, etc.

Les recettes non fiscales sont issues:

- **des revenus de patrimoine**: loyers des logements municipaux, dividendes des entreprises publiques;
- **des produits financiers**: intérêts sur les comptes bancaires et intérêts sur les emprunts octroyés par les communes.

**Les subventions nationales (dotations)** représentent environ 40 % du total mais varie d'une commune à l'autre de 3 % à 70 % du total.

Pour leur gestion financière courante, les collectivités locales peuvent faire appel aux banques de leur choix.

Les communes peut recourir librement à l'emprunt pour ses besoins de gestion et pour les investissements. Les principales sources de prêts aux

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<sup>6</sup> Avant 1990, le système local était composé de trois échelons: 17 voivodies; 400 powiats et 4000 gminas. En 1990 la nouvelle loi sur les collectivités locales a supprimé les powiats, en augmentant le nombre des voivodies et en réduisant le nombre des gminas. Pour l'avenir on envisage la création d'un nouvel échelon.

communes sont le Fonds National pour la protection de l'environnement et le Fonds des voivodies pour la protection de l'environnement, ainsi que la Banque pour la protection de l'environnement. En 1993, 95% de l'encours de prêts étaient détenus par ces trois organismes. Certaines villes polonaises ont instauré des banques communales, dont l'actionnaire principal est la municipalité fondatrice (le cas de Gdynia et Bydgoszcz).

Les émissions municipales d'obligations sont légalement et librement autorisées. Toutefois, les statistiques tendent à montrer que les émissions réalisées ont été très limitées.

Certaines grandes villes commencent à utiliser des techniques efficaces de gestion budgétaires, mais des programmes de formation appropriés restent nécessaires dans la majorité des cas. Dans ce sens à été créée une agence de développement municipal en 1995 (ARK) pour assister les collectivités locales pour la préparation de projets d'investissement.

***REPUBLIQUE TCHEQUE.*** L'organisation locale est à deux niveaux:

- **un niveau déconcentré:** les districts, au nombre de 75, avec un chef de district, nommé par le gouvernement;
- **un niveau décentralisé:** les municipalités et les villes, au nombre de 6230, avec une assemblée municipale élue au suffrage direct, présidée par un maire élu par l'assemblée. A son tour l'assemblée désigne un conseil municipale formé de 5-13 membres.

Le territoire est géographiquement divisé en sept régions, sans autonomie administrative, leur transformation en entités autonomes régionales restant pour l'heure de l'ordre du débat.

Les collectivités locales ont pour domaine de compétences: l'enseignement (écoles maternelles et primaires), les services sociaux, le logement, la planification, la voirie, la distribution d'eau et l'assainissement, les parcs et les aires de repos, le transport local.

Les budgets locaux ont enregistré une hausse de 11,9 % entre 1994-1995 de 122 milliards de couronnes (3,8 mld. \$) à 149 milliards de couronnes (4,6 mld \$). Le budgets des collectivités locales représente 30 % du budget de l'Etat. En ce qui concerne l'évolution globale des recettes des collectivités locales est marquée par la croissance des recettes fiscales (partagées et propres), au détriment des dotations.

Les ressources des collectivités locales proviennent de plusieurs sources:

- **les recettes fiscales partagées** (32 % du total en 1995) proviennent du produit de l'impôt sur le revenu des salariés<sup>7</sup> qui a enregistré une hausse réelle de 14,8 % entre 1994 et 1995;
- **les recettes fiscales propres** proviennent de différents impôts: l'impôt sur le revenu des artisans et commerçants (10 % du total en 1995); l'impôt immobilier et foncier (2,5 % du total); les taxes administratives (2% du total); les taxes locales (0,5 % du total)
- **les produits de cession de patrimoine** (4 % du total)
- **les recettes des organisations budgétaires** (8,6 % du total)
- **les dotations** (22 % du total) formées des dotations globales (11 %) et les subventions spéciales (11,4 %) utilisées pour les investissements.

Les collectivités locales sont autorisées à recourir à des ressources externes (emprunts et émission d'obligations. Le recours des municipalités au crédit a augmenté six fois en volume entre 1993 et 1994, et son poids relatif dans le budget global est passé de 2% à 9 % des recettes globales. L'endettement des collectivités locales était formé en 1995 en proportion de 48,9 % des obligations communales et 51,1 % des emprunts bancaires.

Les principales banques tchèques actives sur le marché du financement local sont: La Ceska Sportelna (Caisse d'épargne tchèque) qui détenait 75 % des emprunts municipaux en 1995; Komerčni Banka, Agrobanka; Investiční a Postovní Banka, MUFIS (La Compagnie financière municipale).

La forme fréquemment utilisée pour garantir le remboursement des dettes est le gage immobilier sur la propriété municipale. L'Etat ne garantit pas les emprunts des collectivités locales. En cas de défaut de paiement d'une commune, il est possible qu'un district alloue une dotation à la commune concernée.

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<sup>7</sup> Jusqu'au 1996 cet impôt était partagé entre le district (45 %) et les communes (55 %). Les quatorze villes statutaires bénéficiaient jusqu'au 1994 de 100 % de cet impôt et après cette date de 70 %. Depuis 1996 une nouvelle loi sur la redistribution des ressources fiscales est entrée en vigueur. Cette loi prévoit que les collectivités locales ne percevront plus que 30 % du produit sur le revenu. Pour récompenser cette perte de ressources, les collectivités locales recevront 20 % de l'impôt sur les entreprises.

**SLOVAQUIE.** Instaурée en tant que République indépendante au 1 janvier 1993, a gardé le cadre législatif déjà rénové de 1990. Le système local slovaque est constitué par:

- **un niveau déconcentré** composé de 8 régions et 79 districts<sup>8</sup>, ayant à leur tête des représentants de l'Etat;
- **un niveau décentralisé** composé de 2853 communes<sup>9</sup> dont 134 villes conduites par un conseil municipal (5-60 membres) et un maire élu au suffrage direct. Le président du conseil est élu au suffrage indirect par les membres du conseil sur proposition du maire.

Les principaux domaines d'intervention des communes sont: le logement, le transport publique, l'entretien de la voirie, les services sociaux, l'administration municipale, la collecte des déchets, le sport, la culture, les espaces verts, les cimetières, les écoles maternelles, la lutte contre incendies.

Les budgets des collectivités locales représentaient 20 milliards couronnes en 1994 (586 millions \$). La structure des ressources locales est formée de :

- **les recettes fiscales partagées** (30 % du total en 1994) sont composées de :
  - l'impôt sur le revenu des personnes physiques (en proportion de 22 % du produit collecté sur le plan national)
  - l'impôt sur les sociétés (4,5 % du produit collecté sur le plan national)
  - l'impôt sur les routes (en proportion de 30 %)
- **les recettes fiscales propre** (10 % du total) sont composé de:
  - l'impôt sur la propriété;
  - les taxes locales (11).
- **les ressources nonfiscales** ( 38 % du total):
  - les bénéfices des sociétés municipales;
  - les taxes administratives;
  - les recettes de cession de patrimoine.
- **les dotations de l'Etat** en forte baisse (50 % en 1991, 5 % en 1995) sont de deux types:

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<sup>8</sup> La loi de 3 juillet 1996 sur la nouvelle organisation administrative et régionale de la République de Slovaquie.

<sup>9</sup> La loi 369 de 1990 sur les communes.

- les dotations non affectées destinées à l'exécution des compétences générales des collectivités locales, réservées aux communes de moins de 3000 habitants;
- les dotations affectées d'une part au transport collectif dans les grandes villes, d'autre part au financement des infrastructures à caractère écologique.

**Le recours à l'emprunt et à l'émission d'obligations** est libre. La majorité des collectivités locales ont leurs compte ouvert auprès de l'une des deux banque suivantes: Slovenska Statna (Caisse nationale d'épargne) et Vseobeczna Uverova Banka (Banque générale de crédit).

Concernant le financement des investissement, le Fonds d'environnement d'Etat est la sourec principale pour les projets d'investissement alloués sous forme de dotation et d'emprunts.

**ROUMANIE.** L'organisation administrative actuelle est à deux niveaux<sup>10</sup>:

- **un niveau à la fois déconcentré et décentralisé** formé de 42 départements, chacun doté d'un conseil départemental, élu par suffrage direct, conduit par un président élu par le conseil et un préfet nommé par le gouvernement;
- **un niveau décentralisé:** 2948 communes partagées en 260 de villes dont 62 municipales et 2688 de communes rurales. Les conseil locaux et les maires sont élu au suffrage direct. Les commune peuvent être formées d'un ou plusieurs villages ou hameaux et les grandes villes subdivisées en arrondissements.

La loi n'implique pas de liens de subordination dans les relations entre l'administration publique locale et celle du judet. En pratique les communes sont étroitement liées aux judets puisque ceux-ci ont la responsablité de la répartition des dotations.

Les compétences des communes concernent: le développement économique local, l'enseigment primaire, l'urbanisme, le reseau de transport, la sécurité sociale, l'ordre publique, les activités sportives et culturelles.

En ce qui concerne les ressources des collectivités locales, l'ensemble des budgets locaux représentaient 15,7 % du budget de l'Etat en 1994.

La structure des budgets est composée de plusieurs types de revenus:

- **les recettes fiscales partagées** (35 % du total) proviennent de :

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<sup>10</sup> La loi 69/1991, modifiée en 1996, concernant l'administration publique locale.

- l'impôt sur les revenus des personnes physiques, 30 % allant aux collectivités locales;
- l'impôt sur les sociétés (50 %);
- l'impôt sur les professions libérales.
- **les recettes fiscales propres** (17 % en 1994)<sup>11</sup> sont représentées par:
  - l'impôt foncier;
  - l'impôt sur les terrains privés;
  - le droit de timbre;
  - l'impôt sur la publicité;
  - l'impôt sur l'utilisation des terrains publics;
  - les taxes sur les bâtiments et les véhicules des entreprises d'Etat
  - la taxe sur les produits de loisirs
- **les dotations** (48 % du total en 1994) recouvrent:
  - des subventions pour les réseaux de chaleur et pour le transport public;
  - des dotations pour compenser le niveau de l'inflation et le niveau des salaires;
  - des dotations d'investissement attribuées pour de projets spécifiques.

**Le recours à l'emprunt** est prévu par la loi, mais peu fréquent à cause de l'absence de loi sur le patrimoine des collectivités locales et des départements ce qui ne permet pas encore aux collectivités de disposer des garanties nécessaires pour contracter des emprunts.

### **Il y a un modèle central européen de gestion des collectivités locales ?**

Dans les lignes précédentes on a fait une analyse selon les pays sur les structures administratives locales et sur les ressources dont elles disposent pour s'exercer leur nouvelles compétences. L'analyse a été effectuée sur les pays du Groupe de Visegrad (CEFTA) République tchèque, Slovaquie, Pologne, Hongrie et Roumanie pour voir en quelle mesure les objectifs communs de ces pays comme la création d'un espace commercial libre, l'intégration dans les structures euro-atlantiques ont des influences sur l'organisation des territoires et sur le mode de gestion des collectivités locales.

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<sup>11</sup> Entre 1991 et 1998 ce type de recettes a été en baisse puisque les taxes locales n'ont pas été ajustées aux taux de l'inflation.

Sans doute, il est difficile de tirer des conclusions tranchantes dans ce moment parce que les réformes dans ce secteur sont récentes et non achevées. Toute de même un constat général peut être fait: si la volonté d'autonomiser les collectivités est réelle, la décentralisation n'est pas encore effective et trouve ses limites dans la faiblesse des marges de manoeuvre financière des collectivités locales. Les réformes en cours tendent bien à automatiser les collectivités, mais ne leur donnent pas une réelle indépendance financière.

L'une des exigences politiques et économiques imposée par le processus d'intégration européenne est celle liée à l'autonomie des collectivités locales. Ainsi, après 1990 tous ces pays ont inscrit dans les nouvelles législations l'autonomisation des collectivités locales. La reconnaissance des ces collectivités a déterminé aussi une réorganisation de celles-ci soit par l'augmentation de leur nombre (Rep. Tchèque, Hongrie, Slovaquie), soit par la substitution de nouvelles structures à d'anciennes entités existantes (Pologne). Seulement en Roumanie le nombre des collectivités locales n'a pas changé.

La reconnaissance des collectivités locale s'est également traduite par un renforcement de leurs compétences, l'Etat ayant transféré certaines de celles-ci au secteur local, sans qu'il y ait toutefois d'évaluation du cout des charges induites. Les collectivités locales n'ont donc bien souvent les moyens d'assumer pleinement ces compétences. Malgré la mise en place du cadre institutionnel, il subsiste des vides juridiques concernant la fiscalité locale et la gestion du patrimoine immobilier et foncier des collectivités locales.

Si au niveau des réformes institutionnelles on observe une relative similitude pour les pays analysés, au niveau de la gestion financière des collectivités locales on peut observer des différences frappantes pour les mêmes pays.

L'importance des budgets locaux par rapport au budget de l'Etat est très variable d'un pays à l'autre: 68 % en Hongrie, 30 % en Rep. tchèque, 20 % en Pologne, 15 % en Roumanie et 14 % en Slovaquie.

Le montant des budgets locaux par rapport au PIB nous relève le poids des collectivités locales dans l'économie nationale. Là aussi, les variations sont très fortes d'un pays à l'autre: en Hongrie 15,8 %, en Rep. tchèque 11,8 % en Pologne 8,5 %, en Slovaquie 5 % et en Roumanie 3,9 %.

Un autre indicateur très important pour la mesure des moyens financières des collectivités locales est le montat des recettes locales par habitant. L'analyse de cet indicateur nous relève aussi des différences notables entre les pays. L'Hongrie se detache notamment avec 600 \$/habitant, Rep. tchèque 400 \$/habitant, Pologne, 180 \$/habitant, Slovaquie, 120 \$/habitant et Roumanie avec 40 \$/habitant.

Les évolutions des dernières années nous ont montré une tendance à une autonomisation des collectivités locales par rapport aux recettes provenant de l'Etat, même si ces dernières demeurent prépondérantes. Seulement en Roumanie l'évolution a été inverse à cause que les taxes locales par rapport les taxes centrales n'ont pas été ajustées aux taux de l'inflation.

Un autre aspect important est lié au recours à l'emprunt des collectivités locales qui dans dernières années est devenu une pratique dans tous les pays, sauf la Roumanie, même s'il revêt des formes différentes (emprunt à court terme pour le financement des investissements, obligations communales, avances remboursables de l'Etat). Les pays dans lesquels l'emprunt commence à être significatif sont la Rep. tchèque (9 % des recettes totales), Hongrie (7 % des recettes totales) et la Slovaquie (5 % des recettes totales).

Malgré les progrès déterminés par les réformes mentionnés ci-dessus dans le domaine de l'autonomisation financière, l'essentiel des ressources pour les collectivités locales continue de provenir de l'Etat. Les dotations et les recettes fiscales partagées continue de constituer la plus importante partie des budgets locaux.

Dans le cadre des réformes engagées, il y a plusieurs raisons pour lesquelles les pays de l'Europe centrale ont mis en place une fiscalité locale limitée:

- compte tenu de son caractère récent et de l'inadéquation des systèmes de collecte, elle n'est pas encore très rentable;
- les taux sont très étroitement encadré par l'Etat, laissant une marge de manoeuvre quasi-nulle aux collectivités locales; parfois même les taux demeurent fixés par le niveau central;
- la faiblesse du pouvoir d'achat, dans certains pays étudiés, réduit considérablement le potentiel fiscal des communes.

Sans doute, le cadre législatif concernant les collectivités locales est globalement mis en place, même si l'avancement des réformes et leur mise en oeuvre varie selon les pays étudiés. Mais ce cadre préalable ne suffit pas. En effet, les besoins d'investissement demeurent considérables et disproportionnés par rapport aux moyens financiers dont disposent les collectivités locales. Seule une amélioration générale du niveau de la richesse nationale qui ne peut que s'inscrire dans une perspective à long terme, permettra de faire face à cette distorsion et de doter le secteur local de réels moyens financiers. Mais au-delà des besoins financiers des collectivités locales il est nécessaire de prendre en compte la capacité des différentes collectivités locales de faire face au défi de la décentralisations. Les résultats de la mise en place des réformes concernant la gestion des collectivités locales dans les pays étudiés nous démontre que



l'impact n'est pas le même pour tous les types des collectivités locales. Il y a maintenant des collectivités qui ont moins de l'autonomie qu'elles peuvent exercer (les grandes villes) et des collectivités qui ont plus d'autonomie qu'elles peuvent exercer (les communes rurales).

Dans ces conditions, il est d'autant plus important d'activer tous les leviers possibles. A l'instar de ce que font déjà certains pays, plusieurs voies méritent d'être exploré plus amplement:

- une meilleure allocation des ressources, en recentrant le champ d'intervention des collectivités locales sur des activités non susceptible d'être assurées par le secteur privé;
- une plus grande maîtrise des dépenses, avec, en particulier, une plus grande connaissance des couts des différents services rendus;
- la mise en place d'une législation qui puisse permettre l'instauration d'une autonomie différenciée en fonction de la capacité technique et financière des collectivités locales d'exercer cette autonomie; l'augmentation de l'autonomie des grandes villes qui constituent au ce moment là des espaces privilégiées, les seuls vecteurs porteurs de dynamisme; la création des organismes qui puissent assister techniquement et aider financièrement le développement des collectivités rurales et les petites villes en difficulté.
- l'amélioration des circuits de financement, avec notamment la mise en place d'un système bancaire disposant de ressources adaptées aux besoins du secteur local.

Quant à la question si l'on peut parler d'un modèle central européen de la gestion des collectivités locale, après l'analyse faite est difficile à donner une réponse positive ou négative. Sans doute, il y a des objectifs communs dans tous les pays :la décentralisation et l'autonomisation des collectivités locales. Mais les modalités d'arriver à ceux-là différent d'un pays à l'autre. Le pouvoir financier des ces collectivité est aussi assez différent. Mais il ne faut pas oublier les raisons de ce processus de décentralisation: l'augmentation de l'efficacité dans la gestion des territoires dans la perspectives de l'intégration européenne.

Par la création de CEFTA les pays de l'Europe centrale essayent de concevoir une stratégie commune d'intégration européenne. Et dans le cadre de cette stratégie les collectivités locales pourraient jouer un role majeur surtout par l'intermédiaire de la coopération transfrontalière. C'est pourquoi au-delà des accords commerciales et duanniers, les pays de CEFTA devraient aussi promouvoir une coopération concernant les réformes des collectivités locales et leur gestion.

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## **LA POLITICA EUROPEA DELL'ITALIA**

**BEATRICE SEMZACONI**

**RESOCONTO.** È passato mezzo secolo dalla prima realizzazione dell'unità europea: quella Comunità del carbone e dell'acciaio considerata come la prima tappa del processo dell'integrazione europea, e l'Europa è una realtà fondamentale e irreversibile nella vita dei Paesi che ne fanno parte. Nella prima parte di questo saggio si farà una presentazione generale dell'integrazione europea, delle principali tappe di questo processo evolutivo. Nella seconda parte si presenterà la politica europea dell'Italia, evocando sia le fasi del europeismo concreto dell'Italia, sia quelle del europeismo di basso profilo. L'Italia compie le grandi scelte europeiste grazie alla politica di De Gasperi, l'uomo politico che ha portato l'Italia nel nucleo dei paesi costituenti la CECA. Il vero problema dell'Italia è l'inconsecvenza della sua politica estera. L'Italia fu per lungo tempo percepita nell'Unione europea come "un membro europeo che ha dei problemi", come "il malato d'Europa".

### ***1. Quadro generale dell'integrazione europea (1947 - 1997)***

L'integrazione europea è un processo evolutivo, di passaggio dalla sfera economica a quella politica, seguendo tappe successive. La letteratura specialistica parla di una "preistoria dell'integrazione europea", trovando vari punti di partenza per i movimenti e per le idee europee. Da Carlo Magno, cui Saint-Simon attribuisce il merito di primo fondatore dell'Europa, in poi, molti hanno pensato all'unità del continente: unità politica, culturale, mercantile, religiosa. Almeno fino alla prima guerra mondiale il mito e l'utopia hanno prevalso sulle ragioni dell'economia e della politica. Se fino alla prima guerra mondiale l'idea europeista era un'espressione del pensiero individuale, dopo di questa diventerà programma di movimenti militanti, d'intellettuali politicamente impegnati e di *élites* dirigenti, e poi obiettivo della gran politica internazionale. Dopo la guerra si è cominciato a non trattarsi più di voci isolate, ma d'espressioni di un dibattito che coinvolgeva movimenti d'opinione e politiche di governo.

La seconda guerra mondiale, più cruenta della prima, ha determinato paurosi vuoti tra le popolazioni civili. Questa guerra - come certamente anche la prima - ha impoverito economicamente e politicamente i popoli europei, sia quelli vinti sia i vincitori, rendendoli sempre più dipendenti dalla potenza finanziaria ma anche dalle politiche e dai modelli d'oltrealatlantico.

Le riflessioni sull'avvenire del continente e sulla necessità di mutamenti nelle strutture del potere in Europa hanno cominciato a prendere forma dalla prima guerra mondiale; ma fu tuttavia dopo la seconda guerra che le correnti di pensiero che erano nate o si erano irrobustite durante questo conflitto cominciarono a precisarsi. Grosso modo, tre grandi correnti di pensiero erano già identificabili: la corrente funzionalista, quella confederalista e quella federalista.

Dopo la seconda guerra mondiale, i progetti dell'europeismo si sono pienamente manifestati più che nei paesi vincitori, nei paesi sconfitti. Questi vedevano nell'idea dell'integrazione europea un mezzo per reinserirsi nella comunità internazionale e porre fine all'ostracismo che li stava condannando alla disfatta militare, al fallimento politico e ideologico. L'esperienza dei campi di concentramento e - forse di più - quella della Resistenza contribuirono a rendere popolare l'idea d'integrazione e a farla uscire da quelle *couches* elitarie e intellettuali in cui era rimasta circoscritta durante il periodo tra le due guerre. Tuttavia, va detto che nel complesso, l'idea d'unità europea rimaneva minoritaria nei programmi e nella cultura della Resistenza.

Il processo dell'integrazione europea conosce un'ampia periodizzazione, che comincia con il periodo tra **1947-1949**, una fase confederale dell'integrazione, una fase di riorganizzazione economica, politica e militare dell'Europa. E' la fase in cui nasce sul piano economico *l'Unione Occidentale* e *l'Organizzazione Europea di Cooperazione Economica* che è incaricata della gestione comune degli aiuti americani del Piano Marshall. Nello stesso periodo nasce il *Consiglio d'Europa* (5 maggio 1949) e la *NATO* (aprile 1949). La fase seguente è **1950-1954**, periodo in cui avvengono due importanti eventi per

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<sup>1</sup> A Bruxelles, il 17 marzo 1948, è firmato un trattato in tema di difesa collettiva, che sostituisce quell'atto tra Francia e Gran Bretagna fatto a Dunquerque il 4 marzo 1947: ma questa volta esso è diretto contro l'Unione Sovietica, e vi parteciparono i Paesi del BENELUX. Quest'Unione Occidentale sarà trasformata nell'ottobre 1954 in *Unione dell'Europa Occidentale* (UEO) per occuparsi dei temi della difesa e della sicurezza europea.

<sup>2</sup> OECE nasce nell'aprile 1948.

l'Europa: la nascita della *Comunità Europea del carbone e dell'acciaio* (CECA)<sup>3</sup> e la bocciatura della *Comunità Europea di Difesa* (CED). Queste due fasi appartengono all'europeismo indotto dalla politica estera americana.

Tra **1955** e **1957** abbiamo avuto una fase di rilancio europeo, in cui finisce anche l'europeismo indotto dagli Stati Uniti. In questa fase sono discussi e firmati i *Trattati di Roma*, trattati relativi alla *Comunità economica europea* (CEE)<sup>4</sup> e alla *Comunità europea per l'energia atomica* (EURATOM)<sup>5</sup>. La fase seguente è quella tra **1958** e **1969**, fase che comincia con l'entrata in vigore dei Trattati di Roma e finisce nel '69 con l'entrata in vigore dell'unione doganale<sup>6</sup> e l'uscita dalla scena politica del generale De Gaulle. Deve essere ricordato che in questa fase (aprile 1965) fu firmato il Trattato sulla fusione degli esecutivi delle tre comunità europee: CECA, CEE ed EURATOM.

Gli anni **'70** (periodo **1970-1978**) sono anni di crisi, di stagnazione per l'Europa: crisi economica, shock petrolifero, aumento continuo del prezzo del barile di petrolio da parte dell'OPEC (*Organizzazione dei paesi esportatori di petrolio*). Questa misura segna l'inizio di una difficile crisi economica per i paesi industrializzati d'Europa. Cioè in questi anni non si va avanti nel processo d'integrazione. Un nuovo rilancio per la politica europea arriverà nel periodo **1979-1987**, una fase costituente per l'Unione Europea. In questo periodo (marzo 1979) entra in vigore lo SME (*Sistema monetario internazionale*), istituito nel 1978, con l'obiettivo di creare una zona di stabilità monetaria in Europa grazie soprattutto alla politica dei cambi stabili; il 1979 è l'anno della prima elezione del Parlamento europeo a suffragio universale diretto. Nel 1984 il Parlamento europeo adotta il progetto del Trattato che istituisce l'Unione europea, progetto patrocinato da Altiero Spinelli. L'anno 1986 è un altro anno molto importante: nel febbraio '86 fu firmato l'*Atto Unico Europeo* che entrerà in vigore il 1 luglio 1987. Il periodo tra **1987** e **1992** è quello in cui si passa dalla

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<sup>3</sup> 9 maggio 1950: la data di nascita della *Comunità Europea del carbone e dell'acciaio* (CECA). Il ministro degli esteri francese, R. Schuman, annuncia la proposta del suo governo di mettere in comune la produzione, la distribuzione e il commercio del carbone e dell'acciaio, creando un'istituzione sovranazionale. In 18 aprile 1951 viene firmato a Parigi il Trattato che istituisce la CECA, entrata poi in vigore nel 1952. Gli stati contraenti sono Francia, Germania, Italia, Belgio, Olanda e Lussemburgo.

<sup>4</sup> *Comunità economica europea* (CEE): istituita con il Trattato di Roma del 25 marzo 1957 per realizzare un'unione doganale e un mercato comune tra i sei paesi fondatori

<sup>5</sup> *Comunità europea per l'energia atomica* (CEEA, più conosciuta com'EURATOM): istituita per creare un mercato comune dell'energia nucleare.

<sup>6</sup> 1 luglio 1968: con 18 mesi d'anticipo sulla data prevista entra in vigore l'unione doganale tra i paesi della Comunità.

*Comunità Europea all'Unione Europea*, cioè dall'Atto Unico Europeo al Trattato di Maastricht. Questo periodo è caratterizzato da un'esigenza di affiancare al mercato interno<sup>7</sup> l'unione economica e monetaria<sup>8</sup>, la sua prima fase entrando in vigore nel luglio 1990. Nel dicembre 1991 a Maastricht fu elaborato il *Trattato sull'Unione europea*, che sarà firmato in 7 febbraio del 1992. Altri due periodi sono **1992-1995**, il periodo "del dopo Maastricht" e quello del **1995-1997**, periodi in cui si passa dall'unione a dodici all'unione a quindici (con l'entrata nella comunità europea dell'Austria, Finlandia e Svezia (gennaio 1995) e si arriva alla firma del Trattato d'Amsterdam (2 ottobre 1997).

## ***2. La politica europea dell'Italia***

Per l'Italia postbellica, la scelta dell'integrazione europea era una scelta di una nuova identità, gli attributi dell'identità europea aiutandola a ritrovarsi l'identità nazionale. Per la politica europea dell'Italia si possono distinguere le seguenti fasi nel processo d'integrazione:

- **1947-1954**: fase delle grandi scelte degasperiane, tempo in cui rinasce la politica estera italiana con il contributo di De Gasperi e di Sforza;
- **1955-1957**: fase d'europeismo concreto per l'Italia; la firma dei Trattati di Roma;
- **1957-1963**: una fase di basso profilo, periodo in cui l'Italia presta una minore attenzione verso l'Europa e maggior attenzione verso il Mediterraneo;
- **1963-1969**: la fase caratterizzata dalla "politica degli interessi", in cui l'Italia si rende conto che non è sufficiente affermare d'essere europea, ma bisogna imporre anche gli interessi nazionali, far convivere la politica europea con la politica nazionale.
- **anni '70**: come per l'Europa in generale, anche per l'Italia gli anni '70 sono anni di crisi; nel '73 l'Italia decide di uscire dal "serpente monetario" e di lasciare oscillare liberamente la lira. Un altro fatto che rende visibile la posizione di "non-conformismo europeo dell'Italia", in pratica del fatto che

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<sup>7</sup> Il Libro bianco sul completamento del mercato interno fu pubblicato dalla Commissione Europea nel giugno 1985.

<sup>8</sup> - 27-28 Giugno 1988: il Consiglio Europeo di Hannover attribuisce ad un comitato presieduto di J. Delors l'incarico di preparare un rapporto sull'Unione economica e monetaria che viene presentato il 12 aprile 1989;

- 26-27 giugno 1989: il Consiglio Europeo di Madrid conferma l'intenzione di realizzare l'Unione economica e monetaria;

- 1 luglio 1990 entra in vigore la prima fase dell'Unione economica e monetaria.

non si è più curata di partecipare concretamente alla costruzione europea e del fatto che era più interessata alla politica interna che non a quella europea, è la destituzione del presidente della Commissione Franco Maria Malfatti, che nel '72 si dimette per candidarsi alle elezioni politiche italiane. Questa fase è quella con cui comincia una certa marginalizzazione dell'Italia nella Comunità, una fase in cui Italia viene percepita come il "malato d'Europa".

- **1979-1985**: fase del profilo emergente della politica estera italiana, fase in cui per l'Italia c'è il desiderio di diventare più forte sul piano europeo e internazionale. In questo periodo si può costatare una ripresa dell'Italia che entra nello SME, anche se in seguito ad opinioni contrastanti (i comunisti erano contrari) e vi entra con un'inflazione del 20%. Sul piano europeo l'Italia assume la presidenza del Consiglio europeo e grazie al ruolo di mediazione svolto dal governo italiano, al vertice di Milano fa progredire il completamento del mercato unico europeo. Vista dall'estero l'Italia ha una posizione di "sorvegliata speciale", di paese cui si chiede di mettersi a posto con i problemi interni per andare avanti nel processo dell'integrazione europea.
- **1985-1992**: di nuovo perdita della credibilità della politica europea dell'Italia; per l'Italia si registra il più alto numero di condanne della Corte di Giustizia; crisi economica; difficoltà ad entrare nell'Unione europea; dall'estero Italia viene percepita come un membro europeo "che ha dei problemi" e le viene mantenuto lo statuto di "sorvegliata speciale"
- **1992-1998**: la ripresa europeista dell'Italia; è la fase in cui si supera la condizione emotiva e ci s'impegna per partecipare a Maastricht; una fase del recupero europeista, d'accettazione del vincolo esterno (l'Europa) che costringe Italia a riformarsi.

L'integrazione europea è un processo evolutivo che conosce due tipi di spinte:

- A. a) spinte che provengono dall'interno (dai singoli paesi)  
b) spinte che provengono dall'esterno (dal contesto internazionale: es. esigenze della guerra fredda; politica americana)
- B. a) spinte che provengono dall'alto (dai governi)  
b) spinte che provengono dal basso (dai movimenti e dai gruppi di pressione: es. Il Movimento federalista).

Nel primo periodo dell'integrazione europea le spinte provenienti dal basso (nel caso d'Italia) erano date da parte dei movimenti della Resistenza e dei partiti politici. Di tutti i movimenti della Resistenza, quello italiano appare il più convinto sostenitore dell'unità europea, pur rimanendo anch'esso espressione di gruppi elitari e di forti individualità. Tra i partiti antifascisti che partecipavano

alla Resistenza, quello che più assiduamente s'impegnava per la causa dell'unità europea era il *Partito d'azione* che per il suo cosmopolitismo e per la forte componente culturale, era il più aperto verso i rapporti internazionali e i problemi del futuro. Quanto alla *Democrazia cristiana*, la sua "professione" europeistica fu più tardiva e più rituale, in quanto risentiva nei suoi primi anni della minore importanza che questo partito aveva riservato alla politica internazionale e del suo sforzo - nella fase finale e immediatamente successiva alla Resistenza - di mantenersi politicamente equidistante tra le potenze vincitrici. Solo più tardi, la Dc e i suoi governi assumeranno la guida del movimento d'unità europea, nel quadro di una politica atlantica di cui l'unità europea diventerà uno dei pilastri.

Ma più che dai partiti il maggior contributo teorico all'elaborazione della dottrina federalista venne da forti individualità: Einaudi, Silvio Trentin, fondatore del gruppo francese «Libérer et Fédérer», Eugenio Colorni, Ernesto Rossi e colui che con le idee avrebbe segnato più profondamente il *Movimento Federalista Europeo*. Altiero Spinelli. Altiero Spinelli è l'autore del *Manifesto di Ventotene* (1941), il testo fondamentale del federalismo europeo, dove vengono enunciati non solo i presupposti ideologici, ma anche gli strumenti costituzionali dell'unificazione europea, e si formulano due dei principi fondamentali della lotta per l'Europa.

Nell'ambito europeo, il Congresso dell'Aja (maggio 1948) testimonia per la spinta dal basso. Il Congresso dell'Aja è stato la prima grande riunione d'Europei europeisti, cioè di personalità della vita pubblica di tutti i paesi, rappresentanti di tutti i movimenti federalisti dell'Europa. Le successive realizzazioni sulla strada dell'unificazione affondano le loro radici nel Congresso dell'Aja nonché nella successiva evoluzione, stimolata dallo stesso congresso, del rapporto tra i vari settori dell'europeismo e dell'interazione tra movimenti e governi. All'Aja è maturato il progetto del *Consiglio d'Europa*, che nascerà il 5 maggio 1949 con la partecipazione di dieci paesi (Belgio, Danimarca, Francia, Gran Bretagna, Irlanda, Italia, Lussemburgo, Norvegia, Olanda e Svezia). Si trattava di un organo consultivo, il cui scopo, come previsto dall'art. 1, era di "conseguire una più stretta unione fra i suoi membri", da raggiungere "con la discussione di questioni di comune interesse, con accordi e mediante un'azione comune nei campi economico-sociale-culturale-scientifico"; lo stesso articolo precisava che "le questioni relative alla Difesa nazionale non rientrano nella competenza del Consiglio d'Europa". Dunque la spinta per la nascita del

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<sup>9</sup> G. Mammarella, P. Cacace, *Storia e politica dell'Unione Europea (1926-1997)*, Laterza, Roma, 1998, p. 37



*Consiglio d'Europa* fu data dai movimenti, e questa spinta affrettò il ruolo dei governi nel processo d'integrazione. Il *Consiglio d'Europa*<sup>10</sup> è un organo intergovernativo che ha certo la sua validità, ma non ha nessun ruolo nel processo d'integrazione europea. È dato che il *Consiglio d'Europa* non risolveva il problema della Germania, bisognava trovare un'altra forma d'integrazione, un'altra "invenzione" che potesse risolvere il problema di questo paese. Quest'invenzione viene resa pubblica con la dichiarazione del Ministro degli Esteri francese dell'epoca Robert Schuman, il 9 maggio 1950. Il governo francese parla di messa in comune delle risorse di carbone e d'acciaio della Francia e della Germania, in un'organizzazione aperta a tutti i paesi d'Europa. Il suo obiettivo è duplice: a) la riconciliazione franco-tedesca; b) la creazione di una comunità economica settoriale come prima tappa di una federazione europea. Il 18 aprile 1951 venne firmato a Parigi dai sei paesi (Francia, Germania, Italia, Belgio, Olanda e Lussemburgo) il Trattato che istituiva la CECA.

Come ho accennato, il periodo 1947-1954 fu per l'Italia il periodo delle grandi scelte degasperiane, un periodo in cui rinasce la politica estera e l'Italia compie le scelte europeiste. Questo è il periodo in cui l'Italia dice "sì" al piano Marshall, al Consiglio d'Europa, alla CECA e alla NATO<sup>11</sup>.

In sostanza questo è il periodo in cui l'Italia entra in Europa, entrando - grazie alla scelta di De Gasperi - nel nucleo dei paesi costituenti la CECA. Quanto alla sua adesione al Patto Atlantico va ricordato che anche questa scelta fu di carattere politico, una sorta di sgradita necessità alla quale sottostare.

Grazie a tali scelte l'Italia restava, infatti, agganciata all'Europa Occidentale e non finiva relegata in un gruppo di nazioni di secondo rango.

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<sup>10</sup> Il Consiglio d'Europa, nel corso degli anni, ha perso qualsiasi caratteristica politica ed è diventato un foro per rafforzare i rapporti su temi legati ai diritti umani.

<sup>11</sup> Praticamente l'ingresso dell'Italia nel Patto Atlantico non è stato facile, l'Italia non ha negoziato l'entrata nel Patto: è stata la Francia, l'avvocato dell'Italia per la sua entrata nella NATO. La Francia vuole l'Italia nel Patto per avere la garanzia che il Patto si estenda anche al Mediterraneo.

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## **INTEGRATION AND NATIONAL INTEREST. CURRENT ISSUES OF HUNGARY'S FOREIGN POLICY**

**VASS KATALIN**

**ABSTRACT.** For the last few years Hungary's trend in foreign policy was to realize an equilibrium between three aims closely related to each other. These are the obligation to the case of Euro-Atlantic integration, the implementation of good relations with the neighboring states and the undertaken of moral and political responsibility towards Hungarian minorities across the frontiers of the country. This triple priority of the Hungarian governmental policy is widely supported by the Hungarian political classes and parliamentary parties, which doesn't mean the existence of total agreement in Hungarian public life regarding the hierarchy and the relation between these aims.

This orientation of the Hungarian foreign policy may be considered a successful one. Hungary has already attracted a full one-half of Western investment in Eastern Europe since 1989 and in April 1994 Hungary became the first state in Eastern Europe to make formal application for European Union membership. A smooth and painless passage through the probationary "ante-chamber" from associate to full membership is conditional upon firm economic stewardship, strict observance of civil rights and unqualified respect for existing state borders. The official strategy of Hungarian governments in the 1990's has been to recognize reluctantly the existing borders and at the same time to foster good relations with Hungary's neighbors to effect a closer community of all Hungarians.

Hungary had negotiations with most of the neighboring countries regarding the arrangement of the bilateral relations. The diplomatical and political documents of these negotiations are the basic agreements with Ukraine, Slovenia, Croatia, Romania, and Slovakia. A similar agreement with Austria wasn't considered to be necessary. In Yugoslavia's case an agreement would be needed, but the wars and their consequences prevented the negotiations so far. These basic agreements are connected directly to two

elements of the priority system of Hungary's foreign policy: the relations with the neighboring states and the administration of the national minority problem. These issues are closely related because the majority of the Hungarian ethnicity across the state borders lives in the neighboring countries.

### **Guidelines Regarding the Hungarian Minorities**

It is hard to define the idea of the responsibility taken for national minorities. One may wonder what kind of responsibility can a govern take for other country's citizens, if this formulation fits the norms of the community of democratic states, if it doesn't mean intervention in other countries' internal problems, if it is euroconform or not.

There are a few facts and considerations, which might explain this moral-political commitment towards a national community related with Hungary in historical, cultural, linguistic respect. These are a few of the issues, which form the starting point of the Hungarian foreign political thinking regarding the minority aspects.

#### 1. Nationality and citizenship are two different categories.

The difference between nationality and state, as well as between nationality and citizenship are inevitable realities in our region. East and Central Europe have been dominated for centuries by multinational, multicultural and multireligious empires and many nations of this area haven't had states of their own for a long time. The acceptance of the situation in different parts of the world where an automatic coincidence exists between state and nation, in our area is artificial, forced and a source of tension for itself. Not understanding this reality lead to the concept of the homogeneous nation-state, to the distinction between nations constituent or non-constituent of states, to the fiction of the political nation, namely to the negligence of the national problem. Not understanding this reality was also one of the causes of the disintegration of the Austro-Hungarian Monarchy.

2. The criterion of nation-statehood presupposes that the nation-state simultaneously excludes all non-nationals and includes all co-nationals. Hungary's predicament in the 1990's (as for most of the twentieth century) lies not in the first but in the second criterion. Significant numbers of Hungarians populate all seven of Hungarians neighboring states: between 1.65 million and 2.1 million in Romania; 567,000 - 650,000 in Slovakia; 345,000 - 450,000 in Serbia; 158,000 - 200,000 in Ukraine; 70,000 in Austria; 20,000 - 40,000 in Croatia; and 10,000 -5,000 in Slovenia. The Hungarians constituted the fourth largest national minority in inter-war Europe, the largest national minority in

post-war Communist Europe and the third-largest national minority in post-Communist Europe. The enduring Diaspora of Hungarians has persisted fundamentally unchanged and unresolved from the First World War through to the present day.

To understand how a twentieth century Europe supposedly wedded to the principle of nation-statehood can contain such an anomaly, an appreciation of Hungary's historical legacy is essential.

Up to the second decade of our century, namely before the peace treaties of the First World War, excluding the almost 150 years of Turkish conquest, the Hungarians have lived for a millennium between the frames of the Kingdom of Hungary which included also the Carpathian basin. Thus the formation of the Hungarian nation anticipated far the formation of the actual states. After the First World War Hungary was to suffer the Treaty of Trianon, the second most territorially punitive of the five component treaties of the Paris Peace Settlement. To the north, Slovakia and Ruthenia, combining 3.57 million people and comprising 22.3 per cent of pre-war Hungary, were granted to the new state of Czecho-Slovakia. To the west, part of the Burgenland, involving 290,000 people or 1.4 per cent of pre-war Hungary, was taken by the new state of Austria. In the south the Backa, Baranya and western Banat, together incorporating 1.52 million people and 7.4 per cent of pre-war Hungary, went to the new Kingdom of the Serbs, Croats and Slovenes. To the east, Transylvania, eastern Banat and southern Măramaros/Maramures, involving 5.24 million people and 36.2 percent of pre-war Hungary, went to Romania. At Trianon, Hungary lost 2/3 of its territory and half of its population. 1/3 of its Hungarian population mostly living in mass and partly near the borders, became citizen of the neighboring states.

3. Between Hungary and the Hungarian population of the neighboring states close domestic, cultural and other relations still exist in spite of the decades of total isolation.

4. During the last eight decades, the Hungarian minorities endured different persecutions: acts of evacuation after the two World Wars, different forms of discrimination and forced assimilation policy.

In Romania, Ceaușescu intensified a long-standing campaign against the Magyar minority from the mid-1980's; inducing some 20,000 to decamp to Hungary over 1988-1989 alone. The downfall of Ceausescu did not, however, bring an end to ethnic strife: Romanian - Magyar disturbances rocked Tirgu Mures/ Marosväsàrhely in March 1990; more recently, the provocative actions of Gheorghie Funar, Mayor of Cluj/ Kolozsvàr and former leader of the ultra-nationalist PRNU (Party of Romanian National Unity) have exacerbated

prevailing tense relations; and the HDFR (Hungarian Democratic Federation of Romania) in August 1994 demanded that Hungary insist on "special protected status" for the Magyar near-Diaspora in Romania.

The most potentially dangerous situation of all has emerged, predictably enough, from the debacle of the disintegration of Yugoslavia. Warning signs for 400,000 Magyars in Vojvodina came with Slobodan Milosevic's withdrawal of Vojvodina's protective autonomous status in February 1989 and official declaration that Serbian was the only official language throughout Serbia in July 1991. Since then, the moderate DCVH (Democratic Community of Vojvodina Hungarians) has become alarmed at Serbian allegations of mass Hungarian desertion from the federal army and Hungarian support for Croatia, which have induced another 20,000 Magyars to flee north to Hungary.

The post-Communist governments of Hungary have consequently come under considerable pressure to, at very least, make noises sympathetic to the near-Diaspora.

5. The idea that Hungarian state policy assume responsibility for national minorities is consolidated by largely accepted European norms, that of the notion of democratic constitutionality and that of the respect for human and minorities rights. In the general atmosphere of democratization, the reparation of injuries connected to national minorities has become a normal claim. From among the European norms, those moral and political ones proved to be unusually effective, which sustain that the state authority can't do whatever it wants with its citizens. This democratic principle became widespread and deeply rooted fast. For national minorities this means the possibility to create civil social institutions and to practice individual rights, which includes also the preservation of mother tongue identity.

Another principle had strong effect as well. This principle sustains that democratic parliaments and governs are responsible for holding in respect certain basic human rights not just in their own countries, but they have to stand up for these principles and rights also in other states. The importance of this principle can be really understand if we don't forget that in Central Europe are very well known those arguments which under the mask of sovereignty defended the dictatorial practice of the states.

### **Hungary's Foreign Policy and the Neighboring States**

It is of European and global interest that national minority problems not be associated with dangers and provocations connected to security policy. For Hungary, good relations with the neighboring states are of decisive

importance regarding both European and Atlantic integration, the development of economic contacts and the handling of minority issues on the basis of democratic norms.

Hungary is a country with its territory of 93000 km, without exit to the sea, bordering on seven states of different sizes, with different levels of economic development and different political systems. From among the neighboring countries only Austria has highly developed market economy and is member of the European Union. Hungary borders three of the former member states of the Yugoslav federation; two of these have had war affairs for years. Four neighboring states (Slovenia, Croatia, Slovakia and Romania) have the ambition to join the European and Atlantic organs, but their level of maturity have been classified differently by the European and Atlantic partners. Romania and Slovenia have been proposed to take part in the second circle of NATO-enlargement. Slovakia has been excluded so far both from NATO and European Union enlargement; Croatia hasn't had negotiations on this topic; and Little Yugoslavia is condemned by the states of western community in many respects. Although NATO has a separate agreement with Ukraine, neither NATO nor European Union counts on Ukraine's membership. Four states bordering Hungary haven't had statehood before 1990.

These differences don't make possible that Hungary implement similar relations with each of the neighboring states. However there is a common characteristic of this heterogeneous neighborhood: in each of the seven states live Hungarian minorities, even if their proportion and absolute number differ from country to country and there are differences also between the systems of conditions in which the Hungarian minority can practice its rights. The basic agreements concerning the settlement of relations between Hungary and the neighboring states are based on two principles: the first is the acknowledgement without condition of state-borders, which means also the recognition of the sovereignty and territorial integrity of the states; the second is the total acknowledgement of the validity of national minorities' rights. Is essential from this standpoint that basic agreements contain in different forms (text or annex) no. 1201 recommendation of the European Council.

A few issues Hungary is interested in concerning the trend and development of internal and foreign policies of the neighboring states:

- reestablishment of peace in those countries where war affairs have been going - on or tensions with international effect have been accumulated;
- economical reconstruction of the whole central European area;
- consolidation of the new states, stabilization of their sovereignty;

- successful efforts of the neighboring states toward integration, democratic development and affirmation of the rights of national minorities and of cultural and territorial autonomy;
- development of market economy in the entire region;
- development of certain economical, political, scientific and cultural institutions of the entire area in similar directions.

The experiences of the last few years have shown to Eastern and Central European countries that a state wasn't accepted in Euro-Atlantic integration organs, if uncertainties existed concerning the recognition of state-borders or the juridical status regarding minorities wasn't arranged. The institutes of European and Atlantic integration don't want to integrate tensions and conflicts between states, because the treatment of this problems isn't easy to realize within the frames of integration either, as it very well shows the example of the relation between Greece and Turkey.

The fact that the countries of the region aspire to entrance in integration process has a good influence on bilateral relations and on the democratic practice of the law of certain countries. An example on this topic is the development of Hungarian-Romanian relations, which have improved as a result of both states being adherents of Euro-Atlantic integration. However the Hungarian diplomacy failed in improving relations with Slovakia because of its clearly antidemocratic policy concerning the Hungarian minority.

Consequently in Hungarian foreign and security policy the formation of neighborly relations is of fundamental importance. A few issues regarding this topic:

Hungary's interest is that as many countries of the region as possible develop conditions needed for European and Atlantic integration. From among these conditions the stabilization of democratic institutes and the realization of market economy are equally important. Hungary doesn't have the interest that Europe's eastern borders grow stiff at Hungary's eastern borders. It is of Hungary's interest, not only in tactical but also in strategic meanings, to support the European and Atlantic integration especially in the case of the countries where significant number of Hungarian nationalities live.

Regional integration can't mean alternatives to the integration from the western and Atlantic area of Europe, but certain frames of collaboration may be necessary even after some countries of the region join the European Union and NATO. The Scandinavian collaboration may be an example on this topic.

Regarding the relations with the neighboring states, Hungarian minorities across the borders have a special role, but not an exclusive one. Security, economical, cultural and ecological relations are important as well.



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**MARKETS AND CAPITAL**

**L'HISTORIOGRAPHIE ET DES ASPECTS DE LA CAPITAL  
BANCAIR ITALIENE DANS L'EUROPE CENTRALE-ORIENTALE<sup>1</sup>**

**ANCA BOCA**

**RÉSUMÉ.** La démarche se propose de presenter le stade d'analyse de la historiographie roumaine et italienne sur le problematique de développement du capital bancaire italienne dans l'Europe Centrale-Danubiënne, et aussi le rol et la contribution de la capital italienne dans cette l'espace, pour la periode de l'entre-deux - guerres.

L'historiographie économique roumaine et internationale place la problematique du capital étrangère, respectif italienne dans le contexte des facteurs économiques et de politique externe. Dans ce sens les preoccupations roumaines appartient d'une coté à la période interbelique par l'élaboration des études et des analyses économiques et financières, fondées sur les statistiques de l'époque et de l'autre coté celles-ci appartient à l'historiographie d'après le 1945 par des oeuvres d'histoire économique basées, le plus souvent sur les documents d'archive.

La strategie de developpement de la Roumanie de l'entre deux guerres mondiales, qui preoccupe aussi les politiciens que les économistes et les entrepreneurs imposait implicitement la discussion du rol et du place du capital étrangère à l'interieur de l'economie roumaine. Les interrogations teoretiques ou strategiques concernant la necesité des investissements étrangère dans la Roumanie qui ont antrenées premièrement les milieux politiques roumaines ont trouvé aussi leur echo dans la literature de specialité de l'époque. En général les reports aux capital étrangère des economistes et des financistes réputés ont été faites, soit d'une manière tangentiales par des analyses positivistes relatifs au stade de développement de l'économie roumaine, soit d'une modalité secventiale par des études qui liaient structurellement ce problème du processus de l'industrialisation et de la modernisation de la Roumanie de l'entre -deux -guèrres.

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<sup>1</sup> Le concept de l'Europe Central-Orientale comporte des discussions sur l'espaces de l'Europe Balcanique, l'Europe Danubienne et la Pologne.

Virgil Madgearu a corelè la necesité de l'existence du capital etrangère dans la Roumanie avec le developpement industrial - financière du pays, en conformité évidemment avec la doctrine du partie paysan pour la stimulation de ce capital<sup>2</sup>. Plus détaché de la sphère politique, l'economiste Victor Slavescu realise des abordations substantiales de la politique de capital de la grande finance en Roumanie<sup>3</sup>, et aussi des analyses particularisées à la finance nationale vis-à-vis de celle internationale. Les références au capital italiene sont positives grace à "les grandes rendements d'engagements"<sup>4</sup> optenues de les nouveaux creations bancaires par la contributions de la Banca Commerciale Italiana e Romena. D'autre preocupations ont été lies des sources de financement du capital etrangère dans la Roumanie<sup>5</sup>, des investissement etrangère sous la forme des placements et des participations, respectivement de l'origine de ce tip de capital<sup>6</sup>, mais toujours prené en corelation avec les problemes majores de l'economie nationale, ou même avec les intérêts du capitalism europeene<sup>7</sup>. La presse de l'époque elle aussi enregistré des abordations concernant l'oportunité de la presence du capital etrangère ou de son encouragement, mais aussi dans ce cas les enterogations se sont nées des preocupations esentieles de la société roumaine pour la modernisation et pour le progrès.

L'historiographie économique d'après le 1945, englobe des études circomscrits notamment à la problematique du capital etrangère. Au delà de ces articles, tributaire à l'interpretation ideologique marxiste, la plus grande partie de la literature de specialité reussisse d'evaluer les aspects secventiales du capital etrangère à travers des statistiques<sup>8</sup> et notamment des documents d'archive.

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<sup>2</sup>Virgil Madgearu, *Evoluția economiei românești după războiul mondial*, Independența economică, București, 1940, Idem, *Drumul echilibrului financiar*, București, 1935; Idem *La politique économique extérieure de la Roumanie (1927-1938)*, București, 1939.

<sup>3</sup>Victor Slavescu, *Marea finanță în România în vreme de război, băncile comerciale 1914-1919*, Cartea Românească, București, 1920; Idem, *Finanțarea întreprinderilor economice*, București, 1927.

<sup>4</sup>Idem, *Organizația de credit a României*, Cartea românească, București, 1922, p.42; Idem, *Istoricul Băncii Naționale a României (1880-1924)*, Cultura Națională, București, 1925.

<sup>5</sup>Gheorghe Brînzescu, *Problema creditului industrial*, București, 1936.

<sup>6</sup>Constant Georgescu, *Problema capitalurilor străine în România*, București, 1933; Octav Constantinescu, *Contribuția capitalului străin în industria petrolieră românească*, București, 1937; G. N. Leon, *La transylvanie et la politique économique de la Roumanie*, Les éditions Dacia, București, 1943; Jean Popovici, *Formarea capitalului în România*, Cultura Românească, Iași, 1931.

<sup>7</sup>George Strat, *Industria românească în cadrul economiei europene*, Tipografia "Remus Ciofleac", București, 1945.

<sup>8</sup>Aurel Vijoli, *Cercetări asupra capitalului financiar în țara noastră*, București, 1949.

Dans les années '60 on a réalisé une synthèse concernant l'investissements étrangère dans la Roumanie<sup>9</sup> (la seule essai de ce genre) qui on dépit de quelques accents idéologiques, donne une vision d'ensemble sur les mouvements d'investissements étrangère dans l'économie roumaine par une cuantification relative de la valeur du capital étrangère et de sa penetration dans des secteurs économiques differents. Les capital italiene est aprecié pour ayant une contribution d'une importance moyene dans la Roumanie, pour le domaine bancaire et industriel en se retenant seulement les participations generale de Banca Commerciale Italiana e Romena.

Le domain de l'histoire économique de dernière decenies a furnisé quelques études objectives et substantiales aussi dans la direction des abordations teoretics<sup>10</sup> que dans celle des analyses secventiales de la valeur d'investissements étrangère dans les branche industrielles differents, des analyses relevantes par des évaluations statistiques ou par des tentes critiques.

L'historique Gheorghe Buzatu a suivi dans un context plus large l'apport du capital italiene dans le secteur petrolier<sup>11</sup>; Nicolae Păun, Ludovic Bathòry et Constantin Ivanes dans le secteur forestière<sup>12</sup> la ou la participation de ce capital a été une de plus consistente; Ludovic Bathòry s'est appuie aussi sur la branche metalurgique<sup>13</sup> ou l'implication energie de Banca Commerciale Italiana e

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<sup>9</sup> N.N.Constantinescu, Costin Murgescu, *Contributii la istoria capitalului străin în România*, București, 1960.

<sup>10</sup> Victor Axenciuc, *Le capital étranger et national dans le sud-est de l'Europe dans la periode de l'entre deux guerres* în Revue roumain d'histoire, tome XIX, no 2-3, 1980; Ilie Puia, *Capitalul străin în economia României în deceniul premergător celui de-al doilea război mondial* în Revista de Istorie (RI), tom 34, 1981; Ioan Saizu, *Politica economică a României între 1922-1928*, ed., Academiei române, București, 1981; *Idem*, *Dimensiunile, caracterul și structura concepției "prin noi înșine" în perioada 1922-1928* în RI, tom 32, no. 12, 1979; Vasile Bogza, *Condițiile penetrației capitalului străin în România în primul deceniu după Marea Unire din 1918* în RI, tom 34, no. 1, 1981; Nicolae Păun, *Cai și metode de influențare a vieții politice românești de către societățile cu capital străin (1919-1928)* în Anuarul Institutului de Istorie și Arheologie Cluj-Napoca (AIACN), 1985/1986.

<sup>11</sup> Gheorghe Buzatu, *Petrolul - o dimensiune a relațiilor externe ale României în perioada 1918-1924. Lupta împotriva penetrației monopolurilor străine* în RI, tom 35, no. 1.

<sup>12</sup> Nicolae Păun, Ludovic Bathory, Constantin Ivanes, *Capitalul italian în sistemul financiar european și penetrația lui în economia forestieră a României (1900-1930)* în AIIA "A.D.Xenopol", Iași, XXIII/2, 1986.

<sup>13</sup> Ludovic Bathory, Gheorghe Iancu, Marcel Știrban, *Activitatea societății "Astra-Prima fabrica română de vagoane și motoare S.A." Arad, între anii 1916-1929*, în Ziridava, no. XV-XVI, 1987.

Romena dans l'activité d la societate "Astra - Prima fabrica de vagoane si motoare S.A", Arad afin de replacer le capital enemie austro-hongroise est bien relevante.

Les études effectuées dans le domaine minier peuvent offrir elles-aussi une image de l'intérêt du capital italien en Roumanie<sup>14</sup>. On trouve aussi des données concernant l'évolution des banques avec un caractère étrangère dans les systèmes industriels et bancaires roumaine et bien sûr relatif aux financements, aux crédits ou aux participations dans une oeuvre de référence de l'historique Ludovic Bathory<sup>15</sup>.

Dans l'historiographie économique italienne il y a quelques contributions remarquables quant à l'expansion du capital italien dans l'Europe Centrale - Orientale et Méditerranéenne. Nicola La Marca, agrégé auprès de l'Université de Trieste a effectué des investigations relatives aux tentatives d'expansion économique italiennes dans le sud-est de l'Europe pour la période de l'entre-deux-guerres<sup>16</sup>. Ainsi en conformité avec le contexte géopolitique et géostratégique, les gouvernements italiens dès 1918 ont suivi la ligue de réalpolitik, en considérant la pénétration économique italienne dans les Balkans un instrument destiné à la réalisation des objectifs politiques, c'est-à-dire l'affirmation d'Italie comme *potenza imperialista*. L'auteur apprécie que l'activité intense des banques italiennes à l'extérieur - *Banca Commerciale Italiana*, comme puissance d'intérêt italien à travers des siècles dans les Balkans, puis le *Credito Italiano* et la *Banca di Roma* - a répondu avec succès à ces objectifs.

L'accès relatif récent au matériel documentaire de la période l'entre deux guerres, a permis aux chercheurs italiens d'analyser profondément le phénomène d'expansion des banques italiennes au dehors de l'Italie. Le chercheur Roberto Di Quirico s'est préoccupé de l'évolution de la réseau bancaire italienne dans l'Europe Centrale-Orientale, en décryptant les stratégies financières-industrielles et les particularités d'organisation des banques italiennes à l'extérieur

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<sup>14</sup> Ludovic Bathory, *Aspecte privind situația industriei carbonifere din România între anii 1919-1929* în AIIACN, no. X, 1967; *Idem, Evoluția industriei miniere din Banat între anii 1919-1929* în Banatica, no. 2, 1973, Resița; *Idem, Principalele societăți carbonifere. Relațiile lor cu capitalul autohton și străin între anii 1918-1921* în Anuarul Institutului de Istorie și Arheologie Cluj-Napoca, 1987.

<sup>15</sup> Ludovic Bathory, *Trasaturi generale ale dezvoltării și modernizării sistemului bancar industrial* în Dezvoltare și modernizare în România interbelică, 1919-1939, ed. Politica, București, 1988.

<sup>16</sup> Nicola La Marca, *Italia e Balcani fra le due guerre. Saggio di una ricerca sui tentativi italiani di espansione economica nel sud-est europeo fra le due guerre*, Bulzoni editore, Roma, 1979.

et aussi de l'integration financiere de l'Italie dans le perimetre europeen<sup>17</sup>. A la Banca Commerciale Italiana e Romena on atribue un rol primordial dans le processus de penetration economique italiene vers la regione balcano-danubiene. De point de vue de la coloboration de Banca Commerciale Italiana e Romena avec la Banca d'Italia - la banque centrale d'Italie et en meme temps le principal institut d'emision, et de la participation de banque de Milano au systeme des capitals et des emprunts internationales, il y a quelque contributions relevante des historiques economiques italienes<sup>18</sup>.

Gian Carlo Falco, professeur à l'Université de Pisa, specialist dans l'histoire economique constate dans une étude sur l'histoire de la Banca d'Italia que dans la periode de l'entre-deux-querres seulement la reseau bancaire de Banca Commerciale Italiana et de Credito Italiano étaient dans le degré d'operation sur de differents régions de la marché mondiale<sup>19</sup>. L'oeuvre comprenne des importants références à la position de Banca Commerciale Italiana e Romena qui adhérait naturellement à la stratégie italienne d'expansion bancaire à l'exterior face-à-face avec les projets de penetration economique formulés par le Ministre des Affaires Etrangères italiene pour l'Europe Centale-Orientale. Enfin, les relatifs au place de cette banque à l'interieur du systeme europeene et meme mondiale sont très consistant.

En conluzion, on peut dire que dans l'optique des préoccupations générales pour le capital étranger, l'historiographie roumaine contient des ouvrages substantieles; mais pourtant on ne fait que d'une manière tangentielle les références au capital italiene parce que en ce qui concerne la thématique ses contributions visent un certain domain d'interet de l'économie roumain. De l'autre coté, meme assez substantieles, les études particulièrement centrés sur le capital italien ne se réfèrent que à quelques compartiments d'actions economique de celui-çi (dans l'industrie forestière ou partial dans l'industrie

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<sup>17</sup> Roberto Di Quirico, *Il sistema Comit. Strategie e strutture dell'attiviata estera della Banca Commerciale Italiana negli anni venti*. Tesi di laurea, Universita di Pisa, anno acc. 1992-1993; Idem, *Il sistema Comit. De partecipazioni estere della Banca Commerciale Italiana tra il 1918 e il 1931*, Revista di Storia Economica, XII, 1995, no., 2; Idem, *Italian International Banking 1900-1950*, in European University Institute, Badia Fiesolana, San Domenico, 1998.

<sup>18</sup> Gian Carlo Falco, *Ricerche per la storia della Banca d'Italia*, vol. VI, editori Laterza, Bari, 1996; Giuseppe Guarino, Gianni Toniolo (a cura di), *La Banca d'Italia e il sistema bancario 1919-1936*, ed., Laterza, 1993; Marcello De Cecco, *L'Italia e il sistema finanziario internazionale 1919-1936*, ed., Laterza, Bari, 1993; Renato De Mattia (a cura di), *Storia del capitale della Banca d'Italia e degli istituti predecessori*, Roma, 1977.

<sup>19</sup> Gian Carlo Falco, op. cit. p. 148.

metalurgique). Par consequence, on peut affirmer relatif à la production historiographique roumain qu'il n'y a pas une abordation exhaustive ou au moins générale du role et de la valeur du capital italiene dans l'economie roumain de l'entre-deux-guèrres ce qui on peut se figurer dans une motivation d'intention pour ce matériel.

Même si le numéro des écritures est réduit et la date de leurs apparition est relative récente, l'historiographie économique italienne offre des points de repère consistents sur l'expansion du capital italiene dans l'Europe Centrale-Orientale dans une manière structurale-objective et bien fundamētés de point de vue archivistique. On rētrouve des interprétations multiples qui touchent le contexte géopolitique et géostratēgique et se dirige vers la politique externe et vers les stratégies bancaires financières. Les mises en valeurs de celles-ci essaient de donner des réponses aux problèmes complexes telle: la politique bancair-industrielle des banques italiennes, respectivement de la Banca Commerciale Italiana par raport de l'Etat italiene, la place et le role réel de la banque de Milano dans le système bancair mondiale, la politique pour les investissement et les participations industrielles.

Dans le context des mutations provoqués par le première guerre mondial, l'Italie aussi come d'autres puissances victorieuse a poursuit après 1918 la création d'une contexte de primat politique et économique. L'idéals de realpolitik qui dominait l'Europe de ce temps-là et aussi les aspirations revendicatives, conturées après dans un *accesso revisionismo italiano*<sup>20</sup>, ont fait quider les tendances de la politique generale vers la mise en evidence de la face politique et du rol de grande potenza imperialista de l'Italie. En temps que l'interet pour la detention d'une place de première plan dans les Balkans et dans la zone du Danube entre dans une tradition de la diplomatie d'Italie<sup>21</sup>, les accents revisionistes italiennes ont été alimentés et amplifiés par les conditions de la signature des traités de paix. A la fin d'une victoire considere mutilé, l'Italie reclamait d'avantages coloniales et des satisfactions des larges spheres d'influence<sup>22</sup>, qui lui assure un statu-quo favorable et bien sur le control de differents espaces de l'Europe. De plus, la paix de Paris de 1919, a été considerée de Mussolini come une omision volontaire absolute " dei nostri interessi e dei nostri diritti sia nell'ordine teritoriale come nell'ordine economico"<sup>23</sup>. Vraiment

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<sup>20</sup> Nicola La Marca, *op.cit.*, p. 12.

<sup>21</sup> Il s'aggit des les tendances diplomatiques du Cavour, vers l'epoque contemporaine concernant la regione Danubienne et Balkanique comme "un teriotrio dell primo interesse per l'Italia".

<sup>22</sup> Max Gallo, *op.cit.*, passim.

<sup>23</sup> Franco Catalano, *op.cit.*, p. 21.

dit pour les espaces comme les Balkans, le Levant, le Trieste, au-delà des connotations géopolitiques; les intérêts économiques ont eu une importance consistante dans la politique externe italienne pendant l'époque mussolinienne quand on poursuivit réellement une "escalation per raggiungere un'egemonia italiana nella regione danubiana e balcanica"<sup>24</sup>. Afin d'une très bonne position de la présence italienne dans l'Europe; dans la doctrine fasciste était nécessaire "une pénétration politique et économique dans l'espace danubienne et balkanique"<sup>25</sup>, ce qui complétait la vision impérialiste de celle-ci. On achève aussi par une exaltation d'impérialisme défini comme *fondamento della vita*<sup>26</sup> ou comme *la loi éternelle et immuable de la vie*<sup>27</sup> pour ce peuple qui désirait s'étendre de point de vue économique et spirituel. L'essence de la doctrine fasciste qui s'est défini premièrement par sa coordonnée impérialiste, était représenté par une politique d'agrandissement et de force qu'Italie voudrait poursuivre. De point de vue de l'élaboration, la doctrine fasciste n'a pas existé dès début de fascisme parce que elle a pris sa naissance de "*bisogno di azione*"<sup>28</sup>, ce qui signifie, par exemple, que l'expansion dans les Balkans n'a pas eu nécessairement des valences doctrinaires fascistes mais celle-ci a été plus tôt une continuation de révisionnisme italien. De même façon dans la politique, l'Italie n'a pas eu un programme fasciste que à la fin de la première décennie de l'entre-deux-guerres. Pourtant, d'une perspective géostratégique et révisionniste, après la prise de pouvoir, Mussolini a compris que pour la réalisation de la tentative de pénétration économique dans les Balkans et finalement des projets grandioses de "*preminenza politica*"<sup>29</sup>, l'Italie allait assurer "contro la reazione della Germania"<sup>30</sup> les succès d'une telle action étaient autant plus grandes que par le traité de Locarno, l'Allemagne s'engageait à respecter l'intangibilité des frontières allemandes excepté l'aire danubiano-balkanique entière, c'est-à-dire exactement la zone d'intérêt pour Mussolini. Pour une première étape de sa politique externe, l'Italie fasciste a été entre 1925-1929 un acteur politique très présent dans l'Europe danubiano-balkanique. En même temps, dans l'Autriche et dans l'Hongrie on a soutenu les régimes politiques autoritaires de Seipel et Horthy, et dans l'Albanie le pays qui représentait un point stratégique de la mer Adriatique<sup>31</sup> on institue un *protettorato italiano* qui permettait l'exercice d'un

<sup>24</sup> Nicola La Marca, *op.cit.*, p. 12.

<sup>25</sup> Danilo Veneruso, *op.cit.*, p. 135.

<sup>26</sup> Franco Catalano, *op.cit.*, p. 20.

<sup>27</sup> Renzo De Felice, *op.cit.*, p. 332.

<sup>28</sup> *Trent'anni di storia italiana (1915-1945)*, Torino, ed. Einaudi, 1961, p. 153.

<sup>29</sup> Nicola La Marca, *op.cit.*, p. 14.

<sup>30</sup> Danilo Veneruso, *op.cit.*, p. 138.

<sup>31</sup> *Ibidem*, p. 135-145.



contrôle directe de la région et le contabalance l'hostilité yougoslave. La réalité "dell'primo posto" que l'Italie s'assurait lui-même en Albanie signifiait la détention d'une position géostratégique importante dans les Balkans. Pourtant, la politique danubienne-balcanique italienne jusqu'à 1929 n'a pas été une politique imposante. Elle n'a pas eu la signification d'une *frutto di rilievo*<sup>32</sup>, de plus moins que sa participation dans la région supposait des importants sacrifices politiques et financiers. De point de vue strictement financier, l'Italie n'a pas eu les ressources nécessaires qui lui permettent d'exercer une politique d'aventure en ce sens.

L'expansion économique italienne vers l'extérieur, respectivement le capital bancaire vers l'espace de l'Europe Centrale-Orientale et vers le bassin de la mer Méditerranéenne doit être abordé de point de vue des objectifs de la politique externe et des stratégies financières-industrielles. Les surfaces de convergences d'entre les intentions de politique externe et les actions économiques de l'Italie aident à une compréhension plus nuancée de l'évolution du mécanisme bancaire-industriel dans l'Europe. À cet égard, il est très révélateur le fait que l'action politique a été privée jusqu'à la fin de la première décennie de l'entre-deux-guerres de la soutenance des grandes puissances économiques. Dans des circonstances de la crise économique interne, de l'inflation, des déséquilibres financiers, le régime politique fasciste, pendant les premières années d'existence, n'a pas réussi concrètement d'affirmer son primat politique sur le domaine économique. Chronologiquement, dès la grande crise, c'est l'action de créer dans la région danubienne-balcanique des marchés économiques italiens privilégiés, qui est devenue le point de contact entre la politique étrangère mussolinienne et celle économique de l'Italie. Après 1929 la politique externe italienne s'est concrétisée dans une stratégie mussolinienne précise, tout en subordonnant la politique interne et implicitement celle financière. Cela s'explique par deux raisons fondamentales: il est important d'abord de promouvoir une politique externe plus dynamique qui permettra de résoudre même les problèmes internes et deuxièmement de exploiter une situation internationale favorable<sup>33</sup>. De cette manière, on allait promouvoir dans l'espace danubien-balcanique une politique de force et de prestige qui allait faciliter indirectement aussi la pénétration économique dans cette région. Mais, à l'avis de quelques auteurs, on considère que l'État italien a compris l'expansion économique comme une modalité de réaliser ses objectifs politiques<sup>34</sup>.

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<sup>32</sup> *Ibidem*, p. 141.

<sup>33</sup> Renzo De Felice, *op.cit.*, p. 323-324.

<sup>34</sup> Nicola La Marca, *op.cit.*, p. 11.

Il est cert que l'expansion du capital italiene dans l'Europe doit  tre r gard e r lative aux quelques aspects importantes tell: les courantes d'opinion contur s   vue des politiques  conomique de force, les institutions et les forces qui se sont impliqu es pour la conqu te des march es  urop enes.

En ce qui conc rne le premi re aspect, dans l'Italie d'entre-deux-gu res, les d bats politiques se sont concentr es autour des modalit s d'expansion  conomique ou des strat gies bancaire-industrielles dont les int r ts des differents grupes bancaires d pendaient (des bancaires, des politiciens, des industriels). Quelques abordations strat giques ont exist  dans le milieu gouvemenatale et  conomique italiene.

Pour les politiciens et les gouvornants de l' poque "la posibilidad de crear des rapports  conomiques (et consequent politique)  troits avec l'Europe Centale-Orientale r presentent un moment cruciale dans l'histoire des r lations financi res italiennes avec l'exterior, une occasion d'obtenir sa propre dimension  conomique independante de la march  financi re italiene"<sup>35</sup>.

Bonaldo Stringher<sup>36</sup> r presentait un point de vue particuli r   l'int rieur des cercles gouvemenatales dont il  tait membre. Au contrepoint de ministre des Finances et du Comer e Augusto Ciuffelli, Stringher disait en 1919 que "l'Italie n'a pas eu des moiens financi res pour permettre lui m me une politique d'expansion  conomique externe"<sup>37</sup>. En ce qui concerne la besoin de credits externes pour l' Italie, Stringher observait qu'il  tait n cessaire du control des exports des Etats moins d velopp s<sup>38</sup>, respectivement de d limiter la libre initiative dans les conditions de la penetration  conomique externe. Sa vision interventioniste a  t  beaucoup contest e par les  conomistes et par les investisseurs qui d siraient un climat libre et a  t  regard e avec des r serves par les adeptes de "la politique de grand force" que l'Italie devrait suivre   l'exterieur des ses fronti res. Le ministre italien des Affaires Etrangeres promovait ouvertement une telle image mitique d'une Italie puissante.

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<sup>35</sup> Roberto Di Quirico, *Il sistema Comit. Strategie e strutture dell'attivit  estera della Banca Commerciale Italiana negli anni venti*. Tesi di laurea, Universita di Pisa, anno acc. 1992-1993, p. 72.

<sup>36</sup> Bonaldo Stringher- Ministre de Finances en 1919 dans le gouvernement Orlando, directeur general de la Banca d'Italia pour une longue p riode de temps. Tr s nationalist, Stringher a elabor  le concept d'authonomie de la banque centrale face   face de l' tat, cf. Marcelo De Cecco, *op.cit.*, passim.

<sup>37</sup> T l gramme de Ministre de Finances B. Stringher pour le pr sident de la Conseil de Ministre Vittorio Emanul Orlando de 13.6. 1919, cf. Roberto Di Quirico, *op.cit.*, p.77.

<sup>38</sup> *Ibidem*, p. 75.

Pio Perrone (avec des autres politiciens et hommes d'affaires nationalistes) a formulé, à la suggestion de Stringher, une orientation imperialiste de l'Italie en apportant pourtant une solution médiane de la prouance dans les échanges commerciaux avec les Balkans: l'échange, à l'avantage de l'Italie, des produits industriels avec les matières premières des Balkans où de centre de l'Europe. Finalement, à l'opinion de Pio Perrone, la question des imports, des transports et de la dépréciation valutaire allait se résoudre par l'expansion économique de l'Italie.

Vraiment, au-delà des objectifs politiques où démagogiques comme la justification de l'expansion coloniale sur au motif de la surpopulation, la conquête des nouvelles espaces économiques s'imposait par des raisons pragmatiques: un besoin stringent des matières premières de l'Italie. Dans les années d'après guerre, l'augmentation de déficit des matières premières a porté à la croissance du volume des imports et, par conséquent, à une balance de taux déficitaires. Aux difficultés d'obtenir du charbon, du bois, du fer qui devaient répondre favorable au processus d'industrialisation on s'ajoutaient les obstacles d'export et les limites financières de l'Italie.

Le rêve d'Italie de devenir une puissance économique était difficile à réaliser dans les conditions d'une "collocazione ancora periferica nell'area economica internazionale"<sup>39</sup> et des limites des capitaux dans l'Europe-Centrale-Orientale là où la Grande Bretagne où la France détenaient déjà des positions commerciales où financières-bancaires réduites<sup>40</sup>. Les États Balkaniques, prépondérants agricoles, privés de capital fournisseurs de matières premières étaient considérés des régions propices pour les investissements étrangers et pour l'expansion bancaire-commerciale. Au dépit d'une compétition accrue dans laquelle les aspirations politiques s'entrecroisaient avec les aspirations économiques des grandes puissances européennes, il semblait possible pour l'Italie, sur le fond de la crise économique-financière autrichienne et de l'éclipse concurrentielle allemande temporaire, de conquérir des espaces commerciaux et industriels-productifs dans les États d'ancien empire Autrichien-Hongrois. Les projets d'expansion politique des gouvernements ont fait prendre naissance en générale, des stratégies économiques de capital bancaire-industriel. Par conséquent, les intérêts d'Italie dans l'Europe Centrale-Orientales ont été formulés comme une direction de politique externe des gouvernements de l'entre-deux-guerres, notamment ceux fascistes, conformément aux quelques buts géopolitiques, stratégiques et économiques.

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<sup>39</sup> Giovanni Sabbatucci, *op.cit.*, p.122.

<sup>40</sup> Max Gallo, *op.cit.*, passim.

Le financement et le soutien de l'activité économique expansionniste italienne vers l'extérieur a été faite avec la contribution directe et indirecte des banques dans un pays où le système bancaire avait un rôle primordial dans la fourniture des ressources pour l'investissement industrielles et commerciales. L'histoire d'expansion économique italienne s'est identifiée généralement avec l'histoire d'expansion des grandes banques italiennes dans l'Europe Centrale et Orientale, et aussi avec l'histoire d'expansion industrielle<sup>41</sup>.

Le capital italien a participé à l'encouragement de l'économie des États balkaniques et Centrale-Européens par des moyens de financement classiques: *des banques privées* - par des investissements directs et aussi par des participations industrielles et commerciales; de *l'État italien* par la Banque Centrale - *Banca d'Italia* - sous la forme des emprunts externes. Les principales banques italiennes intéressées des investissements à l'intérieur du périmètre européen analysé ont été: *Banca Commerciale Italiana* (Comit), *Banca Italiana di Sconto* (faillimenté en 1921), *Banca di Roma* - avec quelques projets d'extension par la création des filiales dans la Pologne, la Bulgarie et dans la Roumanie mais abandonnés après, le *Credito Italiano* - qui a eu des participations en Roumanie dans la Banca Generala a Romaniei et a soutenu la constitution de la Banque Nationale de l'Albanie.

Indubitable, de toutes les autres banques c'est la Banca Commerciale Italiana qui a acquis les plus nombreuses actions industrielles à l'extérieur de l'Italie et a développé la plus stable structure bancaire dans l'Europe Centrale et Orientale. Pour la période d'entre le 1919-1928 on est conturé deux directions d'expansion de cette banque. La première d'entre le 1919-1923 a été dominée par la constitution des filiales et des affiliés dans les principales États danubiano-balkaniques: *Banca Commerciale Italiana e Bulgara* (Bulcomit), *Banca Italiana di Oriente* (in Fiume) qui ont été créés en 1919, *Banca Italo-Ungara* (Bankunit) et *Banca Commerciale Italiana e Romena* (Romcomit) créés en 1921. Dans la Croatie, le gouvernement fasciste a intentionné de créer un institut bancaire après le modèle italien. Dans la deuxième période (1923-1928) le Comit a créé la *Banca Italiana e Greca* (1928) et a participé à l'augmentation du capital de la *Banca Commerciale Italiana e Romena*, la *Banca Commerciale Italiana e Bulgara* et la *Banca Ungaro-Italiana*, s'appuyant plus au-dessus du secteur bancaire que sur les participations industrielles.

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<sup>41</sup> Roberto Di Quirico, *op.cit.*, p.78.

Le numéro majoritaire des affaires détenu par le Comit dans l'Europe Centrale-Orientale s'est trouvé à la Banca Commerciale Italiana e Romena<sup>42</sup> (Romcomit), ou la banque milanaise a créé dix filiales<sup>43</sup> dans les plus importantes villes de la Roumanie. Structuré au début afin d'opérer plus des financements dans le commerce et dans les exportations que de financer l'industrie locale, Romcomit a procédé après à constitution d'un vaste réseau des participations industrielles. La plus importante participation a été *Foresta Romana* dans l'industrie forestière où le capital italien a détenu la position clé. Comme une création de Banca Commerciale Italiana e Romena (décembre 1919), *Foresta* est arrivé pas à pas un de plus puissant concern forestière Européen, en contrôlant un numéro important de sociétés dans la Roumanie et après, par extension, dans l'Autriche, en Tchécoslovaquie, en Yougoslavie et dans la Pologne (où a été créée une filiale de la *Foresta - Polska Foresta* en 1920). On a enregistré des participations de la Banca Commerciale Italiana e Romena aussi dans les constructions des wagons (*ASTRA- Fabrica de vagoane si armament*) Arad, dans l'industrie pétrolière et extractive, dans l'export de céréales (*Sindex*) et dans le système d'assurance.

Banca Commerciale Italiana e Bulgara a été le premier institut de crédit de la Bulgarie qui s'est impliqué souvent dans le financement dans l'industrie de tabac et aussi dans celle forestière.

Pour la Banca Commerciale Italiana e Ungara, la concession des crédits hypothécaires et agricoles était l'une de la principale direction d'action à laquelle s'ajoutait les paquets d'actions dans les entreprises industrielles et commerciales (du bois et des chemins de fer).

Banca Handlowy de Varsovia a été le centre de la coordination des actions de la Banca Commerciale Italiana dans la Pologne et, respectivement; la Banca Commerciale Italiana e Greca dans la Grèce.

En conclusion à la problème de l'extension de la réseau bancaire italienne dans l'Europe Centrale - Orientale, s'impose quelques précisions.

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<sup>42</sup> Concernant la création de la Banca Commerciale Italiana e Romena, en conformité avec les idées formulées par la Banca Commerciale Italiana, Direzione Centrale - Milano, pour Alfred Rubinstein, le directeur de la Banca Jacques Rubinstein, Galați, en février 1920, était la possibilité pour la Romcomit d'avoir un degré d'autonomie locale dans le système d'élections par exemple; mais la structure, le management, et la distribution des bénéfices "doit être" de modèle milanaise. (Arhivele Municipiului Cluj-Napoca, le fond Banca Comerciala Italiana și Romana, dossier 5/1920, files 1-4).

<sup>43</sup> Arad, București, Brăila, Brașov, Chișinău, Cluj, Constanța, Galați, Sibiu, Timișoara.

D'abord, la structure des affiliés et des filiales développait de Comit, a prévalait comme partie entière dans le contexte de pénétration des banques italiennes; le Comit et le Credito Italiano ont été les seules banques en mesure d'opérer sûr les marchés mondiales.

On peut dire certainement que les banques italiennes, et dans ce context, la Banca Commerciale Italiana, ont réussi d'avoir rélevance seulement dans les pays où la structure bancaire étaient moins développés parce-que, au contraire, dans d'autre pays dont la structure bancaire était meilleur structuré (la Suisse, la Grèce les Etats-Units, la Suède) elles ont restés marginales. Finalement, pour celles-ci, c'est le sourment des obstacles relatives aux résurces financières modèstes et l'adaptation aux exigences de l'économie locale ont été les buts essentiels.

## **LE CAPITAL ITALIEN DANS LE SYSTEME BANCAIRE ROUMAIN. ÉTUDE DE CAS: BANCA COMMERCIALE ITALIANA**

### **ANCA BOCA**

**RESUMÉ.** Cette démarche comporte une analyse concernant un document qui permet une compréhension de l'évolution du système des filiales et des sociétés bancaires affiliées de *Banca Commerciale Italiana (Comit)* – le rapport Raffaele Mattioli, vis-à-vis de l'organisation externe de la société bancaire milanaise, et notamment de la *Banca Commerciale Italiana e Romena*.

L'activité d'expansion du Comit à l'extérieur de l'Italie, reflète une tendance plus large du système bancaire italien à soutenir l'expansion de l'économie du pays dans l'Europe par des investissements, des financements, et par des activités industrielles et commerciales. En réalité, la pénétration économique italienne n'était pas possible dans l'espace de l'intérêt essentiel qui vise le territoire balcanique ou danubien, (en sens du primat politique et économique) sans l'implication directe ou indirecte des autres banques italiennes; c'est à dire sauf d'un apport de capital soutenu et d'une politique d'investissement cohérente.

Par l'apport de capital, par la politique d'investissements et des participations industrielles en Roumanie, c'est la *Banca Commerciale Italiana* qui est la plus pertinente présence du capital italien<sup>2</sup>.

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<sup>1</sup> Roberto Di Quirico, *Il sistema Comit; Le partecipazioni estere della Banca Commerciale Italiana tra il 1918 e il 1931*, dans le *Rivista di storia economica*, XII, 1995, Milano, p.72.

<sup>2</sup> Nicola La Marca, *Italia e Balcani fra le due guerre*, Bulzoni editore, Roma, 1979, p. 14-15. Les filiales créées de la *Banca Commerciale Italiana* dans la région balcanique et danubienne sont été: la *Banca Commerciale Italo-Bulgara (1919)*, la *Banca Commerciale Italiana e Romena (1920)*, la *Banca Ungaro-Italiana (1920)*, la *Banca Commerciale Italo-Greca (1927)*, et *Hevatska Banca (1928)*.

L'étude de Raffaele Mattioli<sup>3</sup> (chef du secretariat général de direction centrale de Milano) est une analyse de position des filiales dans le context local et des particularités d'évolution et de développement. En ce qui concerne la filiale de Roumanie - *Banca Commerciale Italiana e Romena* (Romcomit)- le raport de Matteoli représente une information pertinente concernant la force et la position de la banque à l'interior du systeme bancaire roumaine à traverse des liquidités, du rapport avec la Banque Nationale de la Roumanie, des participations dans l'industrie des chemines de fèr (Phoébus) et de l'industrie du sucre (Lujani).

Meme si on ne peut pas la compte, d'apres l'importance de participation ou de capital social, parmi les premières banques de capital etrangere de la Roumanie, Romcomit a reussi de surmonter la crise bancaire en realisant une politique des liquidités corecte. Ainsi le rapport précise pour la filiale de Roumanie "una ottima situazione di liquidità e de independenza dalla Banca Nazionale"<sup>4</sup>. C'est parce que les résources (la mobilisation des plasamentes, la formation des stocks par des conts courents) des financements des banques etrangeres, au contraire des celles internes, se sont basées sur des sources externes provenues de la banque-mère sous la forme des capitales d'emprunte et moins par l'apelle au réescompte de la Banca Națională a României.

Une banque a capital etrangere, comme Romcomit, au-déla des participations, des investitions, et des credits ordinaires qui constituent "il

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<sup>3</sup> Le rapport Raffaele Mattioli concernant les principales diretions d'évolution du systeme Comit dans l'exterior d'Italie élabore le 30 juin 1933 et présenté le meme année le 16 octobre a l'institut pour la reconstruction industrielle (IRI) est un document qui se trove dans le fond *Caret miscellanea di Raffaele Mattioli*, le dossier III, le fascicle II, la deuxieme partie: *L'Estero de l'Archivio Storico della Banca Commerciale di Milano*". Ce troisieme fascicle du rapport L'Estero ou se trouve aussi le chapitre "*La Banca Commerciale Italiana e Romena*", denote une fois de plus l'importance du management externe du Comit, du raport d'entre la direction centrale et les filiales, de l'extension et de la pénétration du capital de cette banque vers des ariales d'interet politique et économique comme a été l'espace danubienne et balcanique. Je veux rémercier a mesieur Alberto Gottarelli de l'Archivio Storico de Milano pour le sutiene qu'il vient de m'accorder. Rapporto di Raffaele Mattioli - La Banca Commerciale Italiana e Romena, Archivio Storico dalla *Banca Commerciale Italiana*, fondo Carte miscellanea di Raffaele Mattioli (M1), cartelle 3, fascicolo II, parte 2a: L'Estero, file 43-47.

<sup>4</sup> Rapporto di Raffaele Mattioli, f.43.



lavoro vivo della banca"<sup>5</sup>, comptait sur des financements et des crédits venus de la banque-noyau – *Banca Commerciale Italiana*. Mais l'action de surmonter la crise bancaire générale s'est faite par une politique d'anticipation, de croissances délibéré des liquidités "dall'inizio della crisi generale"<sup>6</sup>. Autrement, l'anticipation promue de la *Banca Commerciale Italiana* a été aussi élargie aux filiales et à ses sociétés externes affiliés. A Romcomit, le démarrage de la crise a été anticipé par une très rapide transformation des placements en liquidités à très court terme, et aussi par la réduction des participations bancaires à court terme<sup>7</sup>.

Concrètement, pour la Romcomit, la mobilisation a été aussi plus rémarquable que la banque "non raggiunga come dimensioni le massime banche dell paese, e cioè la Banca Romaneasca con tre miliardi di lei investimenti e la Banca de Credit Romana con altri tre miliardi di investimenti, e rimanga di qualcosa aldi sotto della Banca Comerciala Romana con circa un miliardo e mezzo di investimenti"<sup>8</sup>. Même si celle-ci était une banque d'une moyenne dimension, le rapport situerait, d'une manière réaliste, la Romcomit dans la catégorie des banques fonctionnelles sans "debiti di tesoreria" et dans la "condizione di completa liquidita"<sup>9</sup>.

Au dépit de l'austerité des placements la Romcomit maintenait pourtant une position patrimoniale favorable. C'est a été le cas de société Phoébus (réparations des matérielles ferroviaires) ou la banque concerné détenait "una maggioranza azionaria compresa per 10 milioni di lei nei valori di proprietà"<sup>10</sup>. Lié à cette société, l'implication de Romcomit a été très évidant presque des 1926 quand celle-ci participe à l'augmentation de capital de Phoébus. Cette réalité permettra de devenir l'actionnaire majoritaire et l'obligera en 1933 d'intervenir pour soutenir la société ferroviaire par des crédits.

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<sup>5</sup> *Ibidem*, f. 44.

<sup>6</sup> *Ibidem*, f. 43

<sup>7</sup> En se qui concerne la politique très proude des participations de la *Banca Commerciale Italiana e Romena*, voir N.N.Constantinescu, Costin Murgescu, *Contribuții la istoria capitalului străin în România*, București, 1960, p. 119.

<sup>8</sup> Rapporto di Raffaele Mattioli., f.43

<sup>9</sup> *Ibidem*, f. 43

<sup>10</sup> *Ibidem*, f. 45

En 1929, la banque obténera aussi le controle de la société productrice du sucre-*Lujani* tout en accordant un avance de 350.000 livres stérlines à un actionnaire majoritaire de la société Nathan Eidingen "contro un pacchetto di minoranza di 36%"<sup>11</sup> et aussi un crédit accordé en 1933 à la société Lujani en échange de "10 milioni di azioni Lujani"<sup>12</sup>.

Malgré des blocages des fonds survenues premièrement dus à "incertezza della situazione Phoebus"<sup>13</sup> la banque était dans un état positif de "andamento economico" confirmé par la situation de pertes et des profits, respectivement par la détention du paquet majoritaire dans une société aussi importante que Phoébus<sup>14</sup>.

Finalement, la tendance vers l'équilibration du budget a été faite par la différence entre les intérêts des comptes courants créditeurs(11%) et celles débiteurs(2%) une différence qui "permette di compensare la perdita di interessi sulle somme tenute in cassa e presso la Banca Nazionale"<sup>15</sup>. Avec cette positive différence provenant au suite des intérêts créditeurs-débiteurs, le paiement de réescompte à Banca Natională Română a été possible.

Dans un plus large contexte, l'évaluation relative positive ("oggi comunque il conto perdite e profit si presenta in pareggio"<sup>16</sup>) de la situation de la banque était possible par "conseguenza di una politica di grandissima liquidità e prudenza che ha permesso alla banca di limitare le repercussions dello gravissimo crisi romena"<sup>17</sup>.

Le document-rapport analysé dénote les particularités manageriales, respectivement le mécanisme et les voies par lesquelles une filiale d'une banque célèbre comme *Banca Commerciale Italiana* a réussi, dans le contexte bancaire

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<sup>11</sup> *Ibidem*, f. 45. Bref les stocks concernant les crédits de Romcomit faits au Phoebus (25 millions) et au Eidingen (51 millions) auxquels s'ajoutent autre 10 millions, respectivement 16 millions pertes par semestre absorbent 102 millions de réserves en valeurs de 122 millions de Romcomit.

<sup>12</sup> *Ibidem*, f.45. 46.

<sup>13</sup> *Ibidem*, f.46.

<sup>14</sup> *Ibidem*, f.46. (" delle 200.000 azioni costituenti il capitale, 165.000 appartengono al gruppo Comit ").

<sup>15</sup> *Ibidem*, f.47.

<sup>16</sup> *Ibidem*, f.47.

<sup>17</sup> *Ibidem*, f.48.

financière roumaine, à résoudre la situation difficile de la crise et à maintenir sa position bancaire et des investissements en Roumanie. En même temps cet rapport montre les relations des communications intimes établies entre la *Banca Commerciale Italiana* et ses filiales; respectivement l'importance de la *Banca Commerciale Italiana e Romena* pour la *Direzione Centrale* de Milano.

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## **BRITISH POLICY MAKING ON ANGLO-ROMANIAN TRADE FROM 1944 UNTIL 1965**

**ARJAN DORRESTYN**

### **Introduction**

Anglo-Romanian trade had never been a high priority in British policy; the supply of oil and timber seemed promising in the second half of the nineteenth century, however Anglo-Romanian trade had never developed to such a level as for example German-Romanian trade.

The economic dependency of Romania on the German market continued well into the twentieth century and helped to create the alliance between the two countries at the end of the interbellum. As a result of the alliance with Germany Romania became an enemy of H.M.G. during the Second World War and all channels of communication and trade between the two countries were shut down. It would take until the second half of 1944 before relations between H.M.G. and Romania were restored and the first document on the possibilities of Anglo-Romanian trade following the war was written in September 1944<sup>1</sup>

In the first period after the war British decision making on Anglo-Romanian trade was mainly carried out by the Ministry of War and the Board of Trade (hereafter: B.o.T.). In the following years more and more departments became involved which resulted in extensive files on the issue.

Where Anglo-Romanian trade is concerned, the period between 1944 and 1965 can be roughly divided into four smaller periods:

- (i) mid-1944 to 1948
- (ii) 1949 to mid-1958
- (iii) mid-1958 to 1962/1963
- (iv) 1963 to 1965.

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<sup>1</sup> BT 11/ 2432, CRT 3219, Document 1. This file contains telegrams that were written by the military mission in Bucharest, which was part of the Allied Control Commission in Romania, and forwarded to the Ministry of War.

Each of these four periods had their own special problems that were caused by both Anglo-Romanian issues and by developments elsewhere in the world. All had a different impact on the decision making process in H.M.G.

In the following pages answer will be given to questions like 'what determined the attitude of H.M.G. towards Anglo-Romanian trade?', 'which department(s) had most influence on the decision making?' and 'to what extent did international developments influence British policy making?'

### **September 1944 - June 1948**

In September 1944 H.M.G. and the Romanian government resumed their trade relations; bank accounts were re-opened, British companies returned to restart their pre-war businesses and H.M.G. began to look for a way to solve the problem of British claims caused by the seizure of British assets and goods during the war by the Romanians.

Initially H.M.G. hoped to restore the pre-war trade situation and she even hoped for a bigger share of this traditionally German market<sup>2</sup>. However after the first two years it became apparent that the Romanian government, under guidance of Moscow, had different plans. The Romanians did not cooperate with H.M.G. in her search for a solution concerning the British claims<sup>3</sup> and obstructed British firms that tried to retain their businesses<sup>4</sup>.

The Romanian attitude caused H.M.G. to alter her policy until a settlement on claims and debts was in place, British imports were to be limited to essential goods only (goods that were both in short supply and necessary for the reconstruction of the British economy). This made it impossible for the Romanian government to earn the Sterling necessary to pay for the capital goods she required. The policy was made official in February 1948 by the Overseas Negotiations Committee (hereafter: O.N.C.<sup>5</sup>) after having been discussed by the Foreign Office, the B.o.T. and the Ministry of Supply. The policy was a compromise between a total embargo sought after by the Foreign

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<sup>2</sup> BT 11/ 2432, CRT 3219, Document 96.

<sup>3</sup> All draft agreements that H.M.G. submitted remained unanswered and the Romanian government did not react to the invitation to submit a draft herself. BT 11/ 3806, Document 7.

<sup>4</sup> BT 11/ 3806, RT 68/ 48, Document 4.

<sup>5</sup> The O.N.C. was the policy making body of H.M.G. in overseas trade matters, for details; O.N.C. T 238.

Office and a pro-trade policy that was wanted by the B.o.T. and the Ministry of Supply<sup>6</sup>.

The trade that was carried out in this period was small and took place on an incidental base; in 1945 H.M.G. managed to purchase timber and some fruitpulp which were traditional Romanian exports but because of the uncooperative attitude of both the Romanian government and the Soviet occupying forces, trade fell back to close to zero in 1946 followed by only a modest increase in 1947 and in the first half of 1948<sup>7</sup>.

The limited amount of trade and the hostile attitude of the Romanian government had crushed all hopes on increased trade between the two countries and when the Romanian government nationalised all British goods and assets on June 12th it came as no surprise to Western diplomats<sup>8</sup>. It was the end of a process that aimed at the removal of Western influence in the Eastern European economies.

### **July 1948 - 1958**

Another event that had a big impact on Anglo-Romanian trade, and on East-West trade in general, was the Berlin crisis that started in June 1948. Stalin ordered all routes to Western Berlin to be blocked and part of the Western response was the implementation of a strategic embargo that resulted in the collapse of East-West trade<sup>9</sup>. From then on East-West trade would remain a hot political item and H.M.G., opposed to the intervention of politics into her trade policy, was under almost constant pressure from the American government to decrease the amount of trade she did with the Eastern European countries. With the outbreak of the Korean war in 1950, the American pressure, strengthened by a strong public opinion, became too strong to oppose and the list on which the strategic embargo was based was enlarged in a considerable way<sup>10</sup>. This further reduced the amount of trade done with Eastern Europe.

Besides the politicising of trade there were other issues that characterized this period (and most of these issues even survived the end of the

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<sup>6</sup> T 238 / 253.

<sup>7</sup> BT 11/ 2432, CRT 3219, Documents 30-31.

<sup>8</sup> BT 11/ 3911, Documents 5-9.

<sup>9</sup> Despite opposition from both France and the U.K. the list of banned goods contained 98 items which covered most of the trade previously done with Eastern Europe. T 238, 52, ON 110/ 02, FO 371, 106100, N 1151, Document 4.

<sup>10</sup> BT 11/ 4495, cre 5298/ 1950, Documents 30-33. The new list contained 248 items of which 104 were totally banned.

period). The problem of the unsettled British claims had not been solved and the Romanian nationalisation act of 1948 had considerably increased the value of the British claims. The British oil companies handed in the biggest claim. At one time these companies estimated their loss at 112 million pounds, a sum the Romanian government would never be willing or able to pay<sup>11</sup>.

In order to try and force Romania into a more forthcoming attitude concerning the British claims, H.M.G. wanted to use trade; despite the embargo the Romanian government still needed several British products. However the B.o.T. and the Foreign Office could not agree to a common point of view; the Foreign Office, strengthened in their earlier call for an embargo by the awkward attitude of the Romanian government towards the British Legation in Bucharest, the deteriorating situation in the country in general and the changed international situation, claimed that the Romanians needed the British products more than Britain needed Romania's and an embargo was more likely to hurt Romania than the U.K.<sup>12</sup>

The B.o.T. argued that the Romanian government needed Sterling before she could even start to try to compensate for the British claims; according to her H.M.G. would greatly increase her bargaining position if she would allow Romania to earn sterling. The moment the Romanian government wanted to spend this sterling H.M.G. could force her into negotiations.

An important reason behind the attitude of the B.o.T. was the so-called dollar crisis that added further value to the Romanian essentials. The pre-war trade pattern of importing raw materials from soft currency countries and exporting industrial goods for Sterling had been upset by the war and H.M.G. now had to pay dollars for most raw materials. The industrial goods she used to export were now needed at home and the result of these circumstances created a severe dollar shortage. The Romanian essentials were not only in short supply but would now also save dollars which in turn would improve the balance of payments. This dollar shortage persuaded both the Treasury and the Bank of England support the B.o.T. in their position on Anglo-Romanian trade.

The Foreign Office stood however firm; they claimed that the Romanians simply did not want to compensate the British claims and even if she did, Moscow would not allow her. According to the Foreign Office it would not improve the position of the British claims if H.M.G. allowed Romania to earn Sterling. A second argument against the position of the B.o.T. was that the

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<sup>11</sup> FO 371, 122729, Nr 1151, Document 14.

<sup>12</sup> BT 11/ 3866, document 68: 'They (the Romanian government) are hoping for export to the U.K. in order to import machinery and equipment they are in need of'.

Romanian government could easily evade the trap of being forced into negotiations by barter trading<sup>13</sup>.

The O.N.C., unable to formulate a new policy, decided to continue the policy in place since February; by buying only essentials H.M.G. hoped to get hold of dollar saving essentials without enabling the Romanian government to earn all the sterling she wanted. However the main reason behind this policy was the lack of a better option<sup>14</sup>.

Romanian oil was another issue to be dealt with; after the nationalisation of all assets of the British oil companies in Romania, Romanian oil was considered to be 'stolen oil' and it was not allowed to import oil or oil-products until the Romanian government had compensated the oil companies for their nationalised assets<sup>15</sup>.

The policy of 'essentials only' remained in place until the end of 1960. Despite the detente that followed the death of Stalin the Anglo-Romanian dispute on the British claims was not solved. The Anglo-Romanian trade and debt negotiations that started in February 1955 did not result in an agreement and were adjourned several times (it would take until 1960 before an agreement was reached).<sup>16</sup> This almost nullified the more positive attitude towards East-West trade that resulted from the detente and the newly adopted policy of 'gradual evolution'; it was believed that an increase in contacts with the Eastern European states would eventually result in a more independent attitude of these countries towards Moscow and trade was considered to be one of the most important ways to increase the number of contacts<sup>17</sup>. H.M.G. thus pressured hard for a decrease of the Western embargo and as a result of this the list of items on which the strategic export control was based was slowly reduced<sup>18</sup>. However because of the outstanding British claims trade with Romania

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<sup>13</sup> BT 11/ 3901, Documents 1-5.

<sup>14</sup> see note 13.

<sup>15</sup> In 1951 however Anglo-Iranian (a British oil-company) did buy Romanian oil. H.M.G. even gave the Romanian government the assurance that it could 'spend the proceeds to their satisfaction'. Both the embargo on Romanian oil and the 'going slow' on Romanian imports to force the Romanian government into trade and debt talks seemed to be unknown by the people involved in the deal. They did not consult the officials dealing with Romanian affairs either. FO 371, 92053, ues 15330, Documents 6-10.

<sup>16</sup> FO 371, 116602, Nr 1151 and FO 371, 122729, Nr. 1151.

<sup>17</sup> FO 371, 122081, N 1052, Document 5.

<sup>18</sup> FO 371, 151312, N 1123, Document 16.



increased only a little and British imports remained limited to small amounts of cereals and sunflower products<sup>19</sup>.

Despite the detente and the pressure from their allies the American pressure to reduce East-West trade did not totally disappear. (It would last until 1964 when it was reversed, see below.) Being 'soft on communism' remained political suicide in the U.S. and during the complete period both the American president and the State Department had to give in to hawkish pressure from the Congress and the American public opinion slowing down the normalisation of East-West trade that H.M.G. pursued.

Although H.M.G. did not alter her policy until 1960 the third period starts two years earlier than that; in 1958. In this year the first Romanian delegation traveled to Western Europe indicating increased Romanian interest in British (and other Western European) industrial products. This would, from 1959 on, result in a trade boom between Romania and Western Europe including the U.K.

### **Mid 1958 - 1962/63**

The Romanian interest in Western industrial products was a result of their national industrialisation programme; from 1958 onwards the Romanian communists increased the industrialisation process of their country for which they also needed Western products. The British producers were however in a difficult position. Because of the 'essentials only' policy and the claims of the oil companies the Romanian government was unable to increase their sterling earnings. This made it difficult for British producers to compete with their European competitors who did import oil and other Romanian products. To improve their position H.M.G. improved the terms of credit cover and increased the amount of credit available for trade with Romania<sup>20</sup>. This eventually resulted in a Romanian trade deficit which was financed by British credit. The position of the British producers improved but the amount of debt of Romania to the U.K. further increased because of this.

The increased credit to Romania (and to other Eastern European countries) worried the American Congress. In 1959 a NATO committee was founded to deal with this issue and the Americans tried to persuade their allies

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<sup>19</sup> FO 371, 128429, Nr. 1151, Document 3.

<sup>20</sup> FO 371, 143354, Nr 1151. The decisionmaking process on this issue was a complicated one that involved all Anglo-Romanian issues at stake at that time.

to restrict the amount of credit given to Eastern Europe<sup>21</sup>. However H.M.G. opposed the American proposals protecting British trade interests and claiming that her policy of 'gradual evolution' would be more successful than the traditional approach towards East-West trade<sup>22</sup>. Another reason for H.M.G.'s attitude was public opinion in the U.K.; the export to Romania meant work in traditional industries which were based in troubled regions with high unemployment rates. H.M.G.'s restrictive policy on imports from Romania already caused criticism from the public and if H.M.G. would now give in to the American pressure she could expect a stream of criticism, something H.M.G. was eager to evade<sup>23</sup>.

H.M.G.'s attitude sometimes caused heated discussions between her and her allies but H.M.G. stuck to her policy of keeping politics out of trade. The protests from British diplomats stationed in Washington or Brussels were overruled by the prospect of an increase in British exports and in jobs<sup>24</sup>.

In 1960 the issue of British claims was finally solved which meant a further stimulus for Anglo-Romanian trade. The trade and debt negotiations which originally started in February 1955 resulted in a debt and trade agreement in which the Romanian government committed herself to paying compensation for the British claims<sup>25</sup>. However the claims of the oil companies were not solved and Romanian oil remained a 'forbidden fruit' after 1960.

Because of this agreement H.M.G. could change her policy of 'essentials only' into a more forthcoming one enabling Romania to increase her sterling earnings. Because of the remaining embargo on oil and H.M.G.'s protective agricultural policy which protected British home producers and traditional suppliers against new imports, the increase in Romanian exports to the U.K. turned out to be modest however and credit remained the main engine behind British industrial exports.

The period stops with the fading away of Romanian interests in British (and other Western European) industrial products at the end of 1962 and at the

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<sup>21</sup> FO 371, 151311, Nr. 1123. This file contains the telegrams sent by the British representative of the NATO committee and the decisionmaking that resulted in the replies sent back by the Foreign Office.

<sup>22</sup> FO 371, 151311, Nr. 1123, Documents 13 and 14.

<sup>23</sup> FO 371, 135186, Nr 1151 The Romanian government would tell British firms that H.M.G. made it impossible for them to import British goods and the directors of the firms would then write to their local MP or to the press.

<sup>24</sup> FO 371, 151315, Nr. 1151, Document 19 (This document deals with the issue of exceeding the five year limit of credit covering).

<sup>25</sup> FO 371, 151873, Nr. 1152 and BT 269, Document 108.

start of 1963. Romania had not been able to increase her sterling earnings in a considerable way and no extra credit was available which made it impossible for her to import British goods any longer<sup>26</sup>.

The protective policy that made it impossible for Romania to increase her sterling earnings was not unquestioned within H.M.G. Because of the annual quota talks that resulted from the Anglo-Romanian trade agreement there was an almost continuous debate going on between the Foreign Office and the B.o.T. (both in favour of an increase in trade) and the Ministry of Agriculture and Fishing (hereafter; M.A.F.F.) that protected the interests of the British home producers. During the debate the M.A.F.F. gained support from the Ministry of the Common Wealth who protected the interests of the traditional supply countries and from the Treasury, who had to pay the home producers if prices reached a 'bottom level'. (Any new supply would cause prices to drop which increased the risk for the Treasury of having to pay the home producers. Because of this she supported the M.A.F. in opposing Romania to enter the British agricultural market)<sup>27</sup>.

The debate remained in a deadlock however and no progress was made towards a more forthcoming attitude on Anglo-Romanian trade. Except for exceptional circumstances<sup>28</sup> Romania was not allowed to export, for example, meat or butter to the U.K., products that could have increased her sterling earnings in a considerable way. It would take until the beginning of 1964 before H.M.G. would offer Romania a quatum on beef but it was considered as being both too little and too late<sup>29</sup>.

## **1963-1965**

This period saw a further normalisation of Anglo-Romanian trade; the issue of credit supply disappeared from the political agenda due to the

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<sup>26</sup> FO 371, 171881, Nr. 1051, Document 4.

<sup>27</sup> FO 371, 171906, Nr 1151 This file contains the papers on the 1963 quota talks but the foresees of the difficulties were already visible in 1960 during the negotiations on the conclusion of a trade agreement. FO 371, 151871, Nr. 1151.

<sup>28</sup> One such exception was the unlimited quatum Romania received for Beef in 1964. Argentina, a traditional supplier, could not fulfil its quatum because of a severe draught in that country and other countries, including Romania, were allowed to export as many beef as they wanted. FO 371, 1777634, Nr. 1151, Documents 20 and 60 and BT 11, 6226, CRE 4442

<sup>29</sup> FO 371, 177643, Nr. 1151, Document 16 This situation was however safed by the exceptional quatum later that year (see note 28).

decreasing number of Romanian orders and even more so because of the changing situation where Romania was concerned: Outwardly Romania remained one of the most loyal allies of the Soviet Union but inwardly cracks slowly began to appear in Soviet-Romanian relations. Western diplomats knew that the adoption in 1958 of the Romanian industrialisation programme went against Soviet Comecon plans that would turn Romania into the granary of Eastern Europe<sup>30</sup>. However the Romanian government stood firm and in the years that followed Romania gained a more independent position in comparison with other Eastern European states. Moscow, however, was used however to dictating to their allies and the relative independence of Romania caused difficulties with the relationship with Moscow. During the Sino-Soviet dispute the Romanian government saw the opportunity to 'formalize' their position and they issued a 'statement of independence'. This statement gave the Romanian government an ideological 'raison d'etre' for their more independent position<sup>31</sup>.

Because of this independent position the Romanian government could afford to flirt with Western countries sometimes creating the impression of being a second Yugoslavia. The Romanian image building process resulted in a turnabout of the American policy towards the country. Instead of pressing for limiting trade and credit the American State Department started to press for capital aid for Romania in January 1965 to encourage the growing independence<sup>32</sup>. H.M.G. however remained opposed to the intervention of politics into her trade policy and despite the policy of 'gradual evolution' she did not want to spend money on 'subsidizing' trade with Romania<sup>33</sup>. Because of the turnabout of the American policy it was now H.M.G. who opposed a more positive attitude towards trade with Romania<sup>34</sup>.

This cautious attitude of H.M.G. caused difficulties during the quota talks of 1964 but despite pressure from the Foreign Office and the Romanian delegation the British delegation was told by Ministers to stick to its policy and no spectacular breakthrough was accomplished.

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<sup>30</sup> FO 371, 128934, Nr. 1151, Document 8.

<sup>31</sup> FO 371, 177428, Nr. 1151, Document 26.

<sup>32</sup> The Romanian trade delegation that visited Washington in 1964 received a 'red carpet treatment' and they were offered a favourable trade agreement. BT 11, 6226, CRE 4442.

<sup>33</sup> FO 371, 177634, Nr. 1151, Document 3

<sup>34</sup> FO 371, 183439, uee 10415, Document 4.

## Conclusions

Anglo-Romanian trade remained small throughout the period; being withheld by the issue of British claims resulting from the Second World War and the communist nationalisation (1945-1960), the American pressure to decrease East-West trade (1948- 1963) and later by the strained situation in the British market for agricultural products (1960- 1964) Anglo-Romanian trade was limited to a modest level. The trade boom of 1960-1962 had been an exception and would not have been possible without the British credit and the prospect of an increase in British exports and the jobs related to these exports.

The several departments that were involved in the decision-making process each had their own agenda; the B.o.T. was in favour of an increase in trade in general and pressed hard to accomplish this. The F.O. reacted to the political situation in and around Romania and pressed first for restricting trade to reverse this policy later when the Romanian government declared their independence of Moscow. The M.A.F.F. and the Ministry of the Commonwealth protected their own interests which resulted in restricting the potentials of Romanian exports in the period that all other obstacles had been removed. The only Romanian product that could have boosted trade was oil; and this remained banned from the British market because of the outstanding claims of the British oil-companies.

The policy that resulted from the many discussions held between the departments was a stable one based on profitability only. It showed the limited importance of Romania as a trading-partner of the U.K.; all the policy changes on Anglo-Romanian trade were mostly caused by broader international changes (the Berlin blockade, the outbreak of the Korean War and the *détente*) with one exception only (the issue of British claims).

Anglo-Romanian trade was not being considered a big issue by the departments the development of this trade was not allowed to hurt other issues. Only when British interests were at stake (jobs or the short supply of oil and meat) H.M.G. actively encouraged Anglo-Romanian trade.

## Sources

The article is based upon the thesis ' British Policy Making on Anglo-Romanian Trade from 1944 until 1965' written at the State University of Utrecht, The Netherlands. The research was supervised by Dr. A.P. van Goudoever from the State University of Utrecht and co-supervised by Prof. Dr. M. Pearton of the University of London.

The documents used for the research were written by the different departments of H.M.G. and are now being kept at the Public Record Office in London. Two files were particularly important: BT 11 and FO 371. The BT 11 files were written by the Board of Trade and people overseas engaged in trade issues. The files of FO 371 contain the documents written by the Foreign Office and the Embassies and the Legations overseas. Another file which is used is the T 238 which contained information on the decisionmaking of the O.N.C. in the early postwar years.

**MASS PRIVATISATION PROGRAM  
IN ROMANIA - OUTCOMES  
AND PUZZLES**

**DANA POPA**

**ABSTRACT.** The Romanian Mass Privatisation Program (MPP) holds a particular position in the wider scene of transition and privatisation in Central and Eastern Europe. The aspect that individualises Romania's privatisation program in the larger context of former communist countries is related to its highly controversial design, which has been charged with allegations of purposely aiming to maintain the State control, even after the conclusion of the program. Numerous debates have emerged, in Parliament, mass media or in academia, trying to assess both the officially acknowledged and the hidden objectives and goals of the initially designed strategy. The results of these analyses are, unsurprisingly, very controversial, but, to a great extent, the conflicting arguments seem to be unable to discard the assumption of high interplay of interests between the economic and political factors associated with privatisation.

This paper provides an overview of the Romanian Mass Privatisation Program, followed by an attempt to explain its multiple puzzles, by surveying the declared and the hidden interests embodied by the privatisation process.

## 1. A Brief Review of the Pace of Romanian Privatisation <sup>1</sup>

### 1.1. Institutional Developments Prior to Mass Privatisation Program

Privatisation was one process that required significant attention, after Romania declared its commitment to the process of transition to market economy. The Government and the Parliament had to strive to create the necessary institutional background for implementing the necessary reforms.

The first institutional commitment in the process of privatisation of Romanian State Owned Enterprises was the adoption of the *Law on State Enterprise Reorganisation (15/1990)*. The Law divided the state owned companies into two groups, and modified their legal status. The first group consisted of enterprises intended to remain in state ownership, "*regii autonome*" (covering "strategic domains" and "other fields of activity established by the Government"). Although relatively small in number, these "regii" were typically large firms. Taken together, they represented an enormous fraction of the Romanian economy, according to an official estimate of the Romanian Development Agency in 1997, accounting for 47 percent of the total assets of state-owned enterprises. State-owned enterprises of the second group were reorganised as "*commercial companies*", initially with 100 percent state ownership. Only these open joint stock companies were declared eligible for privatisation.

The next legal step relevant to enterprise privatisation was the passing of the *Commercial Companies Privatisation Law (58/1991)*. The Law was mostly concerned with the legal framework required for establishing institutions supposed to take over the ownership duties of the State: the State Ownership Fund (FPS)<sup>2</sup> and five so-called Private Ownership Funds (FPPs)<sup>3</sup>. The share holding of each commercial company was divided in a ratio of 70-30 percent between the FPS and one of the FPPs (*Figure 1*). The FPPs were supposed to "*operate on a commercial basis*" on behalf of the 18 million adult Romanian citizens who were to receive free "*Certificates of Ownership*" in each of them. In spite of the legal enforcement, some authors nevertheless doubted the effectiveness and credibility of the resulting "commercialisation" of the companies:

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<sup>1</sup> This section draws on information provided by Earle, J. and Telegdy, A. - *The Results of "Mass Privatisation" in Romania: A First Empirical Study*, CEU Labour Project, 1998.

<sup>2</sup> Fondul Proprietatii de Stat (State Ownership Fund).

<sup>3</sup> Fondul Proprietatii Private (Private Ownership Fund), which were expected to become later Societati de Investitii Financiare (Financial Investment Societies).



*"If one takes their name at face value and accepts the rhetoric of the government, the FPPs are private organisations and have been so since their founding. In this case, the Privatisation Law by itself already privatised 30 percent of each commercial company. But this view is called into question by the fact that the state (FPS) still retained a majority share holding in each company, which meant that the FPPs could have little influence over company management. Moreover, the heavy politicisation of the selection of members of the FPPs' boards of directors and the very limited to nil possibility that the certificate holders could ever influence FPP decisions ambiguate their alleged private status, to say the least" (Earle, Telegdy(1998)).*

The Law authorised the FPS to apply a broad range of methods in privatising the commercial companies -*public offering, auction, direct negotiation or some combination of the three*. However, it did not provide details on how the different methods were to be accomplished. The FPS was somehow expected to cooperate with the FPPs to privatise the FPS's shares of the companies in their portfolios<sup>4</sup>.

At least *ex post*, reasons can be found to explain why this privatisation plan failed, both in terms of fulfilling its tasks and in terms of meeting the deadlines (initially, the widespread interpretation of the law had been that privatisation was to be completed in seven years). As such, the major drawback was not due to the recentralization of authority in the FPS, which, on the contrary, could have been a useful step towards privatisation, by avoiding the possibility that *de facto* property rights in the enterprises might have become diffuse and vested in branch ministries or enterprise management<sup>5</sup>. The main obstacle resided most likely in the fact that the newly created Romanian institutions in charge with privatisation (FPS and FPPs) lacked both the professional ability and the legal or moral incentives to privatise a large number of companies through *case-by-case sales*. According to the *"Activity Report of the FPS"*, the first transfer of ownership took place only towards the end of 1992, 16 months after the adoption of the law<sup>6</sup>.

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<sup>4</sup> This provision only served to create further confusion about the status of the FPPs. Earle and Sapatoru (1994) contains an extensive discussion about the contradictory tasks assigned to the FPPs, and about the ambiguities of their legal and ownership status.

<sup>5</sup> This "recentralisation" strategy had also been undertaken, with more or less success, by other transitional countries (Germany, Hungary, Russia, etc.).

<sup>6</sup> Quoted in Earle, J. and Telegdy, A. (1998)

Out of the many possible methods of privatisation stipulated by the Law, the only one that showed a relative success was the *Management-Employee Buyout (MEBO)*, accomplished by direct negotiation between the FPS and enterprise employees. In a "*pilot privatisation program*", originally intended to experiment with alternative privatisation techniques for a sizeable number of companies (350, according to the Privatisation Law), only 22 were completely privatised. Out of these, 15 were exclusively and 4 partially privatised by the MEBO method. Subsequently, under the urging of advisors financed by the British Know How Fund, application of the MEBO method was greatly expanded and encouraged through special credits and tax reduction for the whole period of repayment (*Law 77/1994, art. 50*).

From a political economy viewpoint, there is no doubt that MEBOs induced an improvement on the previous situation, when the State retained 70 percent of all the companies, and the FPPs were unable to influence management (had they been willing to do so), due to the high level of interconnection between the companies' management and the political influence they were facing. This political influence used to be derived either through the Supervisory Boards (where plenty of politicians were appointed), or through mutual bribery between politicians and managers, in search for soft budget constraints or electoral votes. In contrast, MEBOs involved majority privatisations, allowing subsequent de-politicisation of enterprise behaviour and evolution of ownership structure. The unfortunate effects of MEBO draw on the fact that employee-owners were unlikely to pursue drastic restructuring, particularly in ways that may have hurt themselves. Moreover, even if managers were tempted to restructure suite of privatising, they were prevented to do so, due to special provisions in the contract that had been negotiated between the company and the FPS, preventing subsequent changes in the level of employment and in the main activity of the firm.

It is not hard to see what these provisions actually meant. They meant that the FPS (i.e. the representative of the State) was willing to accept privatisation of some companies, but only with the qualification that the company would maintain (more or less) the number of employees. Again, this is an obvious example of the State's intention to force the companies in keeping workers employed, even if they were in excess. This concern for the number of employees can be explained further through the State's (represented by the Social Democrat leaders) concern not to create social unrest, disgruntled workers and thus, not to lose the electoral support.

## 1.2. Description of the MPP<sup>7</sup>

The institutional framework described so far (legislation, institutions, methods of privatisation) created the necessary environment for the further implementation of the Mass Privatisation Program (MPP). Owing to its massive economic and political implications, an appropriate analysis of the program should not refer solely to its working (in terms of supply/demand of shares and allocation method), but also to its political background.

### A. Politics of the Program

The Romanian Government's decision to start introducing the MPP in 1994 could be attributed to a complex set of "triggering" factors. The Government had been put under pressure by both the opposition party and, more significantly, by international organisations, such as the International Monetary Fund, and the World Bank, which threatened with disruption of financial assistance, unless significant results in the field of privatisation would be noticeable.

An alternative political interpretation for the timing of the MPP had also been advanced. Since the general elections had been scheduled for 1996, the government might have been trying to efface the growing popular opinion according to which nothing had been done concerning the privatisation, opinion being heavily promoted by that time's opposition parties. On the contrary, free distribution of shares at the right moment could have created within the population a strong positive attitude towards the Government, making the opposition fall short of arguments. Such a strategy had proven quite successful for Václav Klaus in the Czech Republic<sup>8</sup>.

### B. Mechanics of the Program

The *Law on Acceleration of Privatisation (55/1995)* set the goal of the Mass Privatisation Program as the *"free distribution of 30 percent of the total shares of the state-owned commercial companies to the Romanian citizenry"*. Earle and Telegdy (1998) argue *"not only that 30 percent was the maximum transfer that*

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<sup>7</sup> The path of Romanian MPP is synthesised in Figure 1, at the end of this chapter.

<sup>8</sup> Arguments about the political implications of the Czech mass privatisation program can be found in Earle, Gehlbach, Sakova, and Vecerník (1997), who analyse the impact of privatisation experiences on the political attitudes and voting behaviour of Czech citizens, explaining the success of Klaus' electoral strategy on the basis of the sequencing and design of privatisation and restitution policies.

*could have possibly been achieved, but [...] this possibility was far from guaranteed, given the design of the MPP. The actual result - the amount transferred from the FPPs - was left quite open by the program".* In order to prove this statement, an overview of the mass privatisation scheme, in terms of supply, demand, and allocation is further presented.

- **Supply of Shares**

Approximately 4000 commercial companies were initially included in MPP, representing about two-thirds of the 6300 enterprises still owned by the State in 1995<sup>9</sup>. The shares of the remaining companies (excluded from MPP) remained in the portfolios of the FPS and FPPs as before, with the same 70-30 percent division, as shown in Figure 1. The logic of the companies' selection is puzzling, since while some large companies were excluded (for "strategic" purposes), it included instead very small companies, whose structure was inappropriate for corporate form of ownership.

The essential element that sharply contrasts the Romanian MPP from other mass privatisation programs in Central and Eastern Europe resides in the fact that MPP did not succeed to privatise, *not even intended to do so*, 100 percent of those companies that were included in the program. The MPP companies were divided into two groups: those belonging to the first group were supposed to offer 49 percent of the shares to the public (thus the State remaining the majority owner from the very beginning of the program!), while companies in the second group publicly offered 60 percent of their shares (see Figure 1). Insofar as the transparency of the selection process is concerned, no formal information was distributed, neither about the government's reasons for holding back State's majority stake in some firms, nor about the reasons justifying the selection of firms for each of the two groups.

*" According to our data, 17 percent of the MPP companies were designated "strategic", but the data also show that these firms tend to be substantially larger than average: 62 percent of the social capital falls into this category. Thus, the predominant situation involved only a minority of the shares being offered to the public, while even in the "non-strategic" cases the state would retain a commanding 40 percent" (Earle, Telegdy (1998))*

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<sup>9</sup> According to one report, the number initially included was 3904. Later, other companies were added to make a total of 4803.

In other countries of the region, the State normally retained shares, but it did not show *systematic intent* to maintain a controlling stake or, to say the least, to remain the largest shareholder, as it happened in Romania. In the Czech and Slovak Republics, as well as in Russia, mass privatisation nearly always included more than 50 percent of company shares; in Poland the MPP fixed the initial private share at 85 percent<sup>10</sup>. On the contrary, the Romanian State kept - by design of the program - control of every company included in the MPP: not only did the State keep by far the largest stake (minimum 40 percent) in all the MPP companies, but the program also ensured that the privatised share holding would be so widely dispersed (among individual shareholders and FPPs), as to render any opposition to state control meaningless. Transfer of control to private hands would take place only when a substantial portion of the remaining shares (more than 40 percent) would concentrate in private share holdings. In this respect, the FPS was charged with eventually selling the remaining state shares for cash through "*any legal method*".

- **Demand for Shares**

Similar to the mass privatisation programs in other countries, the demand for shares in Romania was created through the distribution of artificial capital. All eligible citizens received initially "Certificates of Ownership" and - after the Law on Acceleration of Privatisation was sanctioned - coupons. These certificates and coupons could be used to bid for shares in companies, or they could have been placed with any of the 5 FPPs. These FPPs were allegedly expected to transform into financial intermediaries, SIFs<sup>11,12</sup>

The demand for shares in Romania was, once again, affected by a sum of peculiarities, some of which being extremely relevant for our analysis, showing underlying political interests.

Firstly, unlike in some other countries, the coupons were denominated a fixed face value (975 000 lei), which proved to be completely irrelevant in the absence of any real information on the value of companies (whose book values

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<sup>10</sup> Earle *et al* (1993 )provide a description of privatisation programs in several transitional countries.

<sup>11</sup>Societati de Investitii Financiare.

<sup>12</sup> The portfolio of the SIFs is supposed to be partly composed of the companies' shares received from the FPS in exchange for coupons, the other part formed from the retained 30 percent of the shares of those companies which were not included in MPP.

were transformed in meaningless figures in the context of skyrocketing inflation). Secondly, the coupons were not tradable, meaning that the program purposely prevented the accumulation of shares in private hands, concentration of ownership and, eventually, private monitoring of enterprise performance. Finally, a very significant observation is that the legislation explicitly prohibited "selling advice to citizens on how they might invest their coupons". Romanian analysts interpreted this regulation as a way to ensure that the private ownership structure of the newly "privatised" companies would remain completely dispersed, and that the State would retain control, even if it had a mere 40 percent. Moreover, this provision has been interpreted as hindering the formation of private financial intermediaries that could collect information on the values of companies and form portfolios of assets. Hindering the formation of alternative private intermediaries depressed the opportunities to accelerate the formation of capital markets and to create possibilities for influential private ownership.

One possibility left for the Romanian citizens was to place their coupon with one of the 5 FPPs mentioned. However, accusations emerged in mass media related to the high degree of politicisation of these FPPs (which were overwhelmingly managed by members of the leading party), and to their reduced interest in behaving like active market participants<sup>13</sup>. Thus, population showed little confidence in those Funds as representatives of its interests, and preferred to invest directly into companies<sup>14</sup>. The FPPs (or SIFs) were supposed to use those coupons to acquire shares - those shares left over from the companies with excess supply in the MPP. Once again, one cannot completely rule out the possibility that the SIFs could have become productive market players, representing at least some concentration of ownership, but it also seemed likely that they would inherit shares in only the worst companies in the MPP.

- **Allocation procedure**

From October 1995 to March 1996, citizens could use their coupons (received in 1992) and certificates (received in 1994) to place orders ("subscribe") for shares in a single company, or with a FPP. Except for a few sporadic announcements about excess demand ("oversubscription"), citizens

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<sup>13</sup> It has been claimed in Romania that these FPPs had little interest in complete privatisation of firms, because this would mean, sooner or later, the deployment of "their" assets and, subsequently, their transformation from owners of assets into sole financial intermediaries.

<sup>14</sup> Still, the option of investing in FPPs was not entirely uncommon.

had no information about the behaviour of other participants. When excess demand situations occurred (the sum of orders exceeding the supply of shares in a company), they were sorted out through a pro rata allocation<sup>15</sup>. On the contrary, cases of excess supply ("oversubscription"- sum of orders being less than the supply of shares) were not treated symmetrically: in these cases, subscribers received only the value of their orders<sup>16</sup>. Thus, depending on the ratio of the number of orders for company shares (the demand) and the number of shares offered (the supply), any percentage of company's shares, from 0 to all the shares supplied by the program could have been privatised.

Following this mechanism, the situations of *excess demand* resulted in complete privatisation of the shares offered. Yet, a very dispersed ownership was created automatically, since the individuals did not have access to any information on the level of subscription, and thus they couldn't identify the patterns of demand or supply, having no possibility to avoid excess demand. In contrast, for the cases of *excess supply*, the design of the program did not permit the transfer of leftover shares to the private individuals.

It is worth noting at this point that some alternative privatisation mechanisms could have been used for MPP, which could have ensured a higher level of transfer of assets to private hands and a superior concentration of private ownership. For instance, symmetrical treatment of excess demand and excess supply cases, consisting of complete division of shares among the citizens that have ordered. This was the device used in Russia, for the coupon auctions<sup>17</sup>. Also, encouraging, rather than prohibiting participation of private intermediaries would have had the advantage of providing additional information on the value of companies and increasing the incentives to acquire such information. Thus, a number of excess demand situations, resulting in dispersed ownership could have been avoided.

### **C. Outcome of the MPP**

Using a database consisting of the entire population of MPP companies<sup>18</sup>, Earle and Telegdy (1998) critically analyse the results of MPP. Their findings are very remote from the "politically correct", officially acknowledged ones. The purpose of their analysis is to determine *"the degree to which companies of various types were included in the program, the proportion of shares in each that was included, and the extent to which the shares were actually*

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<sup>15</sup> If, for example, demand was twice as great as supply, each individual who had ordered shares would receive shares worth only half as much as their initial value of the order.

<sup>16</sup> The value of shares was not multiplied with the corresponding pro-rata coefficient.

<sup>17</sup> Earle et al (1993).

<sup>18</sup> The total number of companies surveyed is 4803, with a total employment of 1,875,931, and a total capital of 49,6 trillion Lei.

*privatised by the program*": Out of their findings, we selected some that are of particular relevance for the purpose of this paper.

Firstly, it is important to determine which were the grounds on which the State listed some companies as having "strategic" significance, and why did the State want to retain 51 percent of the shares in these companies. Overall, 16.8 percent of the companies, on an un-weighted basis, and 62 percent when weighted by capital (book value), were designated as "strategic".

### **Supply of Shares by Branch**

Branch*	<i>Agriculture</i>	<i>Mining, utilities</i>	<i>Heavy manufacturing</i>	<i>Light manufacturing</i>	<i>Construction</i>	<i>Transportation Equipment</i>	<i>Trade</i>	<i>Other services</i>	<i>Mean</i>
% of companies with 49 % in MPP	5.8	26.8	40.0	26.7	7.2	5.5	17.4	18.4	16.8
Mean supply of shares (%)	59.3	56.9	54.6	56.2	58.8	59.3	57.8	57.7	57.7
Percent of firms	29.1	1.2	15.9	15.1	7.7	10.0	12.5	8.5	
Percent of shares	7.2	1.2	55.3	14.2	3.0	7.6	6.8	4.8	

*\*Agriculture:* agriculture and services related to agricultural activity, forestry, fishing.

*Mining and utilities:* mining, supply of cold and hot water.

*Heavy manufacturing:* wood industry, chemistry, non-metallic manufacturing (glass, ceramics, rubber, cement, etc.) electrical equipment, metallurgy, machine building, transporting equipment.

*Light manufacturing:* food, textiles, optical and electronic equipment, furniture, other consumer goods.

*Other services:* printing, recycling, reparations, hotels, catering, financial services, consulting, computer programming, research, education, entertainment.



### Supply of Shares by Enterprise Employment

<i>Employment size</i>	<i>≤100</i>	<i>101-300</i>	<i>301-1000</i>	<i>&gt;1000</i>	<i>Mean</i>
% of companies with 49 % in MPP	4.1	15.9	29.2	59.6	16.8
Mean supply of shares (%)	59.5	58.0	55.9	52.1	57.5
Percent of firms	42.6	27.5	19.4	10.5	
Percent of shares	5.7	12.9	22.6	58.8	

It can be safely stated that the industry and the employment played a significant role in what the State decided to qualify as "strategic" companies. The majority of the so-called "strategic" companies were coming from the sectors of *heavy manufacturing, light manufacturing, mining and utilities*. In what the level of employment is concerned, *firms with larger numbers of employees were more likely to be retained in majority state ownership than smaller firms*. Among those where more than 1000 people work, about 60 percent are "strategic".

Thus, it can be inferred that the State purposely intended to retain controlling stakes (51 percents) in companies from manufacturing industries that had large numbers of employees. For these "strategic" companies, "privatisation" was no more than a simulation, since no significant transfer of property or control from the State actually took place.

Regarding the allocation procedure, as pointed out previously, the outcome of the program was left open by the design of the program. Anything between 0 to 49 or 60 percent of the companies could have transferred to private hands. The maximum privatisation would have occurred if the supply of shares for every company had exactly met the demand for them. But the design of the program did not allow for any mechanism or informational flow able to match the demand to the supply for each company.

For 30.1% of the companies (almost one-third), there had been excess demand (oversubscription), which implies that, at least for some of the rest of companies, there was excess supply (meaning that less than the shares on offer were privatised). This means that the program resulted in serious mismatch between demand and supply.

In the context of the widespread mismatch between demand and supply, it is important to estimate what percentage of the shares offered by the program were actually privatised? As Earle-Telegdy (1998) argue, this fraction might be taken as a measure of the effectiveness of the program - to what extent

the program accomplished its goals. The authors find that, on average, only 55.7 percent of the supply was privatised in the companies. Weighted by the "registered capital" (book value) of the companies, the figure decreases to 35.8 percent. It means that, by measure of the book value of the asset, "*the program succeeded in privatising only slightly more than one third of the capital offered in the privatisation program, while the rest was not successfully privatised and remained under state ownership*".

### Percentage of the Supply Privatised

	Weight	
	None	Capital
Privatised share of supply (%)	55.7	35.8

This percentage shows only the *percentage of the supply* that was privatised. More important though, is to determine *the percentage of the companies, as a whole*, that was privatised<sup>19</sup>. As the authors find, the average percentage of shares privatised in the MPP companies was 31.9 percent. When weighted by capital, the figure falls by more than 13 percentage points. Thus, the program privatised only 18.7 percent of the share capital of the companies included in the program!

### Percentage Privatised

<i>Weight</i>	<i>psh</i> ≤25% *	25%< <i>psh</i> ≤50%	50%< <i>psh</i>	<i>Mean</i> **
None	45.7	25.8	28.5	31.9
Capital	70.1	22.2	7.8	18.7

Note: psh=privatized percentage of the company

\* Percentage of firms

\*\* Mean percentage privatised

From the table it is noticeable that only 28.5 percent of the companies in the MPP database have majority private ownership. When weighted by the size of the companies' registered capital, the figure falls to 7.8 percent.

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<sup>19</sup>This can be computed as the product of the fraction of shares included in the program and the fraction of the included shares that were successfully privatised.

There was also significant variation with respect to employment. The following table shows that, for enterprises with less than 100 employees, an un-weighted average of 35.9 percent was privatised, while in those with more than 1000 employees this percentage is only 26.2 percent.

### **Percentage Privatized by Enterprise Employment**

Another significant measure of the effectiveness of the MPP in terms of employment is to compute the percentage of employment that was transferred from State control to private hands. According to the same authors (Earle, Telegdy), who weight the sum of employment in the MPP companies, with weights given by the proportion of shares in each company that was privatised, only about 494,000 employees were "privatised", which represent only about 4.5 percent of the approximately 11 million employees of the Romanian State sector in 1990.

<i>Employment size</i>	<i>psh</i> ≤ 25% *	25% < <i>psh</i> ≤ 50%	50% < <i>psh</i>	<i>Mean</i> **
≤100	38.5	21.8	39.7	35.9
101-300	45.1	27.0	27.9	32.1
301-1000	51.6	28.0	20.4	28.7
>1000	55.8	30.8	13.5	26.2
Percent of firms	45.7	25.8	28.5	

Note: psh=privatized percentage of the company

\* Percent of firms

\*\* Mean percentage privatised

### **D. Limitations and Puzzles of MPP**

An objective examination of the evidence supplied by the Romanian Mass Privatisation Program shows that MPP factually accomplished rather little privatisation. From the very beginning, MPP's goals were rather limited: it did not cover a large number of enterprises (to mention only the "regii autonome" which accounted for 47 percent of the State's assets), and the companies which were included in the privatisation program supplied no more than 60 percent of their shares.

Moreover, the mechanism of the program was designed in such a way that it did not ensure the complete privatisation of the shares supplied. Only 18.7 percent of the shares of the "privatised" companies were in fact transferred to private hands.

However, the amount of the shares transferred is not the only criteria by which the effectiveness of the MPP can be assessed. Other important facts that have to be evaluated relate to the results of the MPP in terms of ensuring improved conditions for shifts towards market-oriented economic behaviour of the enterprises, better management, encouraging restructuring, and improved corporate governance. Still, it is highly questionable how these goals can be achieved by the interested private owners, once the State continues to hold a majority stake in the Romanian economy, after the program of "mass" divestiture and privatisation of assets concluded.

Firstly, MPP has done little to improve *managerial incentives or to encourage restructuring*. The State retained majority stake in most of the companies included in the program. Data shows that the State mostly tended to maintain its position of dominant shareholder in large companies (with employment over 1000 people) that were officially deemed as "strategic". From the point of view of our analysis, the strategic importance of these companies resided mostly in their political sensitivity, most likely because of the significant role the trade unions could play within these companies. Clearly, the votes of private shareholders for decisions involving massive restructuring or de-politicisation of management could be easily overridden by the State, in case these decisions are inconvenient for its own interests as an economic or political player.

Secondly, in terms of *corporate governance*, MPP created an extremely dispersed ownership structure. Even in companies where 60 percents of the shares were offered for subscription, the State still maintained its dominant position, due to the legal provisions that precluded the trading of coupons and formation of influential private financial intermediaries<sup>20</sup>.

The allowed financial intermediaries (the SIFs) had little credibility as market players, since they were charged with allegations of political involvement, which made them partners, rather than competitors, with the State, in the task of governing the privatised firms and initiating restructuring. When a private ownership structure lacking concentration faces a single dominant owner - the State - it is very difficult for the small shareholders to

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<sup>20</sup>This does not mean that unofficial ("street") trading of the coupons or certificates was not a common practice in Romania.

organise any opposition to the State's objectives or to undertake any independent monitoring of management, because of the high transaction costs implied. *"The wide dispersion of vouchers [...] seemed designed to fragment ownership so that it would not interfere with existing management plans"* (Economist Intelligence Unit, *Country Profile, Romania 1997-1998*, p. 14):

Finally, the possibility for the capital markets to take over the role of enlarging and controlling *the overall market incentives* was, once again, impeded. While the program did at least provide some injection of shares to the Bucharest Stock Exchange, it is highly artificial and inadequate to trade small stakes in companies where the State remains the dominant shareholder.

## **2. An Attempt to Explain the Puzzles of Romanian Privatisation**

It appears to us that the many limitations and puzzling features of the Romanian MPP design can only be explained by an underlying political desire to preserve the influence of the State even after "privatisation". In order to prove this assumption, it is necessary to grasp which were the policymakers' goals with respect to the privatisation process, both the officially acknowledged ones and the unofficial goals, responding to hidden interests.

### **2.1 Goals of Privatisation in Theory**

After the fall of Communism in 1989, a whole body of literature developed, trying to accommodate the broad problematic of organisational reform indispensable for the transition in Central and Eastern Europe. Privatisation and restructuring were among the topics that generated the highest interest within the community of transition analysts. We present two complementary views (Avner Ben-Ner (1992) and Schmidt, Schnitzler (1991)) that provide a rather exhaustive outlook on the objectives of privatisation. We will subsequently use this framework for the analysis of Romanian privatisation, in terms of its declared and hidden goals.

Privatisation, as Avner Ben-Ner (1992, pp.2) argued, represented "the main *instrument* for organisational reform". Thus, "the method of privatisation must be chosen in view of the *goals* held by the participants in the economy, and the *constraints and resources of the environment*".

In terms of *goals*, Ben-Ner identifies the establishment of market economies as the overriding goal of the reformers in Central and Eastern Europe. Since this is a very abstract goal, more specific objectives have to be set by the policymakers when designing the organisational reform packages.

Privatisation is, *per se*, a key goal of the reform. It is both an *ideological goal* and an *instrument* for achieving the other goals in organisational change. The definition Ben-Ner uses for privatisation is a rather narrow one: "*Privatisation is a process that leads to the transfer of ownership from the state to private agents*". Additionally, Ben-Ner identifies other positive effects ("*goals*") potentially induced by the privatisation process and the ensuing organisational forms:

- organisational efficiency (i.e. maximisation of total product);
- equity in income distribution within and across organisation (this, Ben-Ner argues, is associated in Central and Eastern Europe with an egalitarian tendency within the community, that is rooted in the Communist ideology, and apparently survived to its fall);
- non-authoritarian decision-making within and across organisations (this goal is allegedly associated with the previous one. It entails the workers' aspirations for greater participation in the decisional process);
- stability of social relations and enhancement of community (since under Communism the creation and strengthening of social networks and the development of the sense of community were discouraged or threatened, these networks seem to be widely desired);
- creation of positive economic, social and political externalities, such as political democratisation (this goal refers to the inclusion of citizens in the social and political process of decision making. Lack of experience and familiarisation with the democratic process can be remedied with the help of the privatisation process, by authorising the individuals with more decision power -and the respective responsibility -than it was commonly allowed under Communism, at their workplace or in other organisational forms in which individuals are routinely involved);
- protection of consumer interests (privatisation is supposed to increase unambiguously the well-being of consumers, by ensuring competition in providing the consumer goods, quick adjustment of the market to the consumer's demand, etc.) ;
- maintenance of national economic sovereignty (this goal can easily lead to popular resentment with regard to selling assets to foreigners while privatising, thus allowing for expansion of the external control on the national assets).

Schmidt and Schnitzler (1991) group the goals of privatisation in a less sophisticated way, more efficiency-oriented. Thus, they identify:

- Efficient management control. The emerging corporate governance structures are supposed to give the managers the right incentives to run and restructure the company efficiently;

- Restructuring of the economy. The large industrial firms in post-communist countries suffer from a legacy of extremely high horizontal or vertical integration. They are prone to hoard too much labour and are supposed to lay off a significant fraction of their workforce. Moreover, some unprofitable firms are supposed to be closed down suite of privatisation.
- Limit the social costs of adjustment: Some inefficient firms will be, nevertheless, kept functioning after privatisation, because of the high social cost involved by their closing down<sup>21</sup>. Increasing unemployment rates and economic decline of industrial areas can create considerable negative externalities, not only in the economic environment, but also in the social and political spheres. The possibly ensuing social unrest and political instability could compromise the whole process of transition, if not contained by State intervention.
- Attract foreign capital: In the context of meagre domestic savings, foreign direct investment following privatisation is seen as a major factor for economic growth.
- Create competitive market structures: Privatisation is supposed to introduce healthy competition, while the State is expected to gradually regulate the existing monopolies.
- Fair initial distribution of wealth: Because the existing assets, prior to privatisation, are owned by the State, it is largely accepted that each entitled citizen should have an equal claim on these assets, and that capitalism should start with an egalitarian distribution of wealth.

As Ben-Ner pointed out, these goals are intended to reflect the popular aspirations of the entire citizenry, rather than the ones of current policy makers. However, in every transitional country that initiated reform packages based on privatisation, the policy makers moved, more or less significantly, away from these "ideal" goals. Obviously, policy-makers' choice of goals depends on what Ben-Ner names *"the national environment"*. This environment consists of physical, cultural, social and legal legacies of the past, the emerging political system, the population values and its education.

During 1990-1996, proposals for two main alternative reform strategies emerged in the transitional countries. These are the well known by now concepts of "gradualist" approach, as opposed to the "shock therapy". The main distinctive feature separating the two was related to the *role the government*

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<sup>21</sup>We are dealing here with the social welfare problem of not being able to compensate the (many) losers out of the (few) gains.

*should play* in achieving the previously mentioned objectives of transition, in general, and, in a narrower sense, the objective of privatisation<sup>22</sup>.

It is beyond the scope of this paper to discuss the controversies about the merits and flaws of any of the two extreme strategies of transition. For the purpose of our analysis, however, we will introduce the position that each of them had with respect to the privatisation method. As such, the proponents of the "market approach" were arguing that 40 (50) years of socialism were convincing enough in proving that governments were incapable of centrally guiding the efficient working of the economy. Therefore, the best possible approach was to privatise as fast as possible, and leave the following problems of organisational restructuring for the market forces to solve them. In contrast, proponents of the "gradual approach" stressed upon the lack of established market institutions in Eastern Europe, able to sustain the process<sup>23</sup>, the lack of entrepreneurial experience and, very significant, the social and political problems that could emerge due to fast and chaotic restructuring. In these conditions, government intervention appeared as compulsory, being needed to lead the process and avoid social unrest and reform reversals.

## **2.2. The Case of Romania**

The unfolding of the Romanian reform -and, implicitly, privatisation- hardly presented any surprising features, once the National Salvation Front, (the first party who filled the power vacuum in December 1989) officially announced its commitment to social democracy and to gradualism. The leading party's economic program was tailored mainly for industrial workers, and former bureaucrats, the social categories that would have had to suffer most due to the reformist structural changes.

It naturally follows that the particularities in the design of the privatisation program were also intended to protect the interests of these groups. By designing a reform program meant to maintain the support of its electoral clients, the government and the parliamentary majority was ultimately trying to preserve its political power.

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<sup>22</sup>In fact, it seems that almost all transitional countries of Central and Eastern Europe opted for a mixture of the two polar strategies. One can hardly identify with certitude a country where only one of the two strategies was used, with the exception, maybe, of Czech Republic as example of full powered "shock therapy", and Germany, as an example of overwhelming governmental intervention.

<sup>23</sup>Such missing market institution was, for example, the stock market.



In this framework, it can be easily understood why the mass privatisation program was purposely designed to retain the State's position as majority stakeholder. Out of the objectives of privatisation described above, the Romanian State deliberately opted for limiting the social costs of adjustment as the main goal to be followed. The government's main interest was to avoid social discontent that could have resulted from a too fast pace of reform and restructuring.

However, it cannot be said that the objective of limiting the costs of adjustment was the consequence of pure "social democrat" altruism. Keeping the average voter satisfied in the turmoil of transition is, necessarily, a way to ensure of his further electoral support and, subsequently, extend the interval during which the policymaker would maintain his own political power. Therefore, the policymaker's own interest is also embodied within this mechanism.

The Romanian Government that designed the privatisation strategy had, thus, to identify a very powerful device through which it could appeal to the interests of the citizens. In our opinion, this device developed around the population's *fear of unemployment*. Just as "privatisation" and "restructuring" were terms associated in the mentality of people with the beneficial effects of the market, in the same way "unemployment" was perceived as the most credible (and probable) negative outcome of capitalism.

Once identified as the underlying concern within the society, the social democrat Government skilfully used this threat of unemployment every time it had to solve situations that were potentially troublesome. The government adopted a "carrot and stick" strategy, every time it had to deal with industrial workers riots or trade unions' collective actions. In the majority of cases, the way to solve the conflicts consisted in threats of massive unemployment. This proved in time to be the most effective instrument in solving labour conflicts, and the government did not hesitate to make extensive use of it. Faced with these threats, workers' responses to calls for strikes generally were below the expectations of the unions' leaders. These tactics worked amazingly well in the sectors of "regii autonome" (under State ownership), as well in the power, rail and heavy industries (with majority State ownership)<sup>24</sup>.

So, it can be said that the Government enjoyed its power to control this massive labour force, and keep it under its control using a device that was, after all, notoriously simple: threatening with unemployment every time the main group of governmental supporters (that is, the industrial workers) misbehaved, or, alternatively, promising gradual restructuring and delay (or even avoidance) of

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<sup>24</sup>Source: Economist Intelligence Unit, Country Report. Romania (1997)

layoffs whenever the supporters needed to be reassured with respect to their future prospects. This technique, at least in theory, could have guaranteed control over the masses and, implicitly, a long and safe political dominance.

Retaining State control on the enterprises was as a device that could have ensured this objective of perpetuating the political control. If the State retained its dominant decision power in the large enterprises, the control over the labour force would have been also maintained. Ultimately, the electoral behaviour of the citizens could have been much easier controlled and manipulated.

If limiting the social costs of adjustment (understood mainly as limiting the unemployment and the social unrest) has been the main goal of the policymakers in charge with designing the privatisation process, it can not be credibly argued that, in the same time, they deliberately discarded the other objectives: restructuring, increased economic efficiency, etc. At least, they claimed their commitment to these objectives, like they openly claimed their commitment to social democracy and gradual adjustment. The thing that can be argued, though, is that the policymakers submitted *all* the other objectives of transition to the goal of preserving the political power by the means of very slowly giving away the State's control over the economy.

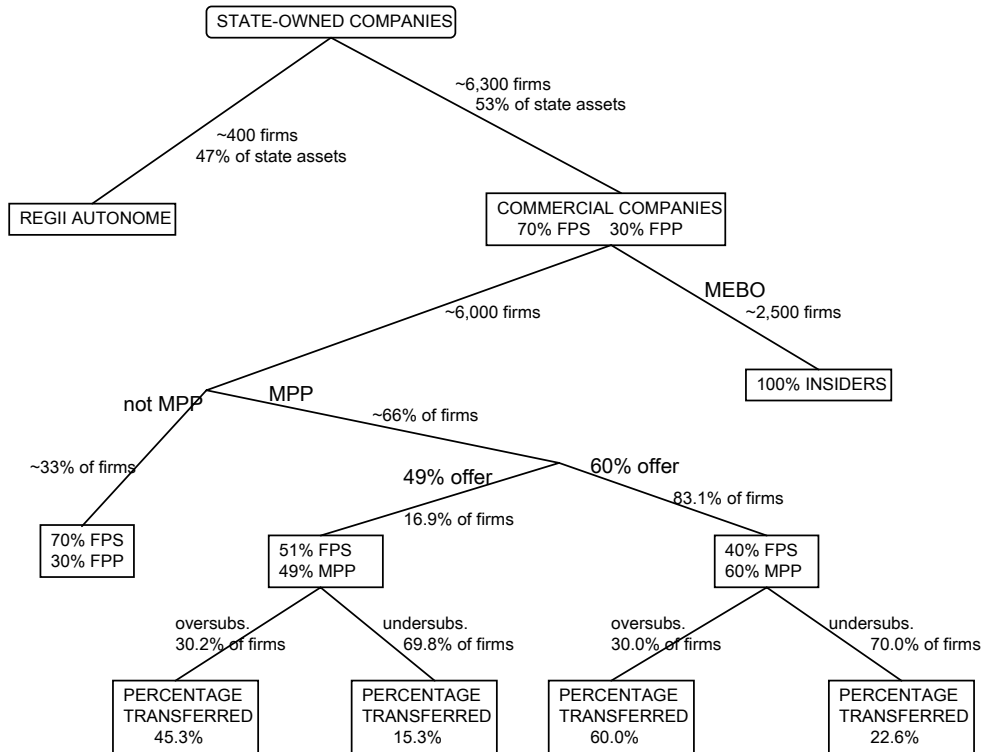
Nevertheless, this strategy adopted by the Romanian government implied significant *trade-offs*: control from the State is very much likely to delay the restructuring of the economy and to create conditions for perpetuation of inefficient management and corruption. Perpetual postponement of the economic restructuring over a too long time interval can result in population's disappointment and discouragement. Hence, deceived citizens could eventually reverse their feelings, from gratitude towards the Government (for ensuring the economic conditions that keep them employed), into disgruntlement and resentment for not trying harder to implement the expected benefits of the market economy.

The relevance of these hypothesised trade-offs for the case of Romania is outside the scope of this paper. However, it is beyond any doubt that the social-economic trade-offs linked to privatisation and reform constitute a good starting point in analysing the outcome of the Romanian general elections of 1996<sup>25</sup>, when the social democrat doctrine and the gradualist approach massively lost their electoral support in favour of "shock therapy" and liberal reform packages.

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<sup>25</sup> The elections of 1996 were the first to take place after the initiation of the Mass Privatisation Program

MASS PRIVATISATION PROGRAM IN ROMANIA - OUTCOMES AND PUZZLES



**Figure 1: Path to the MPP<sup>26</sup>**

<sup>26</sup> Source: Earle, J., Telegdy, A.(1998)

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**INFORMATION, KNOWLEDGE,**  
**COMMUNICATION**

**EUROPEAN KNOWLEDGE SOCIETY: ASSUMPTIONS,  
PREMISES, STRUCTURES, AND OPTIONS**

**UWE H. BITTLINGMAYER**

**ABSTRACT.** The current European situation seems rather paradoxical: On one hand, the Monetary Union prepares for the biggest common market world-wide, while on the other hand the NATO-war against Milosevic's Yugoslavia clearly shows, that the vision of a united Europe still remains an unrealistic dream. But, apart from all political and even military tensions, the perspective for everybody supporting the European idea is quite clear. The aim is an encompassing and peaceful European integration, getting further than only providing a common market. The European nation-states have to grow close socially, culturally and politically, too. All European countries should develop at least approximately the same living conditions and life chances.

This demand is reflected by the new European Unions' research programme. Here, the social-economical research gets more weight than in previous times when it was centred on natural sciences. The 5<sup>th</sup> European Framework programme now in charge defines the activity 'Improving the Human Research Potential and the Socio-Economic Knowledge Base' as one of the four main activities. Part of this activity is the Key Action 'Improving the Socio-Economic Knowledge Base', doing research on the present and coming socio-economic challenges for the European Union and their associated partner countries. "The overall objective of this Key Action is to improve understanding of the structural changes taking place in Europe, to identify options for the management of change and to involve European citizens more actively in shaping their own futures. This will require the analysis of the main trends giving raise to these changes; of the relationships between technology, employment and society (...) and the elaboration of new development strategies

fostering growth employment and economic and social cohesion. (...) This Key Action covers a number of subjects linked to the general objectives of the [5<sup>th</sup>] Framework Programme and aims at defining the base for employment-generating social, economic and cultural development and for building a European knowledge society.“ (EC 1999a: 14, 17).

The idea of a European knowledge society integrates two different poles. First, it reflects on structural changes already visible for some decades in different member states of the European Union. Second, it works as a normative concept to assess the further development of a country as positive or negative. Thus, the European Union uses the idea of a European knowledge society constantly in two different contexts: first, as a description of current socio-economical trends and developments and second as a normative framework for those memberstates and associated partners, which still are not exposed to these developments so extensively. The crucial thesis forming the base of the idea of a European knowledge society is that knowledge societies by now are the most modern form of capitalist societies. So, countries that still do not develop this way, for reasons of economical prosperity as well as for their social, political and cultural development have to become knowledge societies as soon as possible (cf. Among other's World Bank 1998: Part 1; UNDP 1999: Ch. 1,2,5).

Now, I will first explain the basic ideas of the theoretical concept 'knowledge society'. Here, I will try to explain by what characteristics and criteria a society may be named a knowledge society (I.). Second, I will elucidate the political perspectives and constrains as well as possibilities of action, this development might provide to nation-states and social actors' (II.). Finally, I want to connect the results of the first two parts with the model of a European knowledge society. Here, the main problem is, if the idea of a European knowledge society may provide an integrative perspective. In addition, I will formulate some questions that may prove fruitful to direct further research on the European knowledge society (III.).

## **I. Theoretical Approaches to ,Knowledge-Society‘**

The term 'Knowledge Society' goes back to the nineteen-thirties but did not become widespread until recently. It became popular in the context of the thesis of post-industrial society since Alain Touraine and Daniel Bell published their books ,The Post-industrial Society' and ,The Coming of the Post-industrial Society' (cf. Eickelpasch/Rademacher 1997). In the last five years, the term 'Knowledge Society' became one of the most used catch-all-terms in different scientific and political fields. But what does the term mean exactly ?

In some respect, 'knowledge society' does not have any meaning at all if it is used to characterise a certain development of human societies. The old advanced civilisations, premodern agrarian societies or even tribes of cavemen may be termed 'knowledge societies' as the physical and symbolic reproduction of any society necessarily requires knowledge or systems of knowledge. Thus, 'knowledge in itself' – as a moment generating action in human behaviour – is an anthropological constant. If we speak about knowledge societies, the specific notion of knowledge has to contain a distinct quality. This distinct quality of knowledge lies in the focus on theoretical and scientific knowledge. The crucial factor distinguishing theoretical knowledge and other forms of knowledge is the method of gaining new knowledge. In the knowledge society – as the basic argument goes – the search for new knowledge is determined by a systematically and theoretically informed method, while previous societies acquired new knowledge by unsystematic and accidental trial and error (Wingens 1998:159ff.). So, the crucial point is "inventing the method to produce and introduce innovations" (Kreibich 1986: 11). A good example present the internal company departments of research and investigation, which specifically improve existing products or invent new ones (cf. Wingens 1998: Ch.8).

Daniel Bell gives a first definition of the notion of knowledge used in the term knowledge society. He defines knowledge as a "collection of well-ordered statements on facts or ideas, which expresses a reasonable judgement or experimental result and are transmitted to others in a systematically way by some media of communication" (Bell 1973: 180. Emphasise in the original). Knowledge in this sense means "new assessments (from research and science) or a new expression of further opinions" (ibid.). Only if connected with a focus on knowledge as theoretical or scientific knowledge like this, the following statements make sense, which try to substantiate the diagnostic label 'knowledge society':

"More than ever, knowledge is basis and guidance of human behaviour in all fields of society" (Stehr 1994: 11).

"Knowledge is (...) the crucial resource for a sustainable economical development" (BMBF 1999: 1). As well as:

Producing and distributing knowledge is a central feature for societal growth, income, and employment. "The factor of production 'knowledge' may be seen today as the driving force of economical development" (ZEW et al. 1999b: 6).

In the seventies, Touraine (cf. 1972) and Bell defined the knowledge society first of all as a post-industrial society. By rationalising the manual work in the production, i.e. the mechanisation of industrial work, more and more

workers in the secondary sector are made redundant (see figure 1)<sup>1</sup>. It was Touraine's and Bell's prediction, that the mean mark of industrial society – the blue-collar worker (cf. Mills 1956) – will become marginal such as the peasants of previous times, who lost their numeric dominance in pre-industrial feudalism with the coming of industrial society. So-called white-collar workers – first of all service men – more and more replace blue-collar workers. Together with the assumption that theoretical knowledge gains crucial influence on all societal fields and structures, this briefly sketched thesis of a growing service industries' predominance on the producing industries is one of the central signs of post-industrial knowledge societies (cf. Bell 1973: 13).

However, the thesis of a post-industrial knowledge society nowadays does not have many followers. In fact, one may observe a far-reaching change towards the service sector in the last decades (cf. Krämer 1998: 171). But these services do not replace the production of goods but supplement it in a specific way. The worldwide production of industrial goods in a classical sense even increases. But today "a modern industrial production is not possible without accompanying services" (ibid.: 179). There is a broad agreement on the fact, that the service sector is the economically most innovative one in present societies.

Because of this, nowadays Bell's and Touraine's thesis on the growing importance of the service sector with regard to the industrial sector is taken in another way. The crucial point is the assumption, that in knowledge societies the production of value has shifted from mechanical production of goods towards production-oriented services like research&development, design or marketing. An often-quoted example is the enterprise IBM. Only a fraction of its profits come from the real production of computers. Software-development, sales&support and network management does the main part. Of the 400 000 employees, only 20 000 are occupied with assembling the computers (cf. Reich 1993: 98/9). A study on the future of services in the FRG published this year gets the result, that the service sector by now contributes to more than 70% of the societal production of values (cf. ZEW et al. 1999a: 1).

So, the state of the debate is to connect the notion of knowledge society not with the post-industrial, but the service society. First of all, production-oriented services promise new and highly qualified jobs. The service sector developed to "the central point of economy." (BMBF 1999:2). So, one standard to answer the question if a society may be called a beginning or developed knowledge society is the respective degree of tertiarisation.

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<sup>1</sup> Figure 1: robots in the industry of developed industrial countries!



For today's notion of knowledge society, besides the growing significance of the tertiary sector and of theoretical knowledge a third element is central. Last two-decade's advances in communication technologies imply important consequences on the development of nation-states to knowledge societies. These consequences present themselves at two levels.

First, the enormous increase in volume and velocity of data streams have interconnected the national economies in a way, that the economic prosperity in south-east Asia has massive effects not only on the stock markets in southern Europe, Australia or the United States. According to the British sociologist Anthony Giddens this means, that "the growing welfare of a town quarter in Singapore by a complicated network of global economical relations may be in a causal connection with the impoverishment of a neighbourhood in Pittsburgh, whose local products are no more able to compete in the world markets." (Giddens 1995: 86) This development is discussed since the mid-nineties under the cue 'globalisation' (cf. among others Rademacher / Schroer / Wiechens 1999). The most important cause for the rapid interconnection of knowledge of the single national economies is "the spectacular improvement of the world-wide technologies of communication and transport" (Reich 1993: 247). The most important consequence for national economies is a massive loss of their competency to macroeconomic management. This was even forced by the almost worldwide change from demand oriented to offer oriented economical policies as part of the conservative shift under Ronald Reagan, Margaret Thatcher and Helmut Kohl.

Because of the revolutionised communication technologies secondly at actor level "the intensification of world-wide social relations" (Giddens 1985: 85) emerges. The Internet is paradigmatically for these developments. The growing use of transnational Internet-café's, chat rooms, news groups or e-mail networks are common for some segments of the social structure, the personal computer in the living room a normality. This is not without consequences for the social networks of the people living in knowledge societies (cf. Berger 1999) and - at the macro level - for the culture of a nation-state itself. In the context of the debate on globalisation, those cultural consequences are discussed as global homogenisation of cultures. An example for these feared homogenising effects presents China, fighting against mass Internet use with the argument it would disseminate western consumer culture. Nevertheless, one can develop another indicator for knowledge society: the technical equipment of households, e.g. their average computers and Internet connections. It is quite clear that Sierra Leone with only one telephone per 1500 inhabitants is far away from the developments discussed under the label knowledge society.

Now, I would like to draw attention to consequences the orientation on the model of a knowledge society presents to national politics as well as the different social actors.

## **II. European Knowledge Society and the Political Consequences**

An idea nowadays in social and political sciences widely agreed upon is that the power of the nation-state as a political regulator has changed in degree. The nation state lost much of what normally is understood as control or regulatory competencies, i.e. the capacity of affecting the economical and social circumstances according to the will of the political system. A good example is the former German chancellor Helmut Kohl, who appealed to the German industry and commerce regularly since the early nineties to invest more in Germany and first of all to create new jobs - without success! On part of the industry, one gratefully welcomed the ever-new tax cuts. But creating new jobs was rejected with the argument, the rate of taxation would still be not pleasing and investment and production conditions would be quite more profitable in other European and third countries. The comment on the possibility to produce - if necessary - cheaper in other states, already is a strong indication of the existence of a European knowledge society in the economical sense of the notion. To put it in another words, there is a significant mark for a European Knowledge Society that is based in the changed production-process, which is becoming more and more independent from national territories. The knowledge and the know-how to produce any good or to build networks of enterprises ignore the frontiers of nation-states.

In fact, the international division of labour is strongly developed - there are hardly any industrial goods, whose complete production is carried out in one country alone. National big businesses - Robert Reich speaks of national champions - are replaced by European-wide or even global networks of enterprises (cf. Reich 1993: Ch.2, 3). The knowledge society's economy is interconnected, producing just in time disregarding national frontiers, and it is organised according to principles of lean management. Similarly interconnected is by the way the scientific community, exactly this seminar being a good example. From these thoughts, it follows that the model of a European knowledge society partially has become already a reality. To make a first summary, we live by now in an economical-technical European knowledge society.

This structure of the knowledge society presents a challenge to political actors to make the own nation-state European-wide and worldwide

competitive. "We have to find (political - U.H.B.) answers to the intensification of knowledge in the economy, the structural shift in the production of values, the shift in employment towards the service sector, and the growing international integration of the economy and the system of innovations as a result of globalisation." (ZEW et al. 1999b: 9) - this is the conclusion of the already cited German study. Because of this, the nation-states' innovation policies have to be directed towards "forcing the transition to the knowledge society by educational, vocational educational and life long learning policies." (Ibid.: 8) One has to strengthen competencies and skills of the population for the European knowledge society. According to a study published this year the key to achieve this is - besides educational and vocational education policies - the increase of private and public investment in human capital (cf. ZEW et al. 1999a: 8)<sup>2</sup>. By now, all developed countries spend roughly a fifth of their respective gross national product on the production and distribution of knowledge (cf. Drucker 1993:265). If a nation state fails to invest in education and to support innovative research and development and production-oriented services, it loses economical competitiveness respective to other countries - according to the unanimous opinion of the predictors. The effects of this loss are worsening social conditions for parts of its population, which may even lead to migration of younger segments of the population to prospering countries. In this context, the well-known American economist and management consultant Peter F. Drucker says: "The return a country or enterprise expects from its investment in knowledge, inevitably has ... to become a more and more important factor of competitiveness. The productivity of knowledge ... will become crucial for the economic and social success of enterprises and states and for their economic efficiency." (Drucker 1993: 267) In general, we may argue that the developments summarised by the term knowledge society constrain political scopes of action in specific way and force nation-states to catch up with developed knowledge societies first of all by policies supporting educational and economical innovation. An indication of my thoughts may be the international comparisons the German sociologist Michael Vester carried out (cf. Vester, forthcoming). Vester found out that in different developed industrial societies - Great Britain, France, Italy and Germany -, the social structures and social milieus are very similar even up to the different

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<sup>2</sup> Just as a remark: Astonishingly, the spendings on education as measured on percentage of the GNP did not rise in the OECD-countries since the 70ies (cf. figure 2).

environments (cf. figure 3-6).<sup>3</sup> This may be an argument for the thesis that because of the internationalisation of economy and similar developments, nation-states are confronted with pressures on action that lead to the emergence of standardised social and economical structures. These pressures cannot be ignored because of possible severe damages on prosperity and stability of a country.

The described developments bear immense consequences for the social actors living in knowledge societies, too. An economy intensively based on knowledge demands a number of key skills, which are necessary to carry out modern work. A basic precondition in almost all cases is possessing a high education certificate, e.g. a university degree or a comparable one in the industry. For example, new enterprises are founded more than proportionally by university and polytechnic graduates (cf. ZEW et al. 1999b: 11).<sup>4</sup> If additionally, one has a look at the unemployment risks depending on individual education, one notices that the unemployment risk of highly qualified people is by far lesser than the one of lowly qualified ones (cf. figure 7). Even and especially in the times of knowledge societies, individual investments in education still are the best insurance against unemployment. In Germany, the unemployment rate of highly skilled workers who passed additional exams (*Meister*) and technicians is at 5%, the one of skilled workers at 8%, but the one of those without a certificate at 20% (cf. *ibid.*: 14/5).

Social actors, if they want to maintain their hold successfully, have to command not only on a degree, but on a high stock of mental and spatial flexibility, too. An American College graduate e.g. has to expect to change eleven times his workplace in 40 years of work and meanwhile – and this is crucial – to change and renew his knowledge *base* at least three times (cf. Sennett 1998: 25). The ability of life long learning, of learning how to learn, will become a prerequisite central to the lasting participation at and integration into the knowledge society. This requires the actor's steady willingness to mobility. Flexibility advanced to a modern dictate, while the knowledge society virtually despises all forms of routine (cf. *ibid.*: Ch.2, 3).

Another key skill for the satisfactory participation at the knowledge society is communicative competence. This does not only mean the classical

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<sup>3</sup> Naturally, the structures of these nations differ in detail: „especially [in; U.H.B.] the generational milieu differentiation of the larger family trees and [in; U.H.B.] the independency of the hedonistic fringe at the left margin of the social space“ (Vester forthcoming: 21). But the interesting point crucial for the argument is the similarity of the social structures and milieus in general.

<sup>4</sup> This might be characteristic for Germany only.

knowledge of foreign languages. Already in the early 70ties, Daniel Bell claimed that the interaction man - machine, characteristically for the industrial society, in the knowledge society would be replaced more and more by the interaction man - man. Because the knowledge society relies on services, it is, according to Bell, "a game between persons. Here, it is not muscle strength or energy what counts but information" (Bell 1973: 134). Communicative competency is the central resource in modern team working. For Robert Reich, who after all was the American minister of labour in the first Clinton administration, the core of a modern economy consists in problem-identifiers, problem-solvers and strategic mediators. The last mentioned only have to bring together the first two creative groups and get them into discourse. According to Reich, the strategic mediators are crucial for the actual economic control (cf. Reich 1993: 190-210).

If social actors command on all these skills, all options of acting a knowledge society has to offer are open to them. But if they have neither those skills nor a medium or high school degree, they are challenged to lose contact to new developments and be excluded long-term from the actual options of acting. At the end of my speech, I want to connect these thoughts back to the basic model of a European knowledge society and close with possible research questions.

### **III. Consequences for the model of a European knowledge society**

At the begin of my speech, I pointed out that the idea of a European knowledge society is used in a double way. First descriptively, as a diagnosis of the most advanced societies, secondly as a normative concept, aiming at giving all member states of the European Union as well as their associated partner countries an integrative perspective and a hope to fast development. As became clear - as I hope - the development towards an economical, technical and partly scientifically European knowledge society is already common. Still, this concept does not show starting-points for an integrative and socially balanced development. This - and this is my final thesis - is not accidentally, being far from easy to carry out and definitely needs further research.

If knowledge society is used as a descriptive model, it recurs on developments that seemingly happened natural, just because of technical innovation. This perspective was already carried out by Hans D'Orville from the United Nation Development Programme on a congress about knowledge societies in Bonn. He stated that "the knowledge society will come. No matter if you want it or not." From this perspective, knowledge society is understood

as an autonomous modernisation process. But if one holds it that way, there is little to no space to manage this process consciously. One simply remains exposed to the development towards knowledge society. If one uses the term knowledge society only in a descriptive way, it is enormously difficult - as shown - to give starting points for a socially balanced and integrative European knowledge society.

In the more normative formulations of the European Union, only options and chances of a European knowledge society are emphasised. Still, the winners and losers of such a development, the knowledge workers and 'ignorant' jobless are not mentioned. Michael Vester is absolutely right in saying that the current development from a classic industrial to a knowledge society "did not basically change the vertical relations of domination between social, gender, age and ethnic classes" (Vester forthcoming: 18). An adequately complex concept of a European knowledge society should reflect and incorporate exactly these findings. Today, there is simply a lack in bringing together the descriptively established developments and the normatively wanted integration processes in Europe, the economical, technical, scientific European knowledge society and the social European knowledge society.

At the end, I would like to make some provisional comments on how these two perspectives could be brought together. What the advocates of a descriptive version of knowledge society normally forget, is that for example today's internationalisation of production did not happen as an autonomous process, but was massively supported by political actors. A neoliberal change and the politics of deregulation only created the conditions to push a development as the one that now scientists try to catch by the term of the economical-technical European knowledge society. In other words: The loss of regulation competencies of the political actors is to a large part initiated by their political decisions themselves, is somehow due to their own responsibility.

If the normative idea of a European knowledge society is taken serious, and not only - as it is the case at least in the research programmes of the European Union - is restricted to a declaration without consequences, from my perspective one has to investigate closer two fields. First, how could one operationalise this model in a more concrete way, filling it with options of acting? Second, how could a policy of re-regulation look like, enabling the frames and prerequisites of the development towards a social European knowledge society and not excluding long-term a part of the European population from the new options?

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## **DISTANCE LEARNING TOWARDS THE INFORMATION SOCIETY**

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**ABSTRACT.** The paper deals with the topics of information society, focusing on distance learning. The authors reveal the importance of computer-aided distance learning, which rose as a direct consequence of information technology development. The stages of this process are considered to be: the use of computer as an auxiliary tool in the learning process, incipient distance learning systems based on static courses implemented as Web pages, evaluation systems and adaptive Web-based software environments for distance learning. The last section describes a model of such a system, which is currently being researched by the authors.

### **1. Information Society – Conceptual Bricks**

The revolution we have been facing during the last years in the field of information and communication technologies (IT) leads to the creation of a new type of society: *the information society*. This revolution is often compared with the industrial revolution that rocked the XIXth century, because of its major economic, social, societal and cultural implications. Actually, this impact of modern technologies on all society domains has enforced the use of the concept of "information society" in Europe, instead of the more technical one proposed by the American administration: *information highway*. The information society comprises, in addition to the technical meaning of the information highway, the efforts made by the European Union towards identifying and managing the social and organizational transformations brought by the new technologies.

The main commodity in the information society is the information itself. It implies a large-scale use of IT products and services in all fields: economy, social and cultural life, education and research, healthcare, politics and so on.

*What do we expect from the information society?*

From a political point of view, the information society should be a *democratic* one, allowing *universal access (universal service)*. Universal service for telecommunications means that every citizen has access, at an affordable price, to a telephone line, that allows him/her to use a fax machine or to connect a computer to the Internet.

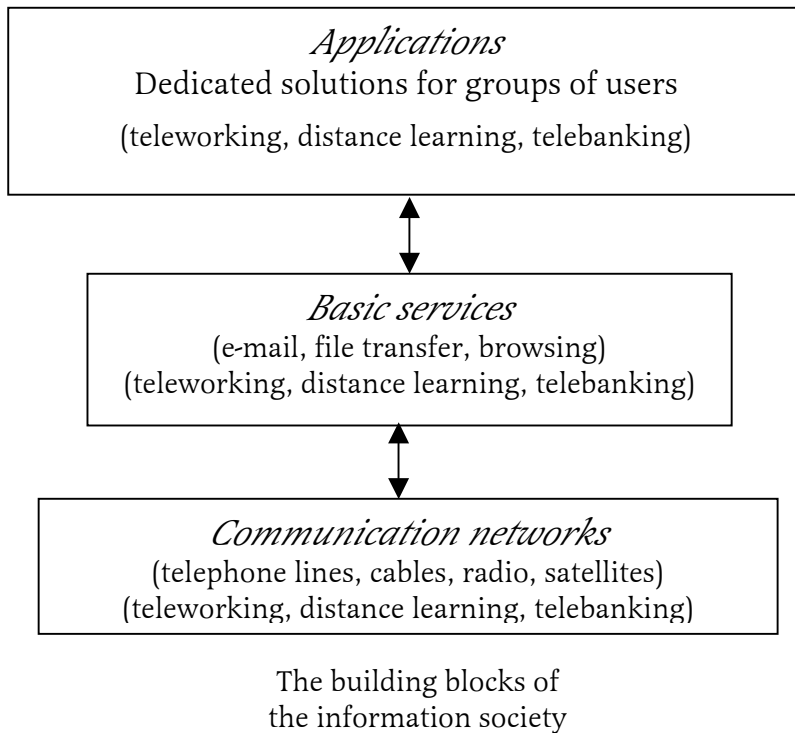
In terms of economy, the use of new technologies should increase productivity and competitiveness at both micro- and macro-economic levels. From a social perspective, the use of more efficient equipments in industry and services leads to decreasing the number of jobs, workers being replaced by machines. On the other hand, the development of IT and IT-related industries increases the job offer. In order to avoid huge unemployment, the labor force must be reconverted towards IT-related sectors. This reconversion is necessary, but not sufficient: taking into account the accelerated rhythm of launching new technologies, the labor force should be continuously requalified – *life-long learning and training*.

The information society should also be a *knowledge-based society*, allowing everyone to easily access, process and analyze the information him/her needs in order to derive new knowledge.

*What do we want to avoid in the information society?*

The major social risk that must be avoided is dividing the society into two social classes: those who are able to use the new technologies and those who are not (the so-called *information-have* and *information-have-nots*). Within society evolution there must be avoided the social exclusion of important groups of persons who, from various reasons (handicap, lack of money and so on), do not have access to the new technologies.

The information society is, of course, a *global challenge*. The advantages brought by the new technologies should be exploited on a global-scale. Moreover, the disadvantages should be fought against on a global-scale. It means that *international co-operation* is very important in order to overcome technical and political barriers and to create a global information society.



From a technical point of view, at the very base of the information society we place the *telecommunication networks (the roads)*, which enable to quickly transport the information from a source to a destination (telephone lines, radio, cable, satellites). Their users can benefit from this infrastructure by means of *basic services* (the vehicles - electronic mail, file transfer, browsing), and *applications* built on the top of the basic services in order to offer dedicated solutions for different usergroups (teleworking, telebanking, distance education, road management and so on).

The countries that manage best the information society, due to their well developed infrastructures and their abilities to create technical standards and then impose them on the market and to deal with the socio-cultural aspects of the global information society are: the United States of America (U.S.A.), the European Union countries (E.U.) and Japan. They interact on the IT world market by both means of competition and cooperation.

*Education* is one of the most important aspects of any modern society. It becomes more important in the information society, because workers have to continuously train and update their knowledge in order to keep up with the new technologies. In the information society, education must be focused on *learning*, not on teaching. From the various methods of learning, *computer-aided distance learning* seems to be one of the most convenient, overcoming time and space boundaries.

## **2. Distance Learning: An Alternative Educational Approach**

Characteristic for our present day society are the tendencies to generalizing automatic information processing, by using the computer, and to globalizing information and communication processes, mainly by using computer networks. Within the educational process, one can notice the rise and evolution of new methods, based on various information technologies, which aim at offering an alternative instructional support, or even at replacing classical educational methods.

These new educational strategies, which rely on computer technologies, were first experienced in the United States and expanded afterwards in the whole world, provided that a (minimal) appropriate infrastructure existed. Gradually, these computer-aided instructional strategies evolved from using the computer as an auxiliary support for presenting and processing information - a tool for the teacher - towards using the computer as a main element in the instructional process, sometimes even replacing the teacher.

Therefore, during the last few years, based on the researches carried out in this field, and often sustained by governmental programs, there appeared - first of all in the United States, and soon after, in Europe - centers for distance learning based on the Internet, genuine "virtual universities". Most of these centers are associated to famous universities and research institutes; they offer instructional and technological support for full-time students, but most of all, they create new educational models for distance learning. This educational hardware and software frame provides, for all interested persons, the possibility to study - often within a prestigious high education institute - without physically attending the courses. In medium or long term, distance learning can aim both at continuous instruction, and at new specializations.

We can that distance learning offers a wide range of opportunities to all kinds of social categories, ranging from various specializations to professional reorientation. Consequently, since these educational strategies can provide

consistent solution for labor force problems, their promotion becomes of utmost importance from economic, social and political points of view.

Within the Romanian educational reform, promoted by the National Education Ministry since 1998, distance learning is institutionalized in 1999 as a *systematic form of education* [Mar00]. In 1999, the first centers for distance learning were organized within public universities.

### **3. Old and Modern Tools for Distance Learning**

The first distance learning tool is for sure the first book that was printed, since it provided for the person reading the means of acquiring new knowledge without the need for that person to meet the author and discuss with him. As the educational system developed, printed books started to be used as a mean for distance learning, so that educational manuals were printed and used for this purpose. A classical distance learning system is comprised of the distribution of written courses and the use of common postal systems. As basic information technologies evolved, computers started to be used as processing tools in distance learning, mainly for presentations and various data manipulations.

Later, when information technologies and computer networks evolved, they offered new methods of electronic information and communication [And98]. In this respect, Internet became the proper hardware and software environment for modernizing distance learning strategies. We can state that the first stage of this process consisted in organizing courses as Web sites.

Schools and universities initially invested in education technology with the view to increasing the academic performance of their students, but the process led to a shift in the educational process, from teacher-centered instruction to student-centered instruction. This new student-centered model encourages students to become responsible for their education and to follow individual learning paths. This paradigm changes the role of teachers (instructors), who are supposed to emphasize cooperative learning and project-based activities. They become coaches who assist students in navigating through the entire amount of knowledge that is available by means of information technologies. Therefore, IT can be seen as a tool that assists the teacher in creating an interactive, collaborative, multidisciplinary and explorative learning environment [Mic99].

After placing the courses in an electronic format on the web and making them available for the students, universities began to develop new instructional facilities: e-mail for communicating with the teachers and the

faculty staff; bulletin boards, forums and chats which allow students to cooperate and to communicate *in real time* with the teacher.

Later on, there were developed evaluation programs, available within the Internet, usually based on quiz tests. Nowadays, there can be noticed the evolvement of research directions regarding the development of intelligent software for distance learning, genuine expert systems. These evolutions are thoroughly described in the following section.

#### **4. Computer Aided Distance Learning: Requirements and Answers**

As information technologies developed, they also improved the means of distance learning, by generating various *computer-aided educational strategies*. First stages were characterized by the use of computers as auxilliary tools in the instructional process - information organizing and processing, presentations, etc. As new software and hardware improvements emerged - more consistent, efficient, user-friendly and global communication systems developed, mainly within computer networks - computer technology became the essence of modern distance learning models.

As Internet developed, the informational content of courses was appropriately processed and introduced on *Web sites*. Although the method appears to be simple at a first glance, it was proved [Cos96] that, in order for these educational sites to be effective, they have to comply to rigorous design rules, regarding: information organization, accessibility, content presentation in a coherent and concise manner, balancing written, graphical and other presentation forms (see 4.1). These issues will be dealt with in 4.1.

For enabling student-teacher communication and student-student cooperation there can be used, either off-line (e-mails, bulletin boards) or on-line (chats, forums, cooperating tools, videoconference) tools.

Soon, there also appeared *software tools for evaluating* students, mainly implementing quiz tests, which are suitable for automatic modeling. These programs are particularly useful for distance learning purposes when available on the Internet, i. e. a student can be tested remotely (see, for example, [Bot00-1]).

The next stage in developing more efficient distance learning systems has begun only a few years ago, aiming at creating *distributed and intelligent educational systems* (expert systems, in artificial intelligence terminology) - remotely accessible and provided with a wide range of adaptive and interactive facilities, regarding both teaching and evaluation. A main feature of these systems is that they may present the instructional content in a dynamic manner [Bot00-2], adapted to the educational purpose, to the knowledge level and even to some

psychological profile characteristics of the students. A system we intend to develop in this respect will be presented in 4.2.

#### **4.1. Practical Issues Regarding Information Organization in Distance Learning Sites**

A Web site that was created in order to provide information on various topics reaches its goal when designed using both *task-centered* and *user-centered* principles [Cos96]. Task-centered principles focus on the informational goals of a targeted group and ensure targeted audience. User-design principles focus on specific human-computer interactions and aim at creating a user-friendly interface, with an appropriate graphical user interface. Sometimes, this latter approach can be adapted to targeted groups.

Instructional science strategies recommend that the following design stages [Cos96] be followed in creating a Web page whose content must be easily assimilated:

1. ***Preliminary planning*** is important in team work and refers to subgoals to be pursued by each group of specialists, general management of various resources (time, funding, etc.) and evaluation procedures.
2. ***Design planning*** determines the content of the site, the most important aspect being the selection of *relevant* information. In order to apply task-centered design principles, when necessary, there must be *identified the audience* (for example, the case of distance learning courses within graduate and post-graduate programs, specialization or general acquisition courses, etc.). The next step is to evaluate the audience's *informational needs*. When necessary, in this respect there can be used questionnaires on selected members. This issue will be dealt with in an adaptive manner within the software frame we propose in 3.2. The same remark applies to the stage of *content organization*, whose presentation form is crucial for a proper impact on the "reader". Web hyperlinks enable access to an almost limitless quantity of information but, for an efficient assimilation, the informational design is crucial. The content of Web pages must be consistent, concise and simply presented (especially since reading text on a computer screen is slower than from a printed page).

Within the pure *design process*, it is useful to apply psychological considerations regarding:

- ◇ *cognitive design* - refers to creating documents which address how the brain receives, organizes, stores, recalls and utilizes data [Cos96]. In this respect, it is recommended that the information be decomposed into logical units, preferably referred by suggestive titles, constructions or icons.
  - ◇ *visual design* - refers to the content presentation. Text must be suggestively formatted, and hyperlinks - introduced in logical menus; multimedia sequences can be used to enhance certain aspects (only if hardware resources, such as processor speed and connection speed support their proper use). The same format frame for pages on similar topics may improve their impact towards the reader.
  - ◇ *accessibility* - is mostly ensured by the graphical user interface and the pages design. The index on the home page must be well structured, neither too shallow (with too many topics), nor too deep (with too many subtopics), so that browsing the entire index would be (relatively) accessible.
3. ***Management planning*** regards an appropriate organization of files and directories on the Web server, so that information can be easily recovered by a URL resource specification (see [And98]). Chaotical naming or memorizing procedures, including poorly design of directory structures, often lead to aparent information "vanishing" (certain files cannot be directly accessed by their name and path). These aspects are essential especially when certain sites are moved on another server or when they are accesed by external links.

Concluding, we can say that distance learning Web sites must de designed as user-friendly and accessible as possible, while their content must be organized on efficient instructional principles.

## **4.2. An Adaptive Software Frame for Distance Learning**

Organizing the instructional content as Web pages is extremely important for promoting distance learning, since they ensure a remote access to the courses and, when properly designed, can be very useful. Nevertheless, distance learning programs would be much more efficient if special software were available, that would also implement evaluation and self-evaluation procedures and that would provide various adaptive mechanisms regarding mainly the instructional content and its presentation form. We note that these directions have been researched only within the last years.



Pursuing the above-mentioned ideas, we are working at developing a software system for distance learning as a distributed application, available on the Internet, with expert system characteristics. The system is based on a foundation containing static courses organized as Web pages and a quiz type evaluation system created as an Internet application [Bot00-1]. Thus, the users (teachers or students) will access the application by means of an Internet browser. The evaluation procedures will also provide various interpretations of the results and statistics, for the instructional feed-back (teacher's use).

Within specific design stages, evaluated by feed-back mechanisms, we shall further create user profiles for retaining relevant information regarding the students - mainly their instructional preferences and their results - and we shall organize the instructional content as a multimedia database management system, which will be expanded to a distributed one.

The next design stages will aim at improving the system with expert system characteristics, regarding adaptive strategies that would enhance its capabilities. In this respect, an appropriate educational path can be recommended taking into account each student's goal (specialization or global acquisition) and his knowledge level. Moreover, periodical self-evaluation procedures can be used in order to adapt the instructional content of the courses, since a very large amount of information offered to a beginner can often lead to lower learning performances.

With the view to improving the knowledge assimilation percentage, the system will also focus its adaptive facilities on the presentation form of the courses. By means of specific psychological questionnaires, the most convenient presentation forms (written, graphical, audio-video) can be determined for each student. This information will be used in order to adapt the available instructional content to the students' needs, by accessing appropriate pieces of information from the multimedia database system retaining the courses and created on modular principles.

Special adaptive facilities can refer to different languages, students with disabilities or to hardware limitations.

## **5. Conclusions**

Information technology developments imposed specific strategies in the field of distance learning. Evolving from the use of computer as an auxiliary tool in the educational process, distance learning systems soon spread on the Web, when specialized sites were created. Computer-aided evaluation procedures became remotely accessible as Internet applications.

On this background, there appeared the necessity of improving the facilities of distance learning software systems with adaptive capabilities, which would confer them expert system characteristics - artificial intelligence features. These ideas underline the importance of the undergoing researches performed by the authors for such a software frame.

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## **ARTIFICIAL INTELLIGENCE: CHALLENGE AND REALITY**

**ALINA ANDREICA\***

**Abstract.** This paper performs an overview on the field of artificial intelligence, presenting its background, principles and goals. The main directions in the development of artificial intelligence are described with the view to revealing its important role in solving complex problems and in designing modern information systems. Artificial intelligence is not just a product of human intelligence, but also contributes to its evolution and creates a link between computer science, philosophy and psychology.

### **1. The Background of Artificial Intelligence**

Nowadays, we can state that *artificial intelligence* (AI) [Lug97] is concerned with the *automation of human behaviour*, regarding: the data structures used in knowledge representation, the algorithms needed to process knowledge and the languages and programming techniques that implement the algorithms.

Nevertheless, we consider important, for an appropriate understanding of AI background, to give a brief cultural and historical overview of the concepts and philosophies that were developed along human history in order to explain logical and deductive mechanisms carried out by the human mind [Dic96].

In the ancient times, *Aristotle*, "the master of those who know", as Dante called him, revealed the importance of analysis, as the base of science and dealt with the concept of "change", rendering it a philosophical importance. His perspective upon matter and form, and the latter's role in modelling the matter, has strange similarities with modern computer science concepts and principles, mostly data abstractions and specific processing methods. From his famous trilogy - "Physics" (the philosophy of nature and the study of things that change), "Metaphysics" (the study of things that do not change) and "Logic" (the science of knowledge) - the "Logic" defines important concepts for mathematical logic and automatic inference. Aristotle introduces logic as an instrument to deduce true sentences and the "modus ponens" deduction rule, which is a basic rule for automatic inference processes.

The *Renaissance* period brought a new perspective in perceiving the humanity and its relationship with nature; mysticism is replaced by empirism in understanding nature.

*Copernicus* removes the Earth from the "centre" of the World and scientifically replaces it with the Sun, despite strong religious oppositions. *Galilei* promotes mathematics as an instrument to describe the world and underlines the importance and objectivity of scientific observation in research processes.

*Descartes*, a central figure in the development of modern rational processes, tried to describe and define the reality by cognitive introspection. The famous "Cogito ergo sum" suggests that reality can be discovered exclusively by thought whereas senses are unessential. According to Descartes, the connection between the dual worlds of thought and physical reality is made by God, the essential creator of the World. The separation between physical entities and the means of processing them will characterise some AI methods (as well as philosophical or psychological ones).

Nevertheless, the mind and the body are not completely separated, since mental processes are performed by physical systems. Similarly, a computer and its software, comprising processing methods, will form a whole.

As logic develops, there appears the idea that mental processes can be mathematically modelled and the thought starts to be perceived as a form of computation - "Cognition is computation", as David Hume formulated. These points of view initiate the development of formalisation in logic. About two centuries later, the principle of modelling mental processes, applied in AI, will give rise to an extremely important instrument for deduction and prediction operations: neural networks.

*Leibniz* created the first system of formal logic and, in the line of computer forefathers, a device for automatic computation of sums and products (around 1700), which improved Pascal's adding machine (invented in 1642).

In 1735, *Euler* formulated the Königsberg bridges problem [Toa92], a classical theme in graph theory, solved with a special type of graphs, that bear the name of their inventor. More general, we can say that in graph theory solutions are usually generated by a state space search, technique that will become crucial in AI (a problem will be solved by searching a path towards a solution in a state space).

Around the middle of the XIXth century, *Charles Babbage* designed an automatic computation machine (the "analytical engine"), based on mechanical principles, which was never finished, but whose principles are still fundamental for modern computers. *Ada Byron*, Countess of Lovelace, a pioneer in computer science and Babbage's collaborator, described the innovator principles of the analytical engine: its digital base, the separation between the memory ("store")

and the processor ("mill") and the possibility of programming it by executing operations that are encoded - at the time, on punched cards. All these functional principles are crucial in modern computer science.

Approximately in the same time, *George Boole* tackled with the formalisation of logical rules, which is today the central point of computer science, into a special language that would allow information representation and deductions - again, a main goal of AI. Boolean algebra, a "formal system that captures the power of logic" [Lug97], constitutes the base of logical calculus, which has today a fundamental role in the design of logical circuits.

Towards the end of the XIXth century, *Gottlob Frege* created a mathematical specification language that modelled arithmetic principles, describing first-order predicate calculus. His system proved to be an indispensable instrument in automatic inferences, which is one of the most important fields of AI; nowadays, there exist special programming languages that implement predicate logic rules, such as Prolog.

Around 1950, *Russell* and *Whitehead* tried to deduce most of the mathematical knowledge by formal inference operations upon a set of axioms. Their mathematical deduction system used a logical syntax and formal inference rules, therefore it can be considered an ancestor of AI automatic proving systems, as well as a basic example of AI's fundamental working principles.

In the mean time, *Alfred Tarski* introduced a theory of formal semantics - "theory of truth and value relationships", predicting the importance of semantics in computer science (formal languages, AI, etc.). Along the '70s and '80s, modern computer scientists - Strachery, Burstall, Plotkin [Lug97] - connected this theory with programming languages and other computation specifications.

## **2. Theoretical and Empirical Descriptions of Artificial Intelligence**

In the middle of the XXth century, after the emergence of digital computers, AI becomes a genuine scientific discipline that mainly implements formal inference systems, which "exhibit intelligence". The most common method of solving AI problems is to search a path towards a solution in a particular state space. Most AI programs and systems use a formal language to represent knowledge and process it with specific algorithms. Therefore, AI is connected to the fields of formal logic, formal and programming languages (there will appear special AI programming languages, adequate to its directions of interest) and graph theory (for example, the cases of state space search or semantic networks). However, AI will develop new techniques and instruments in order to solve precise problems.

Nevertheless, as efficient as AI systems may be when implemented on a computer, they will not create independent and genuine "intelligent machines", since any software system can only be as "intelligent" as its human creator makes it. This principle, stressed out by Turing, is known as "Lady Lovelace's Objection", since she first formulated it in order to characterise Babbage's machine: "The analytical engine has no pretensions whatever to originate anything. It can do whatever we know how to order it to perform".

In 1950, *Alan Turing* proposed an empirical test in order to define and measure "intelligent behaviour" of automatic systems. The test, named "imitation game", consists in placing the machine provided with an AI software system and a human separated from a person that interrogates the two entities. The dialog system is based on the same principles for both the machine and the human and the "interrogator" does not know which one is the machine. If, based on the answers obtained for his/her questions, the "interrogator" cannot discover the machine, than it can be said that the latter has an "intelligent behaviour". In this respect, for deceiving the Turing test, an AI programmer could "teach" his/her system to give wrong answers to some numerical computations and to simulate emotional features, in order to appear "more human".

The Turing test enhances the objective aspects of the intelligence concept and is not concerned with the inner method of inference that is used to generate answers. The test can be successfully applied in order to evaluate the efficiency of an expert system created for a specific domain by comparing it to a human expert.

The critiques that rose against the Turing test concerned mainly the lack of interest for the inference mechanisms that are characteristic of intelligent behaviour. In this respect, Turing's empirical construction can have no impact upon psychological theories and models of intelligence, which could lead to the development of useful deduction instruments.

Regarding the difficulty of revealing the *mechanisms* of intelligent behaviour, Turing pointed out that, taking into account the complexity and flexibility of biological intelligence, it is impossible to create a set of rules to be followed by a person in order to manage *any* set of possible circumstances.

Trying to imitate biological adaptability, modern AI programs tend to be more flexible than classical ones; they usually contain a collection of modular procedures or "behaviour" rules, the latter being applied by pattern matching mechanisms.

In designing AI systems ("intelligent machines"), there appeared two directions. The first one emphasises the mathematical aspects and relies mostly on logical and symbolic rationing. From the philosophical point of view, it can

be stated that this approach corresponds to rationalist philosophy, represented by Plato, Galilei, Descartes, Leibniz.

The second direction introduces innovative instruments, inspired from the adaptability of biological models and non-conventional inference mechanisms: connectionist / neural networks (a model of human brain), genetic algorithms (which implement adaptive models, by promoting and "reproducing" strong solution frames and pruning weak ones), social systems (which describe global behaviours). This approach can be associated to the philosophical relativism, which was developed in the second half of the XXth century. Its representatives question the classical points of view upon thought, society, language or science. Wittgenstein and Austin reconsider the basics of natural and formal languages – a field of practical interest for AI. Other philosophical orientations reveal a characteristic of intelligence that is essential in AI: it must "know" how to deal with a world that is continuously changing and evolving.

### **3. AI Problems and Directions**

There are two fundamental problems in AI: knowledge representation and search, as a general mechanism of generating solutions for various problems.

*Knowledge representation* regards the depiction of the entire knowledge that is necessary for tackling the problem; in this respect, an appropriate formal language is usually used. The organisation of the knowledge base enables the implementation of inference modules (applying predicative calculus) for obtaining the desired information, by using specific AI programming languages (such as Lisp, Prolog or combined programming media) [Mir91].

*Search* is a general technique for solving problems by systematically exploring a specific state space, depending on the current problem. In this respect, a classical example is a chess-playing program, which has to represent a collection of table configurations, used for repeatedly deciding the next (best) move.

The evolution directions of AI regard the following fields [Lug97]: automatic reasoning and theorem proving, expert systems, natural language understanding and semantic modelling, planning and robotics, AI languages and media, machine learning, parallel / emergent computations and games solving (the latter is chronologically, one of the first AI fields).

*Theorem proving* is one of the oldest directions in AI – in 1963, Newell and Simon designed first automatic demonstrators ("Logic Theorist", "General

Problem Solver"). Automatic proving originates in Russell and Whitehead's efforts to formally deduce all mathematical theorems from a basic set of axioms. AI researches regarding automatic provers developed searching algorithms, as well as formal representation and specialised deductive languages (such as Prolog). Usually, an automatic proving system assists a human expert in solving specific proving tasks.

In order to manage a large state space, there were developed efficient informal strategies, since pure formal, syntactical methods could not cope with the space complexity. These heuristic<sup>1</sup> strategies, inspired from human approaches, lead to the development of expert systems.

Recent researches in automatic proving regard combining AI techniques with symbolic computation instruments, such as powerful algorithms (symbolic computation algorithms are extremely efficient [And99]) and tracing, in order to create "intelligent" mathematical software platforms [Hom95].

*Expert systems* are intelligent systems that provide specialised automatic assistance in solving problems from various fields. An expert system relies on a knowledge base, created with human assistance and using specific representation techniques, and implements deductive mechanisms in order to derive new knowledge. Usually, these deductive rules, which describe solving strategies, are based on human heuristics and experience (obviously, provided by a human specialist who interacts with the AI specialist in the designing process). In this respect, it is essential that the knowledge be implemented into efficient programs.

Starting with the 60's, there were created many expert systems [Wat87], covering various fields: chemistry (chemical formulae and structures), medicine (diagnosis), geology (prospecting), etc.

There are a few drawbacks of experts systems, beginning with the difficulty in capturing deep professional knowledge, which also leads to deficiencies in explaining the deductive process. Besides, the implementation of a finite amount of knowledge inevitably generates a system with limited flexibility. Expert systems do not have learning mechanisms, therefore their skills will always remain at the initial level, without the possibility of improving.

*Natural language understanding and semantic modelling* pursues one of the main goals of AI: creating an intelligent computer interface, which would

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<sup>1</sup> Heuristic methods are algorithmic techniques that give, for each problem, a good solution (not necessarily the best), in a short amount of time. They are used when the generation of a rigorous solution would last too long.



simulate human features. In this respect, AI researchers try to create programs capable of understanding human language. Obviously, this task is extremely complex taking into account the generality and flexibility of human language and requires more than parsing sentences. For an appropriate understanding of certain statements, it is necessary to possess knowledge regarding various issues, to recognise the meaning of specific idioms and to be capable of solving some ambiguities. Therefore, the problem of collecting and organising background information is an essential topic of automatic natural language understanding [Yaz86].

The most important concept that was developed in this field regards semantic networks, which provide efficient methods of handling the meaning.

*Planning and robotics* regards robot designing. Planning is a necessary process in robot programming and consists in the decomposition of a complex task into well-defined elementary actions. This modular / hierarchical approach is an efficient general computer science technique. On the other hand, an intelligent robot must be programmed to respond appropriately to various environmental changes, therefore, the initial plan must be adaptable. One of the major difficulties in robotics is the complexity of space representations.

The development of *AI languages and media* proved to be an essential research direction in AI, as it became obvious that classical programming languages did not provide efficient facilities for dealing with AI problems. The most famous AI languages are LISP (which, ironically, is one of the first programming languages) and Prolog (which implements predicative calculus using a backtracking mechanism). Choosing the most suitable programming language must take into account the characteristic of the field that is modelled.

AI programming media [Yaz86] integrate efficient techniques for knowledge representation, such as object oriented and expert system frameworks, and even different programming languages (usually, Lisp and Prolog). These programming media support program development - "software engineering" - by providing tracing mechanisms and efficient internal mechanisms in order to reduce complexity. Memory management usually uses garbage collection mechanisms.

*Learning* is a main characteristic of intelligent behaviour but its complex heuristics is difficult to implement into automatic systems. Unlike human experts, expert systems are not capable of learning from experience (for example, they can not "remember" a solution and apply it for solving similar problems). This major drawback of expert systems, consisting in the inflexibility of solving strategies, can only be solved by creating learning programs.

AI experts try to implement various learning mechanisms into expert systems: learning by experience, by analogy, by examples or, simply, by doing what they are "told" to do.

First intelligent systems explored the mathematical universe, whose rigorous rules facilitated an automatic modelling. The system called *AM - Automated Mathematician*, created in 1977-1982 by Lenat and provided with concepts and axioms from set theory, was capable of inducing important mathematical concepts and principles: cardinality, integer arithmetic, number theory results. AM conjectured new theorems by modifying the current knowledge base and using specific heuristics in order to pursue the most "interesting" inductive paths.

A large number of learning systems were created with the view to making decisions in a "block world"; these systems were obviously used in robotics. In this respect, *ID3 algorithm*, invented in 1986 by Quinlan, proved to be successful in learning general patterns by examples. This type of algorithms can also be used to improve specialised expert systems. Some of the principles used for "block world" systems can be applied to other AI fields; for example, Hacker system implements an interactive process of creating plans, testing them and correcting inaccuracies.

Successful learning programs usually rely on a set of general leaning principles which create capabilities of learning in realistic fields. The most widely used AI techniques in adaptive learning systems are neural networks and genetic algorithms [Pat95], [Ros94], which are characteristic for the field described below.

*Parallel Distributed Processing (PDP) and Emergent Computation* has a new approach for designing intelligent systems: the classical technique of explicitly representing knowledge and implementing specific search algorithms is replaced by intelligent programs which use human models, i. e. the human brain. A *neural network* [Pat95] is a model of human brain, containing elementary processing units that compute a specific output from a given input and transmit the result, using specific threshold values, to the adjacent processing units from the network. Therefore, knowledge emerges from the whole network, which is based on "neural" connections and threshold values. Neural network architectures proved to be much more flexible than classical AI systems; moreover, even if they can not solve a problem completely, they can provide a reasonable guess for the solution. Since knowledge is uniformly distributed within the network, accidental design lacks are better handled than in the case of traditional systems. After all, since human intelligent achievements rely on the neural architecture, it is highly expectable for the same model to give good results in the field of AI.

*Games* solving – mostly board games (such as chess, checkers, 15-puzzle) – introduced the method of solution search in a state space. The search space contains specific configurations (which are simply represented – usually in the matrix form), and is generated unambiguously, by using well-defined rules. Since game state spaces can be very complex, they require powerful handling techniques – usually, heuristic methods.

#### **4. Conclusions**

Artificial intelligence is not just a product of human intelligence, but also contributes to its evolution by reflecting our understanding of intelligence and knowledge obtaining. AI systems can be regarded as experimental tools which verify and acquire knowledge by implementing powerful techniques, inspired both from human behaviour and computer science methods. Therefore, many AI fields rise or give answers to psychological issues, such as the mechanisms of natural language understanding or expert system principles.

From the computer science point of view, AI uses computers for symbolic reasoning, pattern matching, learning, inferences, in order to solve complex problems which are difficult to be tackled with classical algorithmic solutions. These problems are often characterised by insufficient information and require special techniques for knowledge representation and processing (usually, the knowledge base is extremely large and complex). In this context, AI heuristic solutions can often be very useful without being exact or optimal.

Special AI techniques, such as neural networks or genetic algorithms have an essential contribution to the development of modern and powerful information systems in various fields – analysis and prediction, virtual banking, intelligent expert systems for knowledge processing.

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# **THE IMPACT OF INFORMATION TECHNOLOGY ON HUMAN RESOURCE MANAGEMENT**

**ELENA PORUMB, IMOLA KOCSIS**

**ABSTRACT.** The paper presents the I.T. applications in the field of Human Resources Management and the impact of the changes due to the Internet. So we will present the major activities in which it would be necessary to improve and change the routine like:

Recruiting Agencies, employment on the Internet, Research Institutes, virtual HRM newsletter, support and consulting services.

In the second part we focus on software products for Personnel Administration, Data Bases and for Internet testing and training.

The final part presents future trends in HR and news concepts for work and lifestyle, such as teleworking/telecommuting.

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## **1. Introduction**

Recent studies estimate that today a number of 100 million people worldwide have access to the Internet. This figure registers an impressive growth, reaching 320 million until the year 2002. In the USA, the volume of sales over the Internet will increase from 2.8 Mrd. USD in 1998 to 30 Mrd. USD in 2001. This fact has a major influence on the economy, revolutionizing the way companies do business in its every aspect: Research and Development, Production, Marketing, Sales, as well as Human Resource Management. By trading goods and services in the Internet, companies use the advantages of the global marketplace instead of a local or regional one. Other benefits are, among others, the low entry costs into new markets and a prompter communication with customers and the media. Customers find information and answers to their questions on the company site, so that the need for payed employees to consult with them decreases. According to a study conducted by Ernst & Young, 64 % of US Internet users get information online about products, before they decide to buy, either in "traditional" stores or through the Internet itself.<sup>1</sup>

The leading country in using and applying the new technologies is undoubtedly the USA. The European Union countries are in this respect somewhat cautious. Germany, for example, follows with a distance in time of about 18-24 months. This delay, and consequently, its lower level of importance in the German economy is due to certain specific factors, such as higher telephone and Internet costs, as well as the feeling of risc and insecurity concerning payment via Internet. But here, too, telephone costs are sinking rapidly, and new security systems for credit cards are being introduced.

Within the internal organization of a company, as well, the new Information Technologies have introduced revolutionary changes. Starting from the early 90´ s, new workflow management systems have been developed. Physical distance is not a factor in the dissemination of information anymore. In the sphere of Human Resource Management there has been developed, several tools, such as communication with the employees through the company Intranet, recruiting im Internet, distance learning programmes, employment evaluation software and Internet testing.

This paper analyses the IT applications in the sphere of human resource management. First, a short survey discusses the Internet companies that are active in this area: recruiting agencies, software producers, research institutes, HR-magazines as well as support and consulting services. Then, we shall take a

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<sup>1</sup> Fortune, 12.07.1998, p. 63.

look at some of the specific HR software products and the Internet testing and training possibilities. Finally, the paper discusses the concept of telework / telecommuting as a new form of employment.

## **2. Internet companies in Human Resource Management**

The model of the new type of the company that is able to take full advantage of the possibilities of the Internet is called the e-corporation. The e-corporation is characterised by a total orientation toward the Internet, use of sophisticated company software and capability to learn and adapt itself almost instantaneously.

As the Internet has more and more established its role as an excellent business medium, the number of purely Internet companies active in the area of HR has increased. These agencies perform studies, conduct surveys on related topics, and offer various other services, such as recruitment and HR software development. There is a number of online HR-magazines, as well.

## **3. Employment in the Internet**

Online recruitment is becoming the standard way of finding qualified personnel in the USA.

Studies indicate that by 2003, 96 % of all American companies will be recruiting through the Internet. The European Union is just few months behind. Searching and recruiting the adequate employees is an area where the Internet can be most valuably used. All major recruiting and "head-hunting" agencies make an intensive use of this facility. Beside these "traditional" ones, there have been companies created specifically for this medium.

The great advantage of recruiting via Internet is the centralised storage of the information, that enables a job seeker to quickly select a job with the desired characteristics. Such a database can be easily updated and accessed independently of time or of the user's location.

The major nationally and internationally active recruiting and placement firms have a large number of subsidiaries, specialised according to two criteria: location and branch of activity. These subsidiaries share some parts of their databases, and each of them have their own website. For example, Management Recruiters IT of Atlanta is part of Management Recruiters International, Inc., which comprises more than 725 offices and 5,000

professional search specialists, focusing on every major industry in the world.<sup>2</sup> This local branch is specialized in placing Information Technology and software development professionals in all industries across the USA.

The large Internet recruiting companies have an integrated search service on their website, which enables the user to find the right job according to the criteria of location, type and range of salary and other characteristics. Many firms have realized the importance of localization, as they have become aware, that even in the mobile America, most people first look for jobs in their own neighborhood.

Other firms have been created specially for the Internet. As this is increasingly becoming the medium to which people turn in order to look for a job, these Internet companies compete successfully with the traditional employment agencies. Basically, the use of the US-sites and researching in their database is free. In the European Union, however, this is rather the exception. The German Internet recruiting agencies charge a certain price for the provided information, and protect their data by passwords.

Most of the Internet recruiting agencies have a very easy to remember address, like in the case of jobs.com, Inc. The simple name is part of their promotion strategy, as they expect every job seeker to first type in such basic words in the address line of the browser. Jobs.com has implemented the keyword "jobs" in Microsoft's Internet Explorer browser and in search engines such as Alta Vista. This means that the site of jobs.com comes on the screen each time a job seeker types the word into a search engine.

The sites of such Internet recruiting firms is not only a list of job offers and resumes, but they also have a number of other features, such as interview tips and salary surveys, in order to attract the surfers and make them return to the site. Job seekers also have the chance of getting information about their prospective employers: review their company profiles, benefits and job openings. There is even the possibility of live chat with the potential employers.

Some of the recruiting companies offer a resume management software that can be downloaded for free. The feature offered by jobs.com, the largest Internet employment service, is called Resume Resumail, a system for standardized and formatted resumes. By using this software, job seekers can easily write and deliver a digital applications. They only have to fill in the blanks with their work experience, skills and education. The CV can than be formatted into a professional style of their choice. The program assists at completing the formular, providing tips and examples. The applicant is notified by e-mail each time his resume had been acknowledged by the addressee.

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<sup>2</sup> [www.mri-it.com](http://www.mri-it.com)



The Resumail software has reached such a high success, that it has now become the standard way of submitting resumes in the United States. The reason behind it is, that resumes sent by e-mail, mail, and fax are often ineffective, difficult to organize, and impossible to read. By using this software, garbled resumes via e-mail, attachments that cannot be opened or smeared faxes and stacks of papers are a thing of the past.

But not only to job seekers are offered such facilities. Managers also benefit from a large number of services. The entire hiring process is now computerized and paper-free. The free Resumail Recruiter software, for example, helps the Human Resource specialists to manage the incoming applications on their computers throughout the entire selection and hiring process. The database of applications can be searched, sorted, ranked and shared across the company network. As resumes are received, they are automatically filed by position and formatted according to the manager's preference. The software also provides a short summary of the application, and enables the user to quickly find desired applications by the frequency of the keywords that a CV contains. By making the recruiting process more efficient and time saving, companies have reduced their hiring costs and increased recruiting productivity<sup>3</sup>.

Another facility offered to the employers is a free assesment software program that tests the compatibility between the resumes of the database and the characteristics of the job opening. Another version of this service is the overnight Search Agent. Each night the requirements of the position are matched with the new resumes that came into the database. The Human Resource specialist receives the result per e-mail in the following morning.

Experts argue that another technological breakthrough gaining hold in the domain of Human Resource Management in corporate America is the use of resume screening and tracking systems. Human screening is replaced with computer screening. The computer program cannot use human judgement, it just searches for keywords that describe the position and the professional skill sets needed to execute the duties effectively. Screening software focuses on these skill sets, which invariably appear as nouns. For example, in the case of a computer programmer it might search for words like "information technology", or in the case of an accountant for "financial analysis". Only when the computer has identified those resumes with matching skills do human eyes come into the picture. Thousands of resumes can be scanned in seconds, and then ranked by the number of keywords they contain. The higher the ranking the greater the likelihood that the resume will be read by a person.

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<sup>3</sup> Chris Price, Corporate Recruiter at Broadcast.com, [www.jobs.com/testimonials.htm](http://www.jobs.com/testimonials.htm)

The use of this tool requires an innovation in resume writing; namely the inclusion of a keyword list that lists all the professional competencies and experience that the job seeker has developed over his worklife.

The websites are administrated by a staff who (occasionally) answer personally the questions of the users. The largest of such Internet agencies require a staff of about 20 employees only to maintain the sites. The company itself is run by a large number of management and marketing specialists, public relations officers, press speakers, etc. For example, Jobs.com, the largest American Internet recruiting company, employs about 120 such business administration specialists.

Another innovative facility of Internet recruiting are the interactive online career fairs, where the thousands of job seekers can chat live with potential employers. The large Internet services cooperate with radio and television companies, such as CBS, to broadcast the event live in all of the three media. The employers using this new facility have had a very favourable reaction, as they have become aware of the possibility of a personal contact with the candidates, regardless of the geographical distance: "The Internet certainly has very dramatically helped us find or be found by possible candidates, but, ultimately, attraction must involve direct interaction with those candidates."<sup>4</sup> "Jobs.com's interactive career fair allowed us to use the Internet as the medium to bring about immediate direct contact with people".<sup>5</sup>

Some other ways of promoting their own website are cooperation contracts signed with other Internet services: for example, jobs.com Inc. has an exclusive partnership agreement with Yahoo! Broadcast Inc. Through this partnership, jobs.com is the exclusive reseller of Testify, a product created and supported by Yahoo! Broadcast that allows employers to promote audio and video segments to job seekers. Yahoo! Broadcast currently supports 385 radio stations and networks, as well as 40 television station and cable networks. With more than 800,000 visitors per day, the site is consistently ranked within the top 10 Information/Entertainment sites on the Internet.

According to a research, nearly 1/3 of college students spend their time online either researching or applying for a job. The partnership with college student oriented sites, such as [aroundcampus.com](http://aroundcampus.com) and [collegestudent.com](http://collegestudent.com) ensure to involve the category of the new work force entering the labor market. The partnership offers employers direct access to students and on-campus promotion for their recruitment needs. These two main student sites support 110 university campuses and reach 2.1 million students.

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<sup>4</sup> Tom Hansen, Director-Recruitment, GTE, [www.jobs.com/testimonials.htm](http://www.jobs.com/testimonials.htm)

<sup>5</sup> Lisa Ayers, Birch Telecom, [www.jobs.com/testimonials.htm](http://www.jobs.com/testimonials.htm)

The Internet recruiting companies make themselves well known by massive advertisement campaigns in the printed and spoken media. Every new development and the introduction of new features is highly publicized in the media (for example, business magazines), at universities, among businesses, or on street posters.

#### **4. HR Software**

Automatization has reached the HR department of the businesses, as well. The software market has been invaded by a variety of programs that manage everyday HR transactions, administration and communication of employee information.<sup>6</sup>

These software products wear the general name of HRIS (Human Resource Information System). An HRIS performs the functions of payroll processing, benefits administration, compensation planning, time/attendance tracking, hiring, storing information on employees, positions, facilities, and processes. HRIS systems are usually designed to permit the generation of reports on a variety of HR related topics such as personnel leaves or absence, vacation, salary ranges, location within the salary range, number and percentages of minorities and females, costs of various benefit plans, vacant positions, department budgets, quality management, performance management and others.

#### **5. Skill testing through the Internet**

The U.S. Department of Labor estimates that the average cost of a bad hiring decision is 30% of the first year salary. As especially the salaries of the technical personnel approach sky-rocketing figures, it has become critical to find the right employee with all the needed skills.

Many companies use new technical skills screening tools to help improve the pre-employment screening process. Administering one or more inexpensive tests via the Internet can help certify if the applicants have the necessary skills. There is an overwhelming offer of such tests in the Internet. Most of the vendors offer customized services, going as far as even creating a new, personal web page of the customer company. However, there are both advantages and disadvantages to technical skills testing.

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<sup>6</sup> [www.hr-software.com](http://www.hr-software.com)

The most important benefit of skill testing is that it eliminates the risk of the applicants cheating by exaggerating their abilities in their CV. A computer skill test will weed out unqualified applicants and distinguish the truly talented ones. An additional benefit is saved time. By testing after the first interview or before the interview process begins, recruiting specialists are able to identify and select the qualified candidates. This will eliminate the need to invest time in proceeding with candidates who do not have the right skills.

The greatest disadvantage of skill testing is that it is not a panacea. A good test result should be only one of several criteria used to select the best candidates. Although there are other testing instruments as well that can help determine temperament and intelligence, there is no sure way to test cultural compatibility or work ethic. Technical testing score reports must be interpreted with care. Although a summary score will indicate overall proficiency, most technical tests measure a variety of sub-skills. Without a technical background, these can be very difficult to interpret. Further, since most companies in the technical skills testing industry are only a year or two old, testing company offerings are not fully mature.

Finding the right tests is another difficulty. Virtually all online and PC-based testing vendors claim to be a "leader", "authority" or "standard" in skill testing. Besides official, vendor-sponsored certifications, such as Microsoft's MCSE exam, there are no standard or officially recognized tests. When selecting an Internet test provider, Human Resource specialists look for several criteria: length of activity, maturity of the product, existence of technical support service (a live person to turn to), the company's test development methodology, the client retention/return rate and references of other users.

Also, the security of the Internet testing is another point of concern. Who will have access to take tests and see the test result? Some testing companies let the test takers to access assessments through an open, unsecured site. As a result, the test takers can take the test an unlimited number of times. These test results also become public domain: anyone can access that test score in a search. Other testing sites are password protected, thus giving the proctoring company better control over who has access to the assessments and monitoring the number of times an applicant takes an assessment. There are major advantages in using a service that offers a closed, password-protected system, although no Internet testing solution offers a perfectly secure, cheat-proof remote testing solution<sup>7</sup>.

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<sup>7</sup> [www.staffingtoday.net](http://www.staffingtoday.net)

If a recruiting manager has decided to use Internet testing, he is able to configure the software program according to the company's needs. In order to be lawfully used, the test must be administered in a consistent manner to all job applicants.

The price of such test programs ranges between 4000 and 10 000 USD. Most of the selling companies also provide post-selling support service.

Hundreds of companies implemented skills testing programs in 1999 and have already enjoyed the returns.<sup>8</sup> Automated tests supplement, but does not replace, the interview process. Further, though hundreds of the largest technical recruiting companies use technical skills assessments as an integral part of the hiring process, technical skills testing are not yet a standard. As the assessment industry matures and products improve, there will continue to be an exponential rise in the use of technical skills testing.

## **6. Distance training**

Distance learning can be defined as the acquisition of knowledge and skills where learner and provider are separated by time and/or space. Distributive learning, compared to distance learning, utilizes additionally a mix of delivery ways for optimal instruction: computer-based multimedia, the Internet, satellites, terrestrial networks, broadcast media, telephone lines, and/or paper media. It is a learner-centered, computer-mediated communications between autonomous but connected learners who share a common interest in attaining specific knowledge.<sup>9</sup>

Online learning has become increasingly popular among corporations throughout the world for its speed, accessibility and affordability. Web-based courses are especially used by large multinational companies with several locations and activity sites throughout the world. The areas covered by distance training programmes include Business, Healthcare, Education, Accounting, Information Technology, Legal, Finance and Real estate, etc.

There are basically two types of training software. One of them automates the routine administrative tasks associated with processing registrations, scheduling courses and instructors, communicating with trainees and keeping employee training records up-to-date. The other type is the actual multimedia training software, that provides all the advantages of the traditional course and seminar materials, enhanced by the convenience of web-based learning: independence of time and place, interactivity and the possibility of tailoring and repeating the material according to the personal needs of the learner.

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<sup>8</sup> [www.proveit.com](http://www.proveit.com)

<sup>9</sup> [www.learningware.com](http://www.learningware.com)

The software firms produce actually a standard training programme. This framework then has to be "filled" afterwards with learning material according to the requests of each customer company. This is accomplished through a cooperation between seller and buyer. The support services of the software developers often include continuous expansion through customized updates.

Of course, it is possible that a number of similar businesses have the same training requirements. Through the Internet, sharing course material and record tracking software can be easily made. There here have been created entire standardized learning communities, that provide just-in-time access to courses written by authors and trainers well-known from other business media. These highly-interactive learning environments do not replace, but rather supplement the training requirements of a company.

The online learning industry is growing at the rate of nearly 100% per year. Experts estimate that, by the year 2001, the online-learning industry will reach the \$3 billion mark.<sup>10</sup> Web-based multimedia training is going to be among the most important ways that businesses provide for the professional development of their employees.

## **7. Telework/telecommuting**

### General characteristics

With the rapid development of the Information Technologies, telecommuting has established itself as an innovative new work form. Working from home, using computers linked to the company Intranet, allows a greater flexibility and autonomy of the employee concerning his time management and save transport time. Studies and surveys show that a large number of businesses have taken into consideration to implement remote employment.

Telecommuting has been successfully implemented in the case of technical personnel, persons with disabilities, and other employees who need to perform certain tasks as part of larger projects. Also, a large number of women with small children prefer remote employment to traditional forms of work. But telecommuting has not yet been accepted on every level of the company hierarchy. There is a tendency to allow more telecommuting for lower level workers.

Another interesting characteristic of the telecommuting, as it has established itself in the US businesses, is its frequency. Experience shows that telework can be successfully combined with the traditional type of office work

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<sup>10</sup> Business District Review Magazine, [www.ibt.com](http://www.ibt.com)

at the company's headquarters. Actually, surveys indicate that only 1 % of the jobs are pure telejobs.<sup>11</sup> The majority of the telecommuters do this only a few days a week, or on an irregular basis.

### Costs of telecommuting

Considering the expenses, there is no unanimous answer to whether telework has reduced or increased company costs. Surveys report the same percentage in each case. Whereas reducing transport costs and time loss have a beneficial effect, it is also true that the investments in a second set of technical support (computers, faxes, scanners, printers, etc) represent an additional burden on company finances.

There is no clear answer related to sharing the costs of telecommuting, either.

The employer contribution for work at home is as follows:

- 24 % loaned the necessary equipment to telecommute
- 27 % purchased the necessary office equipment on user's behalf
- 3 % required the user to pay for the necessary equipment to telecommute
- 7 % shared expenses with the user for the necessary equipment.

In order to effectively communicate with their employers, teleworkers have introduced separate phone lines in the following alternatives:

- 21% for modem connections to a company server
- 39% for modem connections to an Internet service provider
- 20% for business fax connections
- 15% for business phone connections

The question, if the employer pays for these business phone connections, was answered by 38 % with "not at all", by 8 % with "partially", and in only 18 % of the cases with "fully".

Critics of the remote employment have feared a worsening of social contacts, which in severe cases may lead to social disabilities. By staying all day long at home, they argued, the lack of human interaction with colleagues has a negative psychological effect. However, studies reveal that the lack of personal contact and of ongoing communication with superiors and/or subordinates has been recognized as a major problem only by 10 % of the questioned teleworkers, whereas 25 % considered it a minor problem. A percentage of 60 % was not affected by this at all.

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<sup>11</sup> the following data is found in a survey of the AMA Research Group at the following address: [http://ercdpns.ercdataplus.com/hrexecutive/results/october/main\\_pg.htm](http://ercdpns.ercdataplus.com/hrexecutive/results/october/main_pg.htm)



It is interesting to analyse the effects of the remote employment on labor productivity. Only 15% of the companies reported an increase of worker productivity as opposed to the one in office environment; 5 % noted a slight decrease, whereas in the majority of cases was revealed no change.

### Internet resources for teleworkers and employers

As the American society has recognized the changing nature of work and family life under the impact of telecommuting, there has been a tremendous increase in support services. For example, establishments like The Work and Family Institute psychologically prepare for the changes in lifestyle, and also help teleworkers cope with their practical problems.

Especially in this area closely related to the Internet, a number of online work-at-home resource centers and consulting companies have been created in order to assist firms in their effort to implement telecommuting for their employees.

Online publications and periodicals<sup>12</sup> have been especially created for this target group of telecommuters.

Probably the most radical change in lifestyle as the effect of remote employment is the establishment of Telework Centers all across the United States. A few isolated cases, however, can be noted in Europe, as well. In the frame of such a project, an ancient mountain village in Northern Italy, which had been left completely by its inhabitants several years before, has been renovated and supplied with the newest technological equipment. Its inhabitants are now such teleworkers seeking refuge from the stressful city-life.

## **8. Concluding remarks**

As a conclusion, it can be stated that Information Technology is having a tremendous impact on the way companies do business. As part of this process, Human Resource Management has also been revolutionized. Online recruitment is probably the best-known IT application, used by millions of job seekers. The specific HR-software has made recruitment and administration of employee records easier. The Internet HR-firms contribute significantly to a rapid dissemination and convenient access of information related to this issue, doing a lot of research, as well. Internet testing and distributive training enjoys an increasing importance. Thus, the Information Technology applications and the Internet are now indispensable tools in every aspect of the Human Resource Management, and their role is increasing at a rapid pace.

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<sup>12</sup> An extensive list of online publications about telecommuting can be found at [www.mother.com/~dfleming](http://www.mother.com/~dfleming)



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