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## **CHALLENGES FOR THE ESTABLISHMENT OF THE SINGLE RESOLUTION MECHANISM**

Kaloyan Simeonov, PhD

Chief Assistant, European Studies Department

Sofia University, “St. Kliment Ohridski”, Bulgaria<sup>1</sup>

*Abstract: After the political agreement on the establishment of the Single Supervisory Mechanism mainly within the Euro area, granting supervisory powers to the ECB, another important milestone for the future shape of the EU Banking Union is the design of the Single Resolution Mechanism (SRM). It is expected the European Commission to submit a legislative proposal related to the SRM after the summer break in 2013 but discussions on European level on its characteristics and features already started. The debate about the future design of the SRM was enhanced by a deal between the German Chancellor Angela Merkel and the French President François Hollande that was agreed on 31 May 2013. Many challenges for the future establishment and functioning of the SRM are identified even before the issue of the Commission proposal and the start of negotiations among Member States in the Council. The legal base for the Commission proposal and the eventual need of Treaty changes; the institution that shall take the responsibilities of Single Resolution Authority; the geographical and institutional scope of the SRM; the sequencing and interaction with other EU legal proposals and acts as well as SRM interaction with national solvency and resolution legislations; the architecture of SRM and its cooperation with other EU mechanisms and institutions; the arrangements between SRM and national resolution funds as well as many others are among some of the most important challenges for the SRM. There are many challenges but only one desirable option in front of the future SRM. The only desirable option is the success as the SRM will be “too big and too important to fail”.*

Keywords: Single Resolution Mechanism; Banking Union, Euro area, financial crisis, resolution

### **I. Introduction**

After the start of the last economic and financial crisis, that begun in the period 2007-2008 and that the majority of economists and analysts consider as not finished, the European Union undertook various and substantial measures in order to overcome the effects of the crisis. One of the most important set of measures is the proposal for the establishment of the

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<sup>1</sup> The expressed opinion and positions in this paper are personal and do not commit the institutions for which the author currently works.

Banking Union. The Banking Union shall be established for all the EU Member States that participate in the Euro area and that have adopted the Euro as their own currency. However, the Banking Union will be open also for the non-Euro area Member States under certain strict conditions and additional arrangements.

The Banking Union shall consist of several elements: the Single Supervisory Mechanism, the Single Resolution Mechanism, the Single Rulebook, the common rules for national Deposit Guarantee Schemes or even the establishment of Single Deposit Guarantee Scheme.

The idea of establishing such a Banking Union would be almost unthinkable few years ago as it is related to the transfer of new and important sovereign rights and powers of the Member States to EU supranational institutions and mechanisms.

The economic and financial crisis did not come alone. It provoked severe sovereign debt crisis and bank failures in many EU Member States. The bank failures were mainly financed by the taxpayers that increased the moral hazard in the EU financial system. Last but not least, the economic and financial crisis provoked the so called “Great Recession”<sup>2</sup> or also “Lesser Depression”<sup>3</sup> that is believed to be the greatest economic downturn in modern world economies after the Great Depression that expanded after 1929.

The aim of this paper is to present what are the main challenges that are identified at this stage for the establishment of the Single Resolution Mechanism that is the second element of the Banking Union. The next section will present briefly the design and the overall architecture of the Banking Union. The following two sections will illustrate some of the peculiarities for the Single Resolution Mechanism and the main challenges that it will face in order to be established and to function smoothly. The last section will conclude.

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<sup>2</sup> See: David Wessel, *Did 'Great Recession' Live Up to the Name?*, The Wall Street Journal, 8 April 2010, as well as Ambrose Evans-Pritchard, *Five years on, the Great Recession is turning into a life sentence*, The Telegraph, 12 August 2012.

<sup>3</sup> See: Paul Krugman, *The Conscience of a Liberal. The Political Economy of the Lesser Depression*, The New York Times, 16 July 2011.

## II. Design and Elements of the Banking Union

The Banking Union emerged recently as a measure for tackling the current economic and financial crisis and for preventing to the possible extent future crisis. The idea for the establishment of the Banking Union was first announced officially by high EU level politicians at the end of May 2012. The President of the European Commission, José Manuel Durão Barroso, declared on a speech on the next steps for stability, growth and jobs, pronounced on 30 May 2012, that it is especially important to look at the further steps in order to achieve full economic union to complete the monetary union. He stressed that the European Commission will advocate an ambitious approach that could include among others a banking union with integrated financial supervision and single deposit guarantee scheme.<sup>4</sup>

Just one day after the speech of the President of the European Commission, the President of the European Central Bank also referred to the idea of establishing a banking union. It was done during a hearing at the European Parliament on 31 May 2012. Mario Draghi urged Europe's political leaders to quickly come up with a longer-term vision for the Euro area including a Banking Union to protect depositors and prevent failed banks from threatening the financial system.<sup>5</sup>

The idea for the establishment of the banking union was formulated for the first time in an official document in the report to the European Council - "Towards a Genuine Economic and Monetary Union". The report was elaborated by the President of the European Council in collaboration with the President of the Commission, the President of the Eurogroup and the President of the European Central Bank.<sup>6</sup> This report represents a vision for a stable and prosperous EMU based on four essential building blocks, the first one being the integrated financial framework that shall ensure financial stability in particular in the Euro area and that shall minimise the cost of bank failures to European citizens. Such a framework shall be in the form of a Banking Union. According to the report of the President of the European

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<sup>4</sup> José Manuel Durão Barroso, *Next steps for stability, growth and jobs*, Speech/12/402, Press conference, Brussels, 30 May 2012.

<sup>5</sup> Brian Blackstone and Margit Feher, *Europe's Top Banker Urges New Union*, The Wall Street Journal, 31 May 2012.

<sup>6</sup> Herman Van Rompuy, President of the European Council, *Towards a Genuine Economic and Monetary Union*, Brussels, 26 June 2012.

Council, this framework shall elevate responsibility for banking supervision to the European level and shall provide for common mechanisms to resolve banks and guarantee customer deposits. The other three building blocks according to the report for the establishment of the Genuine Economic and Monetary Union are the integrated budgetary framework, the integrated economic policy framework and the ensurance of democratic legitimacy and accountability.

The establishing of integrated financial framework is part of the plans that are prescribed also in the final report by Herman Van Rompuy to the December 2012 meeting of the European Council. This report is also called “Towards a Genuine Economic and Monetary Union” and it is again elaborated by the President of the European Council in collaboration with the President of the Commission, the President of the Eurogroup and the President of the European Central Bank. The December 2012 report highlights three stages for achieving a genuine EMU. The first stage is in the period end of 2012 – 2013 and it shall include the establishment of an effective Single Supervisory Mechanism (SSM) for the banking sector as well as the setting up of the operational framework for direct bank recapitalisation through the European Stability Mechanism (ESM). The second stage is in the period 2013-2014 and it includes the completion of an integrated financial framework through the setting up of a common Resolution Authority and an appropriate backstop to ensure that bank resolution decisions are taken swiftly, impartially and in the best interest of all.<sup>7</sup> The third stage for the establishment of the genuine EMU shall start after 2014.

The design of the Banking Union consists of four main elements that are presented also in the Graphic below, namely:

- The first element is the establishment of the *Single Supervisory Mechanism* that consists mainly to the conferring of specific tasks and powers to the European Central Bank to supervise the systemically important banks and the banks with problems in the Euro area with the possible opt-in arrangements for the non-Euro area Member States. This element comprises of two legislative proposals of the European Commission that were issued on 12.09.2012.<sup>8</sup> The Member States agreed on the main principles and provisions of the two

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<sup>7</sup> Herman Van Rompuy, President of the European Council, *Towards a Genuine Economic and Monetary Union*, Brussels, 5 December 2012.

<sup>8</sup> The two legislative proposals are: European Commission, *Proposal for a Council Regulation conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit*

legislative proposals at the ECOFIN Council on 12-13 December 2012. Afterwards, the discussions started with the European Parliament and they are almost finalised.<sup>9</sup> It is expected the two legal acts to be adopted in the coming weeks and the ECB to assume the prudential tasks conferred on it on Spring 2014, subject also to the additional implementation arrangements and measures.

- The second element of the Banking Union shall be the establishment of the *Single Resolution Mechanism* that will be subject to more detailed analyses below.
- The third element of the Banking Union that is presented at the end of the Graphic below as the most uncertain part of its design is the idea for the establishment of a *Single Deposit Guarantee Scheme*. The majority of the Member States oppose such a measure at this stage and therefore it is much more likely this element to consist only of the future harmonisation of the national rules applied to the national deposit guarantee schemes and that are part of the Single Rulebook.<sup>10</sup>
- The fourth element of the Banking Union is the so-called *Single Rulebook* that relates to the establishment of common rules for all the banks within the EU Single Market,

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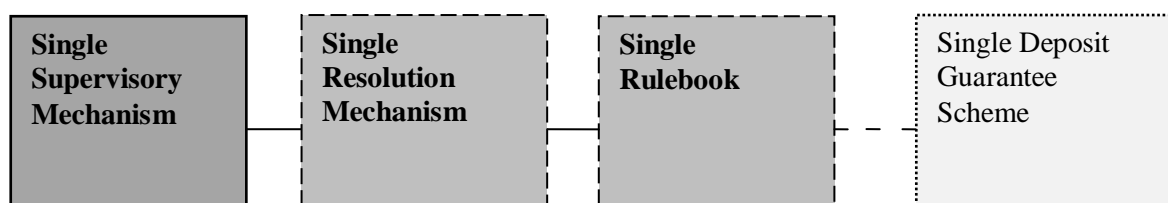
*institutions*, COM(2012) 511 final, Brussels, 12.09.2012 and European Commission, *Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1093/2010 establishing a European Supervisory Authority (European Banking Authority) as regards its interaction with Council Regulation (EU) No.../... conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions*, COM(2012) 512 final, Brussels, 12.09.2012. The European Commission has issued also a Communication on 12.09.2012 to the European Parliament and the Council designing the roadmap that shall be followed in order to build the Banking Union. See: European Commission, *A Roadmap towards a Banking Union*, Communication from the Commission to the European Parliament and the Council, COM(2012) 510 final, Brussels, 12.09.2012.

<sup>9</sup> The European Parliament has to approve only the Regulation amending the EBA rules and procedures while for the ECB Regulation it has only consultative powers. However, it was decided that the two legislative acts shall be adopted as a package.

<sup>10</sup> Although the majority of the EU Member States express serious reservations at this stage for the establishment of a Single Deposit Guarantee Scheme, the academic paper discuss substantially this issue. See for example: Gerhardt, Maria and Lannoo, Karel, *Options for Reforming Deposit Protection Schemes in the EU*, European Credit Research Institute, March 2011. Some authors have even a proposal for the establishment of a common European Deposit Insurance and Resolution Authority (EDIRA) that will take on board the main functions under the second and third element of the Banking Union, see: Schoemaker, Dirk and Gros, Daniel, *A European Deposit Insurance and Resolution Fund. An Update*, Duisenberg School of Finance, September 2012.



comprising all the current 27 EU Member States. The European Commission also recognises that the creation of the Banking Union that is mainly targeted to the Euro area, must not compromise the unity and integrity of the Single Market which remains one of the greatest EU achievements. Therefore, the creation of the Banking Union relates also to the completion of a legislative programme of regulatory reforms that are relevant for the whole Single Market. (the "Single Rulebook"). Part of this Single Rulebook are the stronger prudential requirements for banks (CRD4/CRR1), the Commission's proposal on recovery and resolution tools for banks in crisis (BRR), the above-mentioned further harmonisation of the rules for the national deposit guarantee schemes (DGS) and others.



**Graphic №: Elements of the Banking Union<sup>11</sup>**

The establishment of the Banking Union provoked a substantial debate in the last months not only between politicians and decision makers but also among analysts and academics.<sup>12</sup> However, until recently there were very few researches in relation to the creation of the Single Resolution Mechanism.<sup>13</sup> The main reason was the fact that the design and the shape

<sup>11</sup> The establishment of the Single Resolution Mechanism and the adoption of the Single Rulebook are still under way. The creation of a Single Deposit Guarantee Scheme is questionable at this stage.

<sup>12</sup> See for example: Pisani-Ferry, Jean; Sapir, André; Véron, Nicolas and Wolff, Guntram, *What kind of European banking union?*, Bruegel, Issue 2012/12, 25 June 2012; Elliott, Douglas, *Key Issues on European Banking Union. Trade-offs and Some Recommendations*, Global Economy and Development Working Paper No.52, November 2012; Beck, Thorsten, *Banking Union for Europe. Risks and Challenges*, Centre for Economic Policy Research, London, 2012; Goyal, Rishi; Koeva Brooks, Petya; Pradhan, Mahmood; Tressel, Thierry; Dell'Ariccia, Giovanni and Pazarbasioglu, Ceyla, *A Banking Union for the Euro Area*, International Monetary Fund, 12 February 2013.

<sup>13</sup> Among the few contributions on the Single Resolution Mechanism are: Véron, Nicolas and Wolff, Guntram, *From Supervision to Resolution, Next Steps on the Road to European Banking Union*, Bruegel Policy

of the future Single Resolution Mechanism are still not very clear. After the start of the debate on EU level some of the possible future characteristics of the SRM became more evident. However, the beginning of the debate on the Single Resolution Mechanism made also much more evident the number and the seriousness of the challenges that its establishment and functioning shall tackle in the future.

### **III. Possible characteristics of the Single Resolution Mechanism**

The establishment of the Single Supervisory Mechanism is not enough in order to complete the creation of the Banking Union. Conferring specific supervisory tasks to the European Central Bank is an important element for the functioning of the Banking Union. However, it shall be supplemented by appropriate tools for the recovery and resolution of the banks which are under direct supervision of the ECB. This may be achieved through a Single Resolution Authority or Single Resolution Board involving national resolution authorities and possibly by a Single Resolution Fund that shall be the basis for the future Single Resolution Mechanism.

Although that the establishment of the Single Supervisory Mechanism is more advanced than the Single Resolution Mechanism, many politicians and analysts are on the opinion that these two elements shall go hand in hand as they are interrelated and to a certain extent mutually dependent. However, the Single Supervisory Mechanism will be established first as a matter of urgency in order to assure greater stability of the financial markets in Europe and to provide more opportunities for the recapitalisation of the weak banks in the coming months.

Other developments in the EU regulatory financial framework are also considered as prerequisites in order to establish the Single Resolution Mechanism. Although some EU Member States already elaborated national rules for the resolution of weak banks, there is still not such a harmonisation on EU level. Therefore, before adopting a framework for the Single Resolution Mechanism that will have some supranational powers, common rules on national resolution mechanisms shall be agreed first among all the EU Member States. This shall be done by the finalisation of the negotiations on the June 2012 European Commission

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Contribution, Issue 2013/04, February 2013 and Eijffinger, Sylvester, *Single Resolution Mechanism*, Draft Note to the European Parliament's Committee on Economic and Monetary Affairs, February 2013.

proposal for recovery and resolution of credit institutions (banks) and investment firms. Other prerequisites for the establishment of the Single Resolution Mechanism is to reach the final agreements on the above mentioned rules on higher prudential requirements for banks and the amendment on the provisions related to the national deposit guarantee schemes.

One of the main characteristics of the Single Resolution Mechanism is its geographical and institutional scope. It is generally believed that the Single Resolution Mechanism shall cover only the Member States that are part of the Single Supervisory Mechanism – these are all the Member States of the Euro area and the future non-Euro area Member States that will decide to sign a closer cooperation agreement and to join the Banking Union even without being part of the area of the single currency. While the geographical scope of the SRM is much clearer, this does not apply to its institutional scope. There are different opinions on the type of banking institutions that shall be covered by such Single Resolution Mechanism. Many believe that the SRM shall be responsible only for those banks that are under the direct ECB supervision within the Single Supervisory Mechanism and that national resolution mechanisms shall be responsible for the other banks. Others are on the opinion that all banks in the Euro area and banks for other SSM participating Member States shall be subject to the Single Resolution Mechanism. Some go even further declaring that also banks that are established in third countries but that operate in the Member States of the Banking Union shall also be part of the Single Resolution Mechanism.

An important feature of the Single Resolution Mechanism will be the establishment and the functioning of supranational Single Resolution Authority that will be responsible for the resolution measures and operations for the banks in the Banking Union. There is a substantial debate and even a controversy on the issue which shall be the institution that shall be the Single Resolution Authority. The recent deal between the German Chancellor Angela Merkel and the French President François Hollande that was agreed on 31 May 2013 calls for Single Resolution Board involving national resolution authorities. More information on this issue is provided in the next section.

An effective Single Resolution Mechanism may not be achieved without Single Resolution Fund that collects preliminary ex-ante financial contributions from the business, i.e. levies from the banks that will be under the control of the Single Resolution Mechanism. It is always possible to try to establish a Single Resolution Mechanism comprising only a network of the national resolution funds. However, such a design of the SRM will not be

sufficiently effective. And effectiveness is something that is very necessary for the SRM, especially in a time of possible financial problems or crisis.

These are only some of the possible elements and characteristics of the future Single Resolution Mechanism. However, few issues are clear about the design of the SRM. The challenges for the establishment and the functioning of the Single Resolution Mechanism are quite greater at this stage than the already agreed principles and rules in relation to that mechanism.

#### **IV. Challenges for the establishment of the Single Resolution Mechanism**

Almost everybody in the EU agrees on the need for the establishment of the Single Resolution Mechanism as an element of the creation of the Banking Union. This general agreement is one of the few common denominators at this stage in relation to the SRM. The EU Member States and institutions are on different opinions on virtually all the important features and characteristics that shall design the future Single Resolution Mechanism. The latter already represents a substantial challenge for its creation. In addition to that, the current economic and financial situation, especially in the Euro area, makes the establishment and proper functioning of this mechanism even more challenging.

Below we try to define the main challenges for the establishment of the Single Resolution Mechanism. It shall be noted that this is a non-exhaustive list of challenges and it represents only the most important ones according to the opinion of the author of this paper. It shall be highlighted also that some of the challenges for the creation of the Single Resolution Mechanism are currently not well known. Some of them will emerge only after the concrete features in the forthcoming European Commission proposal on SRM will become public and after the start of the detailed debate on SRM between the EU Member States that will be based on that Commission proposal.

The main challenges for the establishment of the Single Resolution Mechanism may be summarised as follows:

1. One of the main challenges for the creation of the SRM is the institution that shall take on board the responsibilities of *Single Resolution Authority (SRA)*. There are different alternatives that are currently discussed but the problem is that none of them is at the same time suitable, effective and quick to implement.

A frequently discussed alternative is the establishment of *a new body or institution* that shall take the functions of Single Resolution Authority. This option seems attractive but it has also many shortcomings. The first one being the time needed to establish a new body is usually substantial. This is related also with more costs and expenses than the other options that propose to use an existing institution or mechanism. Last but not least, it is very unlikely a Single Resolution Authority in a form of a new institution to be established without Treaty amendments.

The possible use of the other options is not beneficial either. One of these options is the proposal the *European Central Bank* to take the responsibilities not only for the Single Supervisory Mechanism but also for the Single Resolution Mechanism. Although this proposal seems attractive to a certain extent, it also has serious shortcomings. One is the fact the European Central Bank will concentrate too much power within the Euro area. The problem becomes even bigger taking into account that this means concentration of too much risk for the financial sector just in one institution. If in the future, there will be problem with the credibility or the reputation of that institution, there will be substantial risk for the financial stability of the Euro area that may easily spread to the whole European Union and other global markets. Another problem is the main goal of the resolution process itself, i.e. to resolve problematic and weak banks. If a bank experiences severe problems, that very often means that the supervisory institution is also responsible due to weak supervision or relaxed control on the banking institution or on the banking system itself. Therefore, it does not seem very logic one and the same institution to be responsible for the supervision and for the resolution of the banks. The ECB also does not look very enthusiastic to take this responsibility in addition to its monetary policy powers and the forthcoming supervisory powers.

The *European Stabilisation Mechanism (ESM)* is another option that is also not very suitable for being European Resolution Authority. The ESM may not become a Single Resolution Authority without an amendment of the Treaty that establishes this mechanism. Second, the ESM is designed only for the Euro area Member States and its main target is to provide financial assistance to the governments. The assistance to bank institutions is considered only temporary and exceptional, until enough financial resources are collected in the future Single Resolution Fund. After the establishment of the Single Resolution Fund, the ESM still may continue to be used as a backstop but this will be even more exceptional and under some strict conditions.

Another option for Single Resolution Authority is the *European Commission*, taking into account that this is the responsible institution at EU level for allowing state aids, including in the banking sector. This option is, however, with many more shortcomings than some of the other options. The European Commission is dealing mainly as an executive body of the EU and as guardian of the Treaties. It does not have the necessary capacity and it does not currently receive enough banking information in order to have the ability to perform the tasks of a Single Resolution Authority. It may be also used as a temporary decision before finding a final one, for example in the form of a new institution, but in such a case the problem of the need to build an administrative capacity for such an important task still remains.

The *European Banking Authority* or a new special agency is also not suitable as an option. One of the problems is the application of the Meroni principle. The EBA or a new agency may not be easily allowed to make the necessary discretionary policy choices that are in fact at the heart of the resolution authority responsibilities.

A new alternative emerged after the German-France deal in late May 2013. This is the opportunity to establish instead of Single Resolution Authority a Single Resolution Board involving national resolution authorities. The main difference is that in the case of Single Resolution Authority it will be a supranational institution and in the case of Single Resolution Board, it will comprise mainly a “network” of national authorities.<sup>14</sup> This last scenario means, however, less integration and “less Europe”. It will raise the question of disequilibrium between the *supranational* supervision executed by the ECB and the *coordination of national* resolution authorities within the Single Resolution Board.

Notwithstanding which will be the institution or board that shall be responsible for the functions of single resolution, it shall also interact in a complex institutional environment at EU level comprising many supranational institutions with sometimes almost overlapping responsibilities. Among these institutions and mechanisms are not only the already mentioned ECB, European Commission, European Banking Authority, European Stabilisation Mechanism but also other EU institutions as the ECOFIN format of the Council of the EU, the European Systemic Risk Board and the other European Supervisory Authorities, one being for the securities markets (ESMA – European Securities and Markets

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<sup>14</sup> Peter Spiegel and Hugh Carnegie, *Franco-German challenge to Eurozone bank rescue plan*, Financial Times, 3 May 2013.

Authority) and the other one being responsible for the insurance and occupational pensions (EIOPA - European Insurance and Occupational Pensions Authority).

2. Another challenge for the Single Resolution Mechanism is the design of the eventual *Single Resolution Fund (SRF)* that shall collect the levies from the banks that are within the scope of the SRM. As explained above, the establishment of such a fund is not a full prerequisite for the functioning of the Single Resolution Mechanism but it is perhaps the most viable and sustainable option that may bring more financial stability in the future. The establishment of such Single Resolution Fund is also not without some impediments and shortcomings. Some Member States are skeptical about collecting money from the business in a supranational fund, the money from which shall be used on the discretion of a supranational authority, i.e. the Single Resolution Authority. Some Member States continue to advocate the need to create a better network between the national resolution funds or at least to use such a network for interim period postponing in that case the establishment of the SRF. After the late May 2013 German-France deal, it is very likely the scenario of network between the national resolution funds to be developed rather than the establishment of Single Resolution Fund.

Another challenge that is related to the establishment and functioning of the Single Resolution Fund is the method of the collection of levies from the banks that are within the scope of the Single Resolution Mechanism. An important precondition for smooth coexistence between the SRF and the national resolution funds shall be the creation of a rule that no bank institution shall contribute at any time to both the SRF and a national resolution fund, that is to say not to be double charged. However, in the future Single Supervisory Mechanism the list of the banks that will fall under the control of the ECB will not be a permanent one. There will be always the opportunity a safe bank to experience problems with performing its operations or with its insolvency. In such a case, even if at the beginning this bank may be under the supervision of a national authority (very often a national central bank), after experiencing some problems, it may become under the direct supervision of the ECB in the framework of the Single Supervisory Mechanism. In the latter case, it is very likely the bank to contribute at the beginning to a national resolution fund, but being subsequently part of the ECB direct supervision, the Single Resolution Fund to have the responsibility to intervene. Therefore, suitable and well predefined arrangements shall exist between the national resolution funds and the future Single Resolution Fund.

3. An important challenge in front of the Single Resolution Mechanism will be its *accountability*.

The decisions on resolution as a principle shall be taken quickly and without undue delay. At the same time these decisions have serious political and financial implications. The Single Resolution Authority or Board shall act promptly and professionally in situations of bank failures within the Banking Union.

However, the question still remains to whom the Single Resolution Authority or the Single Resolution Board shall be accountable for its decisions and actions. Many analysts and politicians consider that the SRA shall be accountable not only at European level, for example to the European Parliament, but also to national parliaments as its decisions will have financial implications also in national markets and banking institutions.

4. Another challenge is the already mentioned *geographical scope of the SRM*. Although there are no many different options in relation to the geographical expansion of the SRM, this issue is also not without some important problems. The first option is the Single Resolution Mechanism to be applicable for the whole European Union but in such a case there will be different geographical coverage between the SSM and SRM. The second more possible option is that the Single Resolution Mechanism is applicable in the Euro area and the other Member States that participate in the Single Supervisory Mechanism. Although this sounds logic, this creates several other problems, the major one being the further segmentation of the EU Single Market. The growing number of EU rules in the financial services sphere that are mainly or specifically targeted to the Euro area divide the Single Market on financial services at least in two zones: the one being the Euro area and possibly the other opt-in Member States that will join the Banking Union and the second one being those Member States that do not participate in the Banking Union and in the Euro area in particular.

5. The *institutional scope of the SRM* is perhaps even more challenging than the geographical scope. An important challenge is the fact that the EU Member States have quite different views about which banking institutions shall be within the scope of the Single Resolution Mechanism, i.e. which banks shall contribute to the Single Resolution Fund and will have the opportunity afterwards to benefit from its financial resources in a case of problem.



6. Although the *legal challenges* for the establishment of the Single Resolution Mechanism might not seem so important in comparison to the other challenges for its creation, it may be the challenge that will prevent the smooth creation of this mechanism. Different Member States define different legal challenges for the establishment of the SRM, the main one being the legal base in the EU Treaties, respectively the need of Treaty amendments before establishing SRM together with Single Resolution Authority and Single Resolution Fund. The majority of the EU institutions and Member States prefer the creation of SRM to go without Treaty amendments at this stage, but it will be very difficult.

Another legal challenge is the need the future European Commission proposal on the establishment of the SRM to interact smoothly with all the other legislative proposals and newly adopted EU legal acts, including those on SSM, national recovery and resolution mechanisms, national deposit guarantee rules, capital adequacy requirements and others.

There are also discussions if the future European Commission SRM proposal shall be in the form of a directly applicable regulation or in the form of a directive that will require subsequent transposition by the Member States. It is much more likely the European Commission as well as the Member States to prefer the option of directly applicable regulation.

7. The *lack of experience in resolution* processes and decisions in the EU is also an important challenge in front of the future establishment and functioning of the Single Resolution Mechanism. The resolution process is a relatively new concept in the EU practices that aim to avoid lengthy and costly bank insolvency procedures and to save, if possible, the banks in troubles.<sup>15</sup> However, the majority of the EU Member States did not create or did not fully use such resolution practices in the recent years of economic and financial turmoil. Some Member States still do not have developed national resolution legal framework and they are awaiting the EU one that was proposed in June 2012 and that is still under negotiations, before introducing a national one. Sometimes, even that the Member States have already adopted a national resolution framework, they abstained from using it and from charging shareholders and creditors of the failed financial institutions. Instead, they used the bail-out opportunity and they financed through the state budgets and the taxpayer moneys the failures of those financial institutions. The latter prevented further the EU to gain

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<sup>15</sup> For more information on the standards for resolution that were identified on global level, please see: Financial Stability Board, *Key Attributes of Effective Resolution Regimes for Financial Institutions*, October 2011.

new and fresh experience in resolution practices. It shall be noted that a supranational and cross-border resolution processes will require even better knowledge and abilities to undertake successfully resolution decisions.

8. Another problem in relation to the establishment of the Single Resolution Mechanism is the **time schedule** for its creation. As it was mentioned, it is not advisable to establish a Single Supervisory Mechanism without putting in place simultaneously a Single Resolution Mechanism. Because of the urgency, the European institutions decided to go step by step in the creation of the Banking Union and to start only with the Singly Supervisory Mechanism.

The time schedule provokes another challenge that is related to the adoption and implementation of the proposal for the directive on recovery and resolution of credit institutions and investment firms (BRR – bank recovery and resolution proposal). It is hardly to believe that an effective Single Resolution Mechanism may be established within the Banking Union, if the national provisions and mechanisms, that are based on common EU rules, are not already in place and do not function properly. Taking into consideration that the BRR will hardly be approved before the summer break of 2013 and that it is even more difficult to expect the national transposing rules to be put in place and to start to function before the beginning of 2015, it is quite clear that January 2015 is also a very optimistic starting date for the Single Resolution Mechanism. This contradicts with the proposal of some economists and politicians that the SSM and SRM shall start together.

Another problem in relation to the timing is the fact that the necessary resources in the new Single Resolution Fund and Mechanism may not be collected overnight. There is a need of time before the Single Resolution Fund has enough ex-ante collected financial resources in order to resolve problem banks in the Banking Union.

9. The *legacy of failed banks* is another challenge that shall be tackled during the establishment of the Single Resolution Mechanism. The major concern and political debate is weather the future SRM shall be responsible for the failures of banks that occurred before its creation and the start of its functioning, or the SRM shall be responsible only for banks that have experienced problems after the beginning of the SRM functioning.

The possible decision to design the Single Resolution Mechanism in a way that it shall only support newly experienced problems in the banking sector that have occurred after its establishment, seems logical and more balanced. But it does not provide an answer to the

most important and actual question on how to deal with the current crisis and the need of urgent measures to overcome the present situation and to sustain the financial stability.<sup>16</sup>

10. Another challenge is the *size and the concentration in the banking sector*. The size of the banking sector in some Member States of the EU is substantially above the GDP. In Malta, Ireland and the Republic of Cyprus the banking sector is between 8-9 times higher than the GDP (800%-900% of the annual GDP of the respective Member State). It is believed that the size of the banking sector in Luxembourg compared to the GDP is even higher.

The concentration in the banking sector in the EU is also substantial. In some Member States only 2 to 3 major banks contain the majority of the assets of the whole banking sector in the respective EU Member State.

The size and the concentration in the banking sector of the EU and in particular in the Euro area will be one of the main challenges for the new Single Resolution Mechanism as the failure or the serious problems in few but systemically important banks within the Banking Union will put a high pressure on the SRM ability to perform its tasks successfully.

## V. Conclusions

The establishment of the Banking Union in the EU seems to be one of the milestones of the EU institutions and policy makers in order to overcome the effects of the current economic and financial crisis and to prevent the possible emergence of new crises in the future. The main elements of this Banking Union are the Single Supervisory Mechanism, the Single Resolution Mechanism, the Single Rulebook and possibly in the future a Single Deposit Guarantee Scheme. The establishment of the first element in the form of a Single Supervisory Mechanism, conferring specific supervisory tasks to the European Central Bank within the Banking Union, has already encountered many challenges and problems.

The second element of the Banking Union, namely the Single Resolution Mechanism, has not already been initiated and the Commission legislative proposal is not still issued. However, even at this stage many and substantial challenges emerge also for this element of

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<sup>16</sup> For more information on this issue, please see Ministry of Finance of Finland, *Joint Statement of the Ministers of Finance of Germany, the Netherlands and Finland*, Press release 175/2012, 25.09.2012 as well as Véron, Nicolas and Wolff, Guntram, *From Supervision to Resolution, Next Steps on the Road to European Banking Union*, Bruegel Policy Contribution, Issue 2013/04, February 2013.

the Banking Union. This paper summarised a non-exhaustive list of some of the main challenges in front of the creation of the Single Resolution Mechanism. The choice of the Single Resolution Authority or the Single Resolution Board, the design of the Single Resolution Fund or the network of national resolution funds, the problems of timing and accountability, the geographical and institutional scope of the SRM, the need of more experience in resolution procedures and the necessity to define a decision in relation to the current failures in the EU banking system, are only some of those challenges.

There are many challenges for the establishment of the Single Resolution Mechanism. However, the EU leaders and policy makers have put a lot of energy and credibility to the creation of the Banking Union in order to stabilise the EU financial Markets. Therefore, a failure also of the Banking Union or of the establishment of the SRM is really not an option at this stage if the EU would like to preserve the fragile financial stability of its markets.

The establishment of the Single Resolution Mechanism is also challenging in a longer term, as after its creation it will become very powerful and important mechanism in the EU safety net. That is way it shall not only start to operate successfully as soon as possible, but it shall also continue to work smoothly in the decades to come in order to ensure that the EU is a safe place for financial services and banking activities in particular.

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## **THE IMPACT OF JAPANESE POLICY ON EU ECONOMY (2008-2013)**

PhD. Cosmin Onofrei

Historian and FX Market Analyst

*Abstract: The purpose of this paper is to bring a new point of view on the real financial policy of the Japanese government over the last two decades. In 2008/2009 the world was hit by a dramatic economic crisis that changed the life of millions of people all around the world. As a first consequence, the countries that dominated the IMF (International Monetary Fund) until that date found themselves in difficulty to assist financially a lot of countries worldwide that needed a bailout. The real problem was that IMF had only \$200 billion at that date, less than necessary to provide a real assistance. The rescue came, as a surprise, from Japan that lent \$100 billion to the IMF. One of the major questions of this paper is why Japan made such a bold action at that time?*

Keywords: Japan, financial crisis, European Union, bailout, banking industry.

### **Introduction: The Japanese aid and its consequences**

By the mid-1990s, the economy of Japan was in regression and the government was forced to assist the banking system by providing liquidity guarantee. The Asian financial crisis started in 1997, and a lot of Asian countries asked the IMF (International Monetary Fund) for help. The IMF provided assistance but only after imposing harsh conditions on fiscal policy (e.g. South Korea, Thailand and Indonesia)<sup>1</sup>.

Later, in the perspective of the Japanese officials, the nature of the global crisis was not of economic structure but of liquidity. As I stated above the Japanese government assisted

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<sup>1</sup> Gregory W. Noble / John Ravenhill (eds), *Asian Financial Crisis and the Architecture of Global Finance*, Cambridge University Press, 2000; Carin Holroyd / Bessma Momani, *Japan's Rescue of the IMF*, Social Science Japan Journal, 15/2, Oxford University Press, 2012, 203-218, p. 203-212; Phillip Y. Lipsky, *Japan's Asian Monetary Fund Proposal*, Stanford Journal of East Asian Affairs, 3,1, 2003, 93-104, p. 93-104.

the banking system with liquidity. They assumed that this was also the solution for the general crisis that started in 2008/2009.

Another move made by Japan, that aided the EU, was to purchase \$1.2 billion in bonds through EFSF (European Financial Stability Facility). European Union governments were able, with IMF and Japanese government help, to prevent the financial crisis from escalating. On the other hand, Japan gained two important things: was able to ensure the stability of the European Market for its own exporters and top China in the involvement of the global financial order.<sup>2</sup>

In our opinion the situation is more problematic and the involvement of the Japanese government in the global financial order is much more important today than five years ago.<sup>3</sup>

### **2013: The EU economic crisis and the Bank of Japan**

After the economic chaos that followed the 2008 crisis, EU was hit by another blow. Early in 2011 the Greek crisis threatened the integrity of the Eurozone.

The two major EU funding mechanisms were EFSF (European Financial Stability Facility) and EFSM (European Financial Stabilisation Mechanism), and their primary function was/is to supervise the approved bailout loans of Ireland, Portugal and Greece. From September 2012, ESM (European Stability Mechanism) replaced the above mentioned funding programs. For the moment, ESM has a maximum lending capacity of €500 billion.

We can see that the lending capacity of ESM in 2013 is larger comparing to that of IMF in 2009. Seeing the two examples, someone can state that a new economic blow could be handled better these days than in the past. One of the first problems of a government seeking aid from ESM is that it has to agree to budgetary oversight from Brussels. In this case most of the countries prefer to stick with the existent banking system, hoping for better in the future. From the countries that are struggling financially, only Spain asked for aid of around €40 billion at the end of last year.

When a banking industry is falling, it drags down the entire country. Related to the problems in Cyprus, the German Finance Minister W. Schaeuble stated that he wants to see a

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<sup>2</sup>Carin Holroyd / Bessma Momani, *op. cit.*, p. 28.

<sup>3</sup> See also: Nikkey Weekly (17 January 2011): “*Japan to help Ireland-and itself*”. 17 January 2011.



“*liability hierarchy*”, where owners and creditors of banks are first in line to bail them out “before governments bolster equity and the ESM provides international aid”<sup>4</sup>.

In January 2013 J. Dijsselbloem was appointed head of Eurogroup of finance ministers. On Cyprus bailout question he said that the rescue plan will serve as a model for dealing with future banking crisis, but later appeared to drawback his own words, saying that Cyprus case was a case with specific challenges<sup>5</sup>.

To understand better why his words were so important at that time, we need to understand what a bailout means in the banking system: 1. cut dividends; 2. cut out shareholders; 3. cut out bondholders; 4. get taxpayer money. The head of Eurogroup added 5: *cut out uninsured accounts*. His words hurt the euro, created panic and made us regret the replacement of Jean-Claude Juncker.

The majority of politicians insisted that the Cyprus case was unique and it would be better to liquidate troubled banks without endangering the whole financial system.

At the conference on April 4, 2013 Mario Draghi, President of ECB, underlined that Europe has a weak banking industry that is affecting the GDP (Gross Domestic Product) of the Eurozone. Mario Draghi mentioned that the banks from Europe started large credit withdrawals beginning with 2011, fact that damaged the economy. The President of ECB also spoke about the tight credit conditions which would continue to weight on economic activity, particularly for small and medium enterprises in several euro area countries<sup>6</sup>.

However, the lack of a banking union in the Eurozone showed that when the banking industry is failing, the entire country goes down. This was the case of Ireland, Greece and more recently of Cyprus. The lack of common deposit insurance and no mutualisation of the

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<sup>4</sup> Rainer Buerger, *Schaeuble Favors ‘Liability Hierarchy’ in European Bank Bailouts*, 2013, (<http://www.bloomberg.com/news/2013-04-13/schaeuble-favors-liability-hierarchy-for-european-bank-bailouts.html>), accessed May 20, 2013.

<sup>5</sup>Anooja Debnath, *Euro stays week as Cyprus concerns persist*, 2013, (<http://www.reuters.com/article/2013/03/26/markets-forex-idUSL5N0C11D720130326>), accessed May 20, 2013.

<sup>6</sup> *ECB press conference*, April 4, 2013 (<http://www.ecb.int/press/pressconf/2013/html/is130404.en.html>), accessed May 21, 2013.

losses are the first problems of the banking industry across Europe. On the other hand, the main political issue for the moment is sharing the bank losses across Eurozone<sup>7</sup>.

Meanwhile, let's see what were the changes made in Japan at the beginning of this year. Firstly, at the end of 2012 Shinzo Abe became the prime minister of Japan, and in March 2013 Haruhiko Kuroda was appointed the 31<sup>st</sup> Governor of BOJ (Bank of Japan). On May 2, 2013 BOJ released to the press the program entitled: *Introduction of the "Quantitative and Qualitative Monetary Easing"*<sup>8</sup>.

The aim of the new project of BOJ is to achieve the price stability target of 2% in terms of the year on year rate of change in the CPI (Consumer Price Index) in maximum two years. More simple, it is expected that the monetary base would reach 200 trillion yen at the end of 2013 and 270 trillion yen in 2014 (138 trillion yen at the end of 2012).

With this program BOJ will create a new phase of monetary easing process. In order to do so, it will double the monetary base and the amounts of JGB (Japanese Government Bonds) and ETF (Exchange Trade Funds) in two years, and more than double the average remaining maturity JGB purchases.

In other words, BOJ would almost double the amount of Japanese currency held by banks and individuals as it tries to raise the annual inflation rate at 2%. The policy of BOJ, as strange as it sounds, is to feed inflation by injecting capital in to the economy. For every country or banking system, inflation should be a bad thing. Is this a bad thing also for Japanese government? As I stated above, BOJ is trying to achieve the price stability target of 2% in terms of the year on year rate of change in the CPI (Consumer Price Index) in maximum two years. Why is this so important for Japan?

In the last twenty years, the Japanese government and BOJ have been constantly losing the battle with falling prices that generated a serious debt problem. While the prices are going down, the value of accumulated debt doesn't, which means that in Japan we have a continuing fall in domestic consumer demand. Is this fall generated by consumption postponement, or there are deeper structural problems? One the other hand, the additional

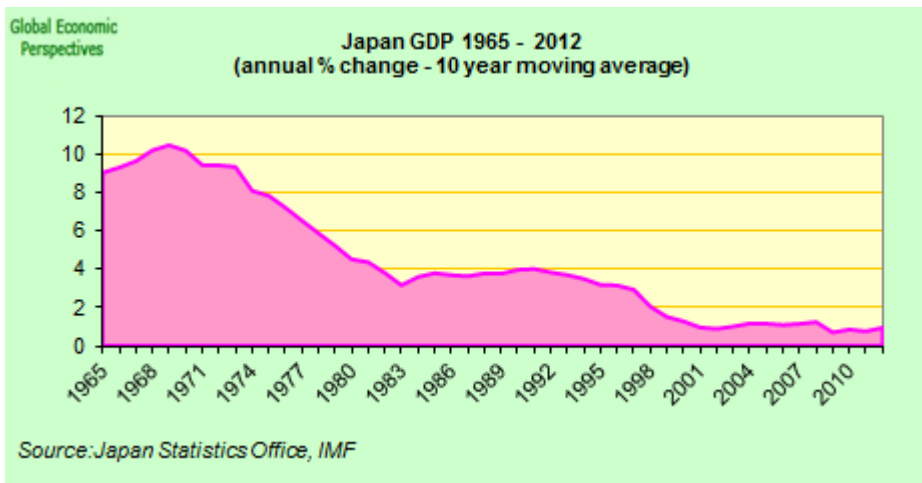
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<sup>7</sup> Louise Cooper, *Europe needs a Hank (preferably on both knees in front of Merkel)*, 2013, (<http://www.forexlive.com/blog/2013/04/13/europe-needs-a-hank-preferably-on-both-knees-in-front-of-merkel/>), accessed May 11, 2013.

<sup>8</sup> *BOJ press conference*, May 2, 2013,

([http://www.boj.or.jp/en/mopo/mpmsche\\_minu/minu\\_2013/g130404.pdf](http://www.boj.or.jp/en/mopo/mpmsche_minu/minu_2013/g130404.pdf)), accessed May 2, 2013.

stimulus pushes the sovereign debt further and doesn't increase the nominal GDP (Gross Domestic Product)<sup>9</sup>.



(After Edward Hugh 2013, [http://seekingalpha.com/article/1432861-the-a-b-e-of-economics?source=email\\_macro\\_view&ifp=0](http://seekingalpha.com/article/1432861-the-a-b-e-of-economics?source=email_macro_view&ifp=0))

The two major problems of Japan are: 1. aging population, 2. limited investment opportunities.

The new program of QE (Quantitative Easing) introduced by BOJ is innovative and sustains the policy of liquidity that started more than 20 years ago in Japan. But what are the implications of this new stimulus on a large scale?

The new anti-deflation policy of BOJ had a massive impact on yen, the currency being devaluated pretty quick in the last two months (started last year when US dollar vs. Japanese yen was 88.00). On the other hand the sharing prices in Tokyo were up. Has this move made by Japan to weaken the yen a global effect?

As a first consequence of the BOJ policy, the US dollar settled 103.00 yen (May, 15, 2013), a four year high. This was beyond analysts' predictions, who expected the currency (US dollar vs. Japanese yen) to reach only 100.00 at the end of the year. The main beneficiaries of this change are overseas bonds and equities. That means that the investors that have yen to spend will target countries like U.S., Germany, Great Britain, and more likely Australia and New Zealand, the usual traders of China. With the weakening of the yen, and the new stimulus program that maintains the interest rate low (0.00-0.15%), the investors will be able to borrow yen at a very low price and after that lend it oversea.

<sup>9</sup> Edward Hugh, *The A.B.E. of Economics*, 2013 ([http://seekingalpha.com/article/1432861-the-a-b-e-of-economics?source=email\\_macro\\_view&ifp=0](http://seekingalpha.com/article/1432861-the-a-b-e-of-economics?source=email_macro_view&ifp=0)), accessed May 17, 2013.

How this shift will affect the other EU countries? Due to the existing crisis in the EU, it is obviously that Spain, Italy, Greece, Portugal, Ireland, Slovenia or Cyprus will attract fewer investors because of the political risk. To put it simple, less investments means less money in an area (Southern Europe) where unemployment is at its highest level.

Another real problem for the EU is that the action of BOJ is not the only one. FED (Federal Reserve) and BOE (Bank of England) have also held interest rates down and made QE programs in order to sustain the economy, to rise the GDP and to decrease the unemployment rate. The last move made by ECB to cut the interest rate to 0.50%, is also intended to help keep government borrowing costs low and to prevent excessive inflation.

### **Conclusions**

To sum up, BOJ clearly wins the battle with the ECB and EU for the moment, and Japan shows that a small country (compared with U.S. or China) can be a political and financial power. We see that in only five years Japanese government and BOJ were able to impose their financial policy all around the world, sustained closely by US and UK, the EU *partner*. This is the real answer for the question stated in the beginning of the paper: *why Japan made such a bold action at that time?*

In the era of QE and World War of currencies, the euro is weak and so is the banking industry that follows it. On the other hand, a weak euro follows only the interests of Germany, a country that cannot sustain anymore the economy with a strong euro. In the past, Germany had a strong economy with a strong currency, the deutsche mark. Unfortunately, this is no longer the case. As we can see from the lines above, Germany, England and even France will benefit from the QE of Japan. This raises the next question: should EU consider giving the ECB similar powers to the ones of BOJ, FED or BOE? The answer is coming from Germany and its Bundesbank and is simple: no.

As I stated above, the main political problem for the moment in Western Europe is the sharing of bank losses across Eurozone, and Germany or France will not share the losses of other countries like Ireland, Greece or Cyprus.

Clearly, in present times the banking system of Europe needs more capital. Even with the creation of LTRO (Long-Term Refinancing Operations) and OMT (Outright Monetary Transactions), the ECB gives only hope but cannot replace the lack of capital existing in the banking system at the present time.

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## **INDIA AND EU RELATIONS POST LISBON TREATY: RATIONALE FOR POTENTIAL PARTNERSHIP**

Praful Shankar Adagale

Ph.D Research Fellow

Yashwantrao Chavan National Centre of International Security and Defence Analysis  
(YC-NISDA), University of Pune, Pune (Maharashtra), India

Email: [prafulresearch@gmail.com](mailto:prafulresearch@gmail.com)

***Abstract:** The Post Lisbon Treaty scenario in European Union has gained importance in dealing with the ten of its Strategic Partners as per the European Security Strategy (ESS) of 2003, further its implementation in 2008 adding South Korea as its new strategic partner. With more than twelve summits, since year 2000 has gained momentum in terms of the cooperation agreements signed between the two countries. The Stockholm work programme for 2010-2015 has also reiterated the EU's geographical emphasis on its neighbourhood and its strategic partners. In the case of EU relations with India, there are various factors attached to its role in Asia along with china as a competing player. An EU-India relation has certainly moved beyond trade relations, however, the Free Trade Agreement (FTA) agreement is under negotiations. The paper will look at how, India-EU relationship has developed post Lisbon treaty and will analyze the areas of cooperation between the two countries. The papers also make an attempt to analyze the improvements in the agreements signed between the two countries and its implementations. Lastly, EU-India relations will have a rationale for true potential partnership based on the EU conditionality and its policies towards India and vice-versa.*

Keywords: Lisbon Treaty, European Security Strategy (ESS), EU-India, Free trade Agreements

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### **Introduction**

India's relation with major powers will be the most notable with respect the factors concerned understanding the relations between any the two nations. The progression of building the relationship with major powers including United States, Russia, Brazil, China, Japan, and most imperative with European Union is lot more exceptional for India since the formation of European Union (EU). Both the nations, together as European Union and India have redefined their identity, position and security after the cold war period. In case of India,

various factors are responsible to build relationship with major powers in the 21<sup>st</sup> century or since the post-cold war era. In case of relations with United States of America or Soviet Union (now Russia), it is more in terms of defence and security cooperation, in case of European Union it is more as an economic cooperation since post-cold war era. However, this may be termed only as the starter for the relationships to be built at the initial stage.

The construction of Europe to European Union is a process that needs to be understood clearly while dealing with the relationship between India and European Union, because it is crucial to highlights the significant developments that took place during the integration process. The EU after the European Security Strategy (ESS) of 2003<sup>1</sup> brought about windows of opportunities for third world countries with which EU or its member's states already had bilateral or direct relationship in the past due to trade and security matters and also invited major rising powers to have strategic dialogue in various fields of cooperation. According to the ESS, the EU has therefore three key foreign policy objectives in developing its foreign policy tool box to meet contemporary security challenges.

- Extending the security zone of Europe's periphery,
- Supporting the emergence of a stable and equitable international order, particularly effective multilateral systems, and Seeking effective countermeasures to new and old threats.<sup>2</sup>

In order to deal with the global players EU has developed a Common Foreign and Security Policy (CFSP) and a Common Security and Defense Policy (CSDP). The EU has a package of partners decided on the basis of merit it has with the EU in terms of its relations on trade and economic factors and then security as another factor.

It was in the year 1998 onwards, when EU-India relationship was gaining momentum by way of political summit and round table discussions, India's 1998 nuclear tests made India visible to the international community as the rising power in the 21<sup>st</sup> century and four year later a strategic partnership agreement was signed between the two countries, followed by a Joint Action Plan (JAP), signed in the year 2005, with diverse options available for both the countries to cooperate in various areas. EU integration from six to twenty seven member states was of course a positive step towards making the EU a more wheels to the EU to progress further but in the year 2009 had the Lisbon treaty referendum passed by the EU

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<sup>1</sup> The ESS 2003 Report, 'A Secure Europe In A Better World European Security Strategy,' Brussels, 12 December 2003 is also available at <http://www.consilium.europa.eu/uedocs/cmsupload/78367.pdf>

<sup>2</sup> Ibid, no.1

parliament made EU approach towards dealing with the rest of the world. The EU foreign and security policies post Lisbon and its involvement in the conflict zone regions in the Middle East and Afghanistan by way of its security sector reforms in the region and building institutional mechanism has significant impact on the global security scenario. This paper will argue on whether EU-India relationship has developed post Lisbon treaty and are there any other opportunities both the countries can gain from each other. Secondly, it is crucial to understand what the strategic partnership means to both the countries? Whether the strategic partnership is truly strategic?

What EU projects from the post Lisbon is its functioning with greater coherence by bringing together development, diplomacy and crisis management. It also states that EU will now speak with one voice against the challenges faced both within and outside the EU.

### **Historical Background**

India's relations with EU go back to 1960s, however direct relationships started only after India recognized and sent its first ambassador to EEC in 1963, although India made it clear that this was not at the cost of, nor would replace India's growing bilateral relations with individual member-states, like Germany, France, Italy, Netherlands, and Belgium. In some ways, the recognition of the EEC was one way that India sought to break with its colonial past, especially so with the accession of Britain to the EEC in 1973 that left India without the imperial preferences of its largest trading partner. The main focus then was on trade and economic co-operation.

Three bilateral agreements were signed between the two sides in 1973, 1981 and the Third Generation Agreement (TGA) for Partnership and Development in 1993, at a time when the EEC was evolving into the EU, not merely as another trading area, but increasingly as the collective diplomatic centre for Western Europe. The TGA also provided an institutional basis for an EU-India political dialogue through the Joint Political Agreement. However, an Indian attempt to achieve an Association Agreement was disappointed by the European Commission's classification of South Asian countries as 'non-associable'.<sup>3</sup>

The Cooperation Agreement on Partnership and Development which came into force in 1994 was a strong impetus for the further development of the relations. The culmination of these rapprochement initiatives, under the European Security Strategy (ESS) 2003, which

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<sup>3</sup> R. Abhyankar, (2007) India & the EU: Non Associable To Strategic Partnership. In: Sinha, Atish. et al. (eds.), Indian Foreign Policy: Challenges And Opportunities. New Delhi: Academic Foundation, p.452.



brought about a New Strategic Partnership Agreement, signed in June 2004 and the Joint Action Plan (EU-India Joint Action Plan) formulated that covers cooperation in every conceivable area in the realms of political, economic, scientific and technological, cultural and strategic cooperation.<sup>4</sup> The Summit in The Hague was a landmark Summit, as it endorsed the proposal to upgrade the India-EU relationship to the level of a 'Strategic Partnership'. Since, June 2000 there have been a series of summits, followed by ministerial level talks at bilateral levels with the EU member states, round table conferences, institutional cooperation that has taken place between India and EU till 2012.<sup>5</sup>

The Joint Declaration of the first India-EU summit (Lisbon, 28 June 2000) resolved that the EU and India shall build “A New Strategic Partnership” in the 21st century, founded on shared values and aspirations, and characterized by enhanced and multi-faceted cooperation.<sup>6</sup> In 2004, the EU and India agreed upon the establishment of a strategic partnership. One year later the Joint Action Plan was adopted as a roadmap outlining concrete actions for the next 15 years, implementing the partnership. In June 2004, of a New Strategic Partnership Agreement, defined five priority areas of cooperation:<sup>7</sup>

- a. Multilateral cooperation in the international sphere with an emphasis on conflict prevention, anti-terrorism, non-proliferation, the promotion of democracy and the defence of human rights.
- b. Strengthened economic cooperation involving sectorial dialogues and jointly drafted regulatory policies.
- c. Cooperation in development so as to enable India to achieve the Millennium Goals as framed by the United Nations.
- d. Intensifying intellectual and cultural exchange.

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<sup>4</sup> "India-EU Strategic Partnership Joint Action Plan", (2005) Brussels, 7 September is also available online at [http://www.eeas.europa.eu/delegations/india/documents/eu\\_india/021\\_eu\\_india\\_res\\_6th\\_summit1\\_en.pdf](http://www.eeas.europa.eu/delegations/india/documents/eu_india/021_eu_india_res_6th_summit1_en.pdf)

<sup>5</sup> “Joint Press Statement for 5th India-EU Summit Embargo”, 8 November (2004) is available online at [http://www.eeas.europa.eu/delegations/india/documents/eu\\_india/021\\_eu\\_india\\_res\\_6th\\_summit1\\_en.pdf](http://www.eeas.europa.eu/delegations/india/documents/eu_india/021_eu_india_res_6th_summit1_en.pdf)

<sup>6</sup> C. Wagner (2008) “The EU and India: A Deepening Partnership”, In Giovanni Grevi and Alvaro de Vasconcelos, et al. (eds.), “Partnership for effective multilateralism: EU relations with Brazil, China, India and Russia. Paris: European Union Institute for Security Studies, (Chaillot Paper no. 109), p.87

<sup>7</sup> P. Adagale, (2013) India-European Union Strategic Partnership: Prospects and Challenges in the 21st Century. Research Scholar (M.Phil), Department of Defence and Strategic Studies, University of Pune, Pune.

e. Improving the institutional framework of Indo-European relations.

The Strategy set out in the EU Country Strategy paper for India (2007-2013) consists of two pillars. The first forms the basis for the EU's future development cooperation so that India is able to achieve the Millennium Development Goals (MDGs) by 2015.<sup>8</sup> The second pillar concerns the implementation of the JAP.<sup>9</sup> The strategic partnership and the Joint Action Plan underline the special importance of this relationship because India is one of the few countries with which the EU has signed such an agreement. The main points of the JAP are:

1. Strengthening Dialogue and Consultation Mechanisms
2. Political Dialogue and Cooperation
3. Bringing Together People and Cultures
4. Economic Policy Dialogue and Cooperation
5. Developing Trade and Investment.<sup>10</sup>

### **Is the Partnership really strategic?<sup>11</sup>**

The above objectives of the New Strategic Partnership Agreement between the two countries with five priorities areas and further the signing of the Joint Action Plan (JAP) of course makes the strategic document look more effective and credible to both the countries, but its implementation in both the countries is certainly in the process. The JAP to a large extent covers major areas of cooperation in diverse fields as related to the cooperation in the field of science and technology, nuclear cooperation, terrorism, space cooperation for peaceful use, cyber security and many other areas for future cooperation.

The EU adopted the concept of strategic partnership in the late 1990s-early 2000s. A leading expert on EU security affairs, Thomas Renard explains about the strategic partnerships is that it covers two dimensions in which the EU has traditionally been quite

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<sup>8</sup> Ibid, no.6 (Adagale)

<sup>9</sup> Ibid, no.5

<sup>10</sup> "Joint Press Statement for 6th India-EU Summit Embargo", 7 September 2005 available online at [http://www.eeas.europa.eu/delegations/india/documents/eu\\_india/021\\_eu\\_india\\_res\\_6th\\_summit1\\_en.pdf](http://www.eeas.europa.eu/delegations/india/documents/eu_india/021_eu_india_res_6th_summit1_en.pdf)

<sup>11</sup> T. Renard, (2011) *The Treachery of Strategies: A Call for True EU Strategic Partnership*. Egmont, The Royal Institute for International Relations, Paper no. 45 Academia Press.

ineffective, i.e. a strategic approach to foreign policy and bilateral relations with other powers. Hence, it should be no surprise that recent debates on strategic partnerships have uncovered the fundamental lack of strategy behind the partnerships. The word strategic is more commonly used in defining the relationship between the two countries. However, in September 2010, the European Council for the first time discussed the European Union's EU strategic partnerships (SP), a foreign policy concept that not clear to most the EU officials and its partner countries involved in the Strategic Partnership.

EU concerns to tackle the global challenges is certainly a kick start for defining its role in tackling the threats both within and outside EU in a collective manner, however, it must also be seen especially in case of India as its key strategic emerging player in Asia. It's relations with India although on trade as a foundation stone dates back to since 1960s' onwards. However, Gauri Khandekar an expert on EU-India relations labels the EU-India relations as A Loveless Arranged Marriage. It is vital to analyze whether the partnership has a strategic value, with any interests oriented towards building a true strategic partnership.

The EU certainly has the capability to deliver solutions to the problems at the global security scenario, but is the EU able to express and convince its strategic partners involved building an effective partnership. As the word strategic, indirectly increases the level of expectation amongst each other as partners in the relationship, to the point of getting strategically deeply involved in making its relations as truly dependent on each other. Its commitment to meet its needs globally, and stand against each other in times of distress is something both the partners involved in the strategic agreement expects from each other. It also implies a relationship, which would not only incorporate strategic cooperation but also an added emphasis on converting the strategic convergences between the two nations into a more meaningful defence and security cooperation. However strategic partnership between any two countries does not mean only just defence and security cooperation, but involves comprehensive areas of strategic cooperation.<sup>12</sup>

The strategic cooperation must involve broad areas of cooperation that might have both convergences and divergence factor in the areas of cooperation in dealing the common challenges faced by the nations. A strategic cooperation can be between two or more than two parties that are directly or indirectly linked to each other. Certain factors have been highlighted in order to explain, about what make a partnership "strategic".

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<sup>12</sup> R. Yadav, (2005) India-Russia Strategic Partnership. In Mahavir Singh, (ed.), Building a New Asia. New-Delhi: Shipra Publications, p.164

Firstly, a strategic partnership must be comprehensive, in order to allow linkages and trade-offs between various policies. Secondly, it must be built upon reciprocity, short of which it cannot be deemed a partnership at all. Thirdly, a strategic partnership has a strong empathic dimension, which means that both partners share a common understanding of their mutual values and objectives. Fourthly, a strategic partnership must be oriented towards the long-term, which is to say that it is not put into question by casual disputes. Finally, a strategic partnership must go beyond bilateral issues to tackle (with the potential to solve) regional and global challenges.<sup>13</sup>

The ESS of 2003 of course became a starter meal for the EU and its member states to develop closer cooperation by way of strategic agreements signed with each of its strategic partners. Some call it to be an accidental meet between India and EU that coincided with ESS of 2003 for EU to be added in the list of its strategic partners, but the fact that needs to be seen from both the countries involvement from the beginning is about, India's power projection by way of conducting nuclear tests and the challenges by the proxy war and low intensity conflicts it faced during the period of 1999 to 2003 with terrorists activities reaching its peak point made EU aware of the level of threat that can come in the same or different form in its own soil. It however, did not take any substantial steps at that period of time to prevent or collaborate with India on any issues of countering terrorism.

The EU and India's effort at that period of time was also to engage in summits on annual basis and with regular round table conference, paved the seeds in 2004 with the strategic partnership. In year 2008, the Implementation of the European Security Strategy Report<sup>14</sup> envisaged newer areas of concerns common to the tackle collectively at global level. It is also significant to see if the ESS of 2008 did brought about any changes in the way EU deals with its strategic partners and its functioning. The ESS 2008 was basically aimed at addressing its concerns towards the global challenges in a better way by identifying a range of threats to their security interests. In order to deal with the major challenge of, the non-proliferation of weapons of mass destruction, terrorism, cyber security, energy security, maritime piracy linked to organized crime and climate change, and most important is to build

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<sup>13</sup> T. Renard, (2011) *The Treachery of Strategies: A Call for True EU Strategic Partnership*. Egmont, *The Royal Institute for International Relations*, Paper no.45 Academia Press.

<sup>14</sup> Report on the Implementation of the European Security Strategy (2008), Providing Security in a Changing World Brussels, is available online at [http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressdata/EN/reports/104630.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/EN/reports/104630.pdf)

stability and peace within EU and its member states which is the most crucial aspect of EU integration policies and the objectives of Schuman declaration.

These are also some of the important parameters to be utilized for the strategic partners. It included the newly emerging global security challenges in the report so as to include those threats in building future cooperation. It is necessary for EU to have challenges that are global in nature and common for each partner countries to resolve collectively.

In defining the relations between India and EU, a lot more needs to be done to make the partnership really strategic. India and EU must engage itself in the existing areas which need further improvement in its application. The strategic partnership is incomplete due to an inconsistency and coherence between the 'haves and the have not'. EU must be understand that including too many partners will put EU into more complex situation in order to get its creditability stand in the global community. Merely including numbers and signing of strategic agreements will not make one nation powerful but will raise doubt on its potential and capacity to with stand as a great power in the international affairs.

### **Post Lisbon Scenario**

With the implementation of Lisbon treaty that came into force on 1<sup>st</sup> December 2009<sup>15</sup>, certainly brought about EU concerns and prospects to manage its relationship with the key strategic partners in a more efficient manner. It does offer EU an opportunity to develop a model within its provisions to be more competent in terms of building existing relations with its partners and with new partners. It is vital to understand certain provisions and aspects within the treaty in order to get a clear reflection by the manner in which EU and its Council function in the coming years. In terms of dealing with the third world countries it has now a High representative for foreign affairs, with an additional role of chairing the Foreign Affairs Council, being an EU Commissioner and both creating and running the European External Action Service.<sup>16</sup>

Similarly, the 2008 Report on the Implementation of the European Security Strategy

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<sup>15</sup> The text of the Lisbon treaty is available online at [http://europa.eu/lisbon\\_treaty/glance/index\\_en.htm](http://europa.eu/lisbon_treaty/glance/index_en.htm)

<sup>16</sup> J. Paul, (2008) EU Foreign Policy After Lisbon Will the New High Representative and the External Action Service Make a Difference? *Research Group on European Affairs Policy Analysis*, no (2). [http://edoc.vifapol.de/opus/volltexte/2009/785/pdf/CAP\\_Policy\\_Analysis\\_2008\\_02.pdf](http://edoc.vifapol.de/opus/volltexte/2009/785/pdf/CAP_Policy_Analysis_2008_02.pdf)

states that the provisions of the Lisbon Treaty provide a framework to achieve the coherence of the EU's action through better institutional co-ordination and more strategic decision-making.<sup>17</sup> Pre-Lisbon, the procedures for the negotiation and conclusion of external agreements were addressed in three separate provisions in the Treaties- Articles 24 and 37 TEU related to agreements under the Second (Common Foreign and Security Policy (CFSP)) and Third (Justice and Home Affairs (JHA)) Pillars under the TEU and Article 300 EC which governed the negotiation and conclusion of agreements under the EC Treaty. This definitely adds leverage for India as a key player in the Asian context to have more clarity in terms of understanding EU policies towards counterterrorism. Although EU has a Counter terrorism Coordinator for the same, it requires coordination at member state level which it is still lacking in able to come up with one particular definition of terrorism.

The Lisbon Treaty replaces these three legal bases with one over-arching clause that sets out the modalities for the negotiation and conclusion of all international agreements to be entered into by the EU.<sup>18</sup> This is considered to be one of the major successes in dealing with the security challenges both internally and external actors. The Lisbon treaty considerably alters and strengthens the external action machinery of the European Union. The fundamental legal structure, the new treaty will formally abolish the pillars, merge the Community and the Union, and provide the EU with a single and express legal personality. This will remove any remaining doubt about the Union's capacity to act under international law and within international organisations.

The overcoming of the pillar structure further opens the way to bringing previous Community external action and CFSP closer together; namely by merging treaty provisions and establishing Union delegations. The Lisbon treaty creates the office of a permanent president of the European Council. He will be appointed for two and a half years and replace the rotating presidency at the level of the European Council. His main tasks include the chairing and preparation of European Council meetings and their follow-up. In addition, the president is charged to represent the Union "at his level and in that capacity" in CFSP matters, "without prejudice to the powers "of the high representative. The second change relates to the Commission. The Lisbon treaty will entrust it for the first time expressly with

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<sup>17</sup> P. Koutrakos, (2011). *The European Union's External Relations A Year After Lisbon – Introduction* Centre for the Law of EU External Relations *Cleer Working Papers* no. 3

<sup>18</sup> *Ibid*, no. 16, (Koutrakos)

the external representation of the Union in all areas except CFSP and the Euro. The Lisbon treaty also strengthens the common security and defence policy (CSDP), an important area of activity of the high representative. Notably, the EU Crisis management tasks will be extended to areas such as disarmament and counterterrorism.<sup>19</sup>

The implementation of EU foreign policy will be another key element of the high representative's responsibilities. He will take over the previous external relations commissioner's political and managerial functions within the Commission.<sup>20</sup> In addition, the high representative's role in CFSP will be considerably upgraded compared to Javier Solana's current responsibilities. The Lisbon treaty will merge EU foreign policy resources into a single service under the authority of a single foreign policy chief. This will radically change the situation, concentration of resources Weak decision-making procedures Potential for leadership where assets have been unevenly split across pillars and sometimes duplicated.<sup>21</sup> The high representative will henceforth have all foreign policy resources available at the European level at his disposal, and the EAS will be likely to develop into a strong analytical hub. In addition, the high representative's position as Commission vice-president is likely to further enhance the Union's capacity to develop a comprehensive approach in international affairs, bringing together, for instance, diplomatic and economic means.<sup>22</sup>

Another innovation of the Lisbon Treaty came with the clarification of the general objectives of the EU, as Article 3(2) elevates the concept of an area of freedom, security, and justice (AFSJ) to a core aim of the EU, just after the promotion of "peace, [EU] values and the wellbeing of its peoples" (Article 3(1)) but before establishing an internal market (Article 3(3)) or a monetary union (Article 3(4)). Article 3(2) states that "[t]he Union shall offer its citizens an area of freedom, security and justice without internal frontiers, in which the free movement of persons is ensured in conjunction with appropriate measures with respect to external border controls, asylum, immigration and the prevention and combating of crime."<sup>23</sup>

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<sup>19</sup> Ibid, (Koutrakos)

<sup>20</sup> Ibid, (Koutrakos)

<sup>21</sup> Ibid, (Koutrakos)

<sup>22</sup> Ibid, (Koutrakos)

<sup>23</sup> T Renard, (2012), EU Counterterrorism Policies and Institutions after the Lisbon Treaty. *Centre on Global Counterterrorism Cooperation*.

This one of the major areas where EU has always taken a firm stand that requires a major policy orientation to combat transnational organized crime and terrorism. However, in dealing with its role with India in counterterrorism cooperation, it lacks the political will and the EU must devote more energy and resources to increase mutual awareness especially in the arena of Counter-Terrorism. A centralised European Intelligence Agency, with which India can deal with as it deals with any individual EU member countries or other nation states, is a matter of imagination at present. Even EU members are not considering establishing an agency at present.<sup>24</sup> India itself at present is also in the dilemma of designating the final authority and one particular agency to operate both within and outside India. Further, what Thomas Renard explains is that the Lisbon Treaty had a subtle impact on the scope and contextualization of the counterterrorism dialogues.<sup>25</sup> EU has been engaged in a strategic dialogue prior to the Lisbon treaty amendment, but is not able to deliver effective results beneficial to India.

Another challenge that remains post Lisbon for EU and India is the acceptance and understanding of the threats that are global in nature. The EU definition of Traditional and Non-traditional security threats is different from that of the India. It is vital for both the countries to remain on page if it has to understand and tackle the challenge together.

### **Rationale for Potential Partnership**

India and European Union relationship has achieved tremendous success since the conception of the diplomatic relationship between the two countries since 1960's. It is vital to address the rationale for potential partnership to succeed in the coming years. The impact of the India-EU relationship with regards to a number of crucial international issues is paramount in concluding and predicting the prospects and challenges for the both the countries in the 21st century.

Europe is an important political and strategic entity influencing international power

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<sup>24</sup> A. Mukhopadhyay, EU-India Counter-Terrorism Cooperation: Post-Lisbon Prospects. Available online at [http://www.idsa.in/idsacomments/eu-indiacounter-terrorismcooperationpost-lisbonprospects\\_armukhopadhyay\\_260210](http://www.idsa.in/idsacomments/eu-indiacounter-terrorismcooperationpost-lisbonprospects_armukhopadhyay_260210)

<sup>25</sup> EU Counterterrorism Policies and Institutions after the Lisbon Treaty, Thomas Renard Centre on Global Counterterrorism Cooperation Policy Brief September 2012.



equations, which does impact on the political, economic and now the military developments globally.<sup>26</sup> This can be seen firstly from the trade relationship it shares with major powers in the world, secondly, from its contribution in the fields of science and technology, and thirdly, from its collective international cooperation in the spheres of security, development and globalization, fourthly, the EU commitment for a global peace and security by effective multilateralism<sup>27</sup>

EU certainly has devoted its resources, men and material for the development of the conflict prone regions. It can be seen in its commitment towards building peace and security sector reforms in the western Balkan region. It's involvement in the Middle East countries and especially, the African region with reference to Mali, where both India and EU are closely involved in restoring peace and stability in the region. In international affairs EU has four nations in the Asian continent, with which it has the strategic partnership, but it has a different approach to deal with each partner and especially, in dealing with China as a factor its role in Africa also raises suspicion amongst each other. India-EU combined efforts to deal with China in the African region are well observing in terms of its interest in oil and natural resources, where India and EU can act as a balancer.

With regards to the implementation of the ESS of 2008 report of course terrorism has been a global challenge which both the countries are in dialogue, however, other areas as cyber security, money laundering, piracy at sea is cooperating in new for both the countries to deal with in the 21<sup>st</sup>.<sup>28</sup>

### **Terrorism**

The Security cooperation between India and the EU was strongly influenced by the terrorist attacks of September 11th in the United States (US). In contrast to this, terrorist

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<sup>26</sup> P. Adagale, (2013) India-European Union Strategic Partnership: Prospects and Challenges in the 21st Century. Research Scholar (M.Phil), Department of Defence and Strategic Studies, University of Pune, Pune.

<sup>27</sup> C. Wagner, (2008) "The EU and India: A Deepening Partnership", In Giovanni Grevi and Alvaro de Vasconcelos, et al. (eds.), "Partnership for effective multilateralism: EU relations with Brazil, China, India and Russia. Paris: European Union Institute for Security Studies,(Chaillot Paper no. 109), p.87

<sup>28</sup> Report on the Implementation of the European Security Strategy (2008), Providing Security in a Changing World Brussels, is available online at

[http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressdata/EN/reports/104630.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/EN/reports/104630.pdf)

attacks in Europe like the bombing in Madrid of March 11th, 2004 and in London in July 2005 initiated a so called 'securitisation' of European agendas by bridging the gap between internal and external security matters.<sup>29</sup> As outcome of the ninth summit between India and EU, the Joint Statement announced some specifics like strengthening the UN Counter Terrorism Implementation Task Force (CTITF), enhancing negotiations between Europol and particular Indian agencies, EU's support for India's membership of the Financial Action Task Force (FATF),<sup>30</sup> etc. It is also proposed to have Comprehensive Convention on International Terrorism in the ninth summit between India and EU, which envisages greater legal and police cooperation, but doesn't read much into concrete intelligence sharing. However, this must not just remain on papers and be discussed but should be operationalized proactively.

The major outcome of this kind cooperation with EU will help to isolate terrorist organization and reduce their potential danger. Another major advantage is by the Global counterterrorism Forum (GCTF), the forum that comprises of 29 countries in the EU, 11 Muslim majority nations, China, India, Russia along with regional representation from South America and Africa.<sup>31</sup> The Global counterterrorism Forum is going to play a critical role in terms of setting the international agenda and the urgent needs in the areas of counter-terrorism. The advantage that the terrorist take in carrying out terrorist operations, while in Europe is the different rules and regulation that are regulated in countries as United Kingdom, Sweden, Germany, France, and others nations. Technology and jurisprudence play an important role in these countries to counter terrorism as occurred in planting the 9/11 of US in Europe.

### **Cyber security and Money laundering<sup>32</sup>**

The Second successive area of cooperation in the addressing the same challenge is the difficulty in increase of money laundering activities which is considered to be an organized transnational crime across Europe as well globally. This is followed by the illegal use of

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<sup>29</sup> P. Adagale, (2013) India-European Union Strategic Partnership: Prospects and Challenges in the 21st Century. Research Scholar (M.Phil), Department of Defence and Strategic Studies, University of Pune, Pune.

<sup>30</sup> Ibid, (Adagale)

<sup>31</sup> Ibid, (Adagale)

<sup>32</sup> Ibid, (Adagale)

internet by organised criminal groups. The interdependency between the terrorist and criminals are increasing at an alarming rate due to their common goals to meet their demands. The illegitimate use of internet by terrorist groups as termed 'Cyber terrorism' is a major concern for both the countries. Cyber threats are a growing menace, spreading to all industry sectors that rely on Information and Communication technology Systems (ICT). Recent deliberate disruptions of critical automation systems, such as Stuxnet, prove that cyber-attacks have a significant impact on critical infrastructures. Disruption of these ICT capabilities may have disastrous consequences for both the countries and EU Member States' governments and social well-being. The concept of e- banking and e commerce across the world has made itself a soft target of cyber criminals.

With 90 percent of the EU's external trade and more than 40 percent of internal trade taking place via maritime channels, officials insisted that comprehensive protection of the vital goods being trafficked must be treated as continental priority.<sup>33</sup> In case of India, as well cyber terrorism has become a bigger threat to India's security; cases related to online fraud, attacking government websites, private companies, and online credit card fraud are all common challenges facing the nation.

### **Piracy in the Indian Ocean Region**

It estimates that Somali piracy cost between \$6.6 and \$6.9 billion in 2011 where as in 2010, it was estimated that piracy cost the world \$7 - \$12 billion as per the report published by the Ocean beyond Piracy Report.<sup>34</sup> It remains a major challenge for both the countries to tackle the increasing challenges faced by the both the naval forces of India and the European Union Naval Force (EU NAVFOR), which are presently deployed in the Gulf of Aden.<sup>35</sup> This deployment provides a specific opportunity for institutionalizing closer cooperation, including the exchange of information, the codification of best practices on maritime

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<sup>33</sup> Ibid, (Adagale)

<sup>34</sup> The Economic Cost of Somali Piracy, (2011). Working Paper One Earth Future Foundation. available online at [http://oceansbeyondpiracy.org/sites/default/files/economic\\_cost\\_of\\_piracy\\_2011.pdf](http://oceansbeyondpiracy.org/sites/default/files/economic_cost_of_piracy_2011.pdf)

<sup>34</sup> Ibid, (Adagale)

<sup>34</sup> Ibid, (Adagale)

<sup>35</sup> Ibid, (Adagale)

surveillance, and the search for permanent judicial solutions to the international crime of piracy. EU and India are also working on the linkages between the Somalia piracy and the Italian mafia as per the reports from the EU commission. There is also a need to involve the industrial sector in this kind of operation, so that it can progressively take care of its own security needs. The challenge now is to improve coordination of international presence in the Indian Ocean and to make sure that prosecution of pirates is put in place, while training of Somali security forces is pursued in neighbouring Uganda. The fact that two thirds of Indian oil and 90 percent of EU imports are transited by sea should offer a good basis for maritime security cooperation, while a bilateral and multilateral discussion on how to address root causes of conflict should be launched.

### **Energy Security**

The role of Indian states in the generation, transmission and distribution of energy generated from renewable sources is therefore critical. Given that there are 28 Indian states and 27 members of the European Union, effective management of resources and mitigation measures can result in addressing major challenges faced by both the nations. However, both India and EU have joint collaboration on generation of wind power and solar energy. In most parts of India, clear sunny weather is experienced 250 to 300 days a year. The country receives about 5,000 trillion KWh/year equivalent energy through solar radiation.

The Sixth Framework Programme (FP6) which ended in 2006 involved Indian organizations in about 80 projects, of which 20 were on “Sustainable Development, Global Change and Ecosystems”. None of them were on solar energy, black carbon or biochar.<sup>36</sup> One – the ADAM project – involved The Energy and Resources Institute (TERI) on adaptation. It was not, however, primarily focused on India and it was not a Flagship Project.

The Seventh Framework Programme (FP7) stretches from 2007 to 2013 and is expected to gather more Indian projects than during FP6. It has gathered so far 7 projects on Environment/Climate Change issues involving Indian researchers or organizations, but none of them are on solar energy, black carbon, biochar or adaptation. However, both the countries have agreed to work towards a new flagship project on R&D in solar energy.

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<sup>36</sup> Ibid, (Adagale)

### **Role in Afghanistan and Middle East Countries**

Afghanistan is a country where both EU and India are committed for development and stability and thus, it offers ample of opportunities for working together. Joint development and reconstruction programmes in Afghanistan will be ideal to begin with. Both India and the EU are the victims of the international terrorism. There is a need for a closer cooperation in anti-terrorist activities which includes intelligence sharing, working on non-proliferation and working jointly in war wrecked areas of Africa for restoring peace and stability. India and the EU can play a very crucial role in West Asia, particularly in Israel-Palestine conflict and on the Iran issue.

Both India and the EU have certain normative commitment in international relations and this might help in resolving few complex world problems, or at least to ease the situation for some time. Joint collaboration implementation of rehabilitation and better governance in war and conflict zones will increase in better coordination at International levels. India has a significant expertise in conflict prevention. In this area, EU can explore means of formalising regular cooperation with India. Both EU and India plans to intensify the counter-terrorism cooperation in the framework of the United Nations. EU and India continue to work actively towards a swift finalisation of the UN Comprehensive Convention on International Terrorism. The dynamics of this affiliation and the prospects for the future cooperation with a focus on peacekeeping and peace building will go a long way to formulate a strong strategic partnership.

The EU role to bring international peace in the state under war and conflict states as Afghanistan, Sudan and Middle East does creates more opportunities for India to cooperate both at civilian and military levels, however, EU criticism and participation in the internal problems of India as in Kashmir and soft approach towards Pakistan makes EU India relations apart, diplomatically. EU criticism of claiming and killing of militant and innocent citizens are considered as violation of human rights which India, needs to suffer in answering at the International summit levels. While India tends to be more cautious in preserving state sovereignty, the EU is usually eager to promote international action in order to stop or prevent mass violations of human rights even if it is not able to react speedily and adequately in most situations.

### **Education Sector and Youth Development**

The role of education and youth empowerment plays a significant role in the development of economic, social and military sector as in case of Asia by 2010, some 60 percent of the world's population in the 20 to 30 age group will be Asian, Asia is to contribute over 50 percent of the global GDP by 2025, surpassing Unites states and Europe combined. The proper utilization of Human resources in the 21st century can only be managed by providing them with proper education at the grass root level and empowering them the education which is essential not only in fields of science and technology but also in the field of international Relations, diplomacy will offer tremendous boost in facilitating the relationship to be effective in the 21st century. EU has spent 33 billion for the Erasmus Mundus scholarship program in case of India; however, there has been less response from the Indian side.

Lastly, EU-India relationship has better prospects in the near future and has a rationale for potential partnership if and only if EU tries to concentrate on the specific points mentioned in the strategic agreements and work towards it in a more effective manner. Adding new points will only bring recommendations but to achieve result orientated partnership that has a true meaning and value to the relationship, it has to work hard build confidence amongst the key strategic partner as India in the Asia. India also needs EU in the near future if it needs to rise as a super power in the Asian continent. Without EU support for UN Security Council, and its involvement in other organization as BRICS, ASEAN, AFR, some extend in SAARC will certainly give India more advantage than any other nation in the Asian region.

**MOYENS D'EXPRESSION CULTURELLE-POLITIQUE DU MESSAGE  
EUROPÉEN DE LA DIASPORA ROUMAINE DE FRANCE. LA  
MAISON ROUMAINE - UNE ÉTUDE DE CAS**

Adrian-Gabriel Corpădean

Assistant universitaire dr., Faculté d'études européennes

Université Babeş-Bolyai Cluj-Napoca

adi\_corpadean@yahoo.com

***Abstract:** While the existence of a powerful core of the Romanian diaspora in France not only before, but also - and especially - during the communist period is undeniable, the nature and coherence of its message were largely reliant on the quality of the means of expression created or used by this dynamic and heterogeneous intellectual segment. It is thus interesting to observe the effectiveness and complexity of the cultural instruments these elites resorted to during their years in exile, also given the significant number of Romanian artists that had sought refuge in the resourceful intellectual space of the French Republic. Representatives of numerous cultural and artistic branches found imaginative ways of portraying either criticism of Romanian communism, or perspectives regarding a much-needed reorientation of their country of origin, one that may be in keeping with the integration process initiated at an institutional level in the western part of the continent. In particular, it is to be noticed the activity of the so-called Maison Roumaine from Paris, which became a gathering point of some of the most prominent voices of the Romanian exile before the fall of Ceauşescu's regime. The cultural output of this society became a genuine landmark for the entire diaspora and provided it with exceptional impetus, amid countless political controversies germane to the nature of such forums.*

Keywords: diaspora, anticommunism, cultural forums, Romanian exile.

**Paris, centre de l'exil intellectuel roumain**

L'unité assez prononcée de la diaspora roumaine de France et les affinités culturelles similaires des intellectuels qui en faisaient partie ont favorisé la création de certaines sociétés ou d'autres entités qui reflétaient leurs aspirations. Grâce à l'attachement qu'elles ont manifesté pour leur culture d'origine, d'une part, mais aussi pour les valeurs de la civilisation française, les élites qui font partie de notre recherche se sont avérées très créatives dans leurs démarches de conception de forums au sein desquels les idées de ce

segment de l'intelligentsia roumaine ont pu s'épanouir. Notre dessein est de montrer la complexité de ces entités, leur ampleur et l'existence d'une certaine cohérence au sein de l'exil roumain, qui ait permis la propagation d'un message visant son pays d'origine et l'oppression communiste.

La tradition de ces lieux de rencontre des idées engendrées par cette communauté était déjà mise en place et consistait aussi à l'adoption de certaines pratiques parisiennes, comme les salons, sur lesquels il faut revenir brièvement. La mode de ces lieux de rencontre a été suivie aussi par les intellectuels roumains, si l'on prend en considération l'activité d'Anna de Noailles à ce propos, ou bien celle d'une autre personnalité féminine, Elvira Popescu, dont les salons ont été fréquentés par de grandes voix de l'époque (Prévost, Recouly, p. 505). Cette tendance a été tellement appréciée que d'autres représentants de l'exil roumain ont opté pour la création de leurs propres salons, même en s'éloignant spatialement de la France. On peut mentionner ainsi Grigore Gafencu, dont le salon à New York est devenu un véritable centre d'épanouissement d'idées politiques réformatrices. Dans le cas de ces exemples, ce qui est remarquable, c'est non seulement l'adoption de ce modèle typiquement français de socialiser, qui était déjà très apprécié et pratiqué à Bucarest aussi, mais la capacité des personnalités roumaines d'attirer un public valeureux dans leurs salons et d'y entreprendre des activités notables.

Une autre manière de participer au mode de vie et aux événements remarquables de la société française, cette fois plus spécifique aux artistes de l'exil roumain, mais qui a constitué une bonne perspective d'expression des idées, ont été les ateliers et les expositions. Le choix - ou l'obligation, dans certains cas - de quitter la Roumanie, n'ont pas mené à un isolement des artistes roumains, qui ont fait preuve d'une capacité impressionnante de s'intégrer dans la communauté des créateurs français, parlant cette langue universelle qui est l'art. Tout en maintenant en tant que sources d'inspiration et thèmes préférés les réalités roumaines, comme il a été le cas de beaucoup de représentants de la diaspora, ces artistes ont propagé un message très fort qui attestait la richesse du patrimoine culturel roumain. D'autre part, ils ont obtenu, pour la plupart, la reconnaissance en tant qu'artistes indépendants et bien intégrés dans la perspective créatrice moderne. Grâce à la capacité de l'art de franchir les frontières spatiales et linguistiques, les représentants de ce segment de l'exil roumain ont été souvent considérés des contributeurs au monde de la création artistique française, ce qui a amplifié leur importance et le degré de leur intégration. Les prix et les distinctions conférés aux représentants de la diaspora roumaine, artistes ou non, ont eu aussi un impact majeur sur le plan de leur visibilité et autorité, amplifiant le pouvoir de leur message.



Les exemples dans ce cas sont multiples et témoignent encore une fois de l'existence d'une tradition, représentée par des prix conférés par l'Académie française à Elena Văcărescu, Emil Cioran ou Eugen Ionescu, aussi bien que par des distinctions offertes par l'État français - comme la Légion d'honneur, la plus haute décoration de la République, instituée par Napoléon Bonaparte en 1802 (Calendrier Napoléon..., p. 15), - à Martha Bibescu, Elvira Popescu, Vladimir Ghica (Personnalité catholique de haut rang, accusé par les communistes de haute trahison, cf. à : Archives de l'Institut pour l'investigation des crimes du communisme, fiche matricule pénale, Vladimir Ghica, matricule 393/1953) ou Corneliu Coposu.

Si pour les écrivains de l'exil, l'adoption de la langue française en tant que porte-parole de leur création s'est avérée fructueuse, pour les artistes, ce sont les expositions internationales qui ont représenté l'équivalent de ce succès. Depuis les présences d'Idel Ianchelevici à Bruxelles jusqu'à celles d'Ion Irimescu à Paris, la pratique s'en était répandue chez les sculpteurs roumains de la diaspora, culminant sans doute par les expositions de Constantin Brâncuși et par son atelier impressionnant. Certes, l'horizon a été plus vaste, si l'on prend en considération également les participations appréciées d'autres noms de la sculpture roumaine de l'exil à des démarches artistiques françaises, comme Ștefan Hajdu et George Apostu. Les mêmes appréciations sont valables pour l'univers de la peinture roumaine, dont la tradition étroitement liée à l'espace français, grâce à la contribution de Nicolae Grigorescu, a permis aux peintres de la diaspora de faire connaître leur talent. Il s'agit, pour ne citer que quelques noms, des expositions de Magdalena Rădulescu, qui n'a jamais abandonné les thèmes liés à la vie traditionnelle roumaine, ou bien de Nicolae Maniu, qui a eu des contributions remarquables aux plus prestigieux salons de peinture parisiens.

Il est facile d'observer que chaque catégorie de la diaspora a connu ses propres manières et moyens d'expression, qui, dans les cas de l'art, ont mené à l'intégration dans les manifestations culturelles de France. Et d'ailleurs, la liste peut continuer - prenons en considération le choix du grand musicien George Enescu pour la première de son opéra *Œdipe*, qui a été donnée à Paris (Penesco, p. 45). Le tout démontre que même les artistes, dont l'apport à la perpétuation d'un message anticommuniste a été moins visible, ont trouvé leur place pour s'exprimer, non pas dans le cadre des forums de rang inférieur, mais au sein des plus importantes démarches culturelles française de l'époque, contribuant ainsi à la partie « européenne » de ce message. Ici, on remarque une vision exceptionnelle des deux côtés impliqués dans ce processus : d'une part, la capacité d'intégration et le talent des artistes

roumains, et d'autre part le pouvoir d'accueil d'un espace français prédisposé à apprécier l'art de qualité.

Dans le paysage académique français, la tradition des apparitions des contributions roumaines n'a pas été anodine, si l'on tient compte des doctorats soutenus aux plus prestigieuses universités de France par des personnalités comme Nicolae Iorga, Pompiliu Eliade, Eugen Lovinescu, Nicolae Titulescu, Gellu Naum, Dumitru Drăghicescu, Ilie Constantin et Mihail Şora. Néanmoins, une contribution en particulier a été impressionnante, dans la tradition de créer des lieux de débats et, dans ce cas, même de formation, pour l'intellectualité roumaine de la diaspora. Il s'agit de *l'École roumaine de France*, située à Fontenay-aux-Roses, à environ dix kilomètres de Paris, un établissement fondé, aussi bien que la *Maison Roumaine* de Fontenay-aux-Roses, par le grand historien Nicolae Iorga, en 1926. L'activité de ces institutions a été notable, d'autant plus que même Emil Cioran y a bénéficié d'une bourse, dans la période 1942-1944 (Archives de l'État, Bucarest, Fond du Ministère de l'instruction publique. Enseignement supérieur, dossier 1088/1941, pp. 155-157).

L'esprit intellectuel roumain a eu la capacité de pénétrer jusqu'aux plus hauts niveaux de la vie académique française, grâce à la démarche d'ouvrir le *Centre roumain de recherches*, à la Sorbonne, en 1949. Cet accomplissement majeur de la diaspora roumaine a été possible grâce au soutien accordé par l'Académie française, qui assurait également le patronage de ses travaux. Ce sont les efforts des grands noms mentionnés dans notre recherche qui ont rendu possible la création de ce Centre, comme Emil Cioran et Mircea Eliade. Moins connus mais bien réels ont été les efforts en 1945 de cette diaspora extrêmement active ont engendré aussi *l'Association franco-roumaine*, qui, par l'intermédiaire de la publication nommée *Cahiers France-Roumanie*, accueillerait des textes importants appartenant à cette communauté. La Bibliothèque roumaine de Paris, nommée *Pierre Sergescu*, a été un autre centre important des élites de l'exil (Presse et mémoire..., p. 157).

Étant donné le nombre considérable d'intellectuels roumains trouvés à Paris pendant la période de la guerre froide, les associations créées par ceux-ci ont été également nombreuses, mais leur caractère a eu, dans certains cas, une valence plutôt éphémère. Même le Centre roumain de recherches n'a pas survécu plus qu'en 1985, tandis que *l'Association des Français d'origine roumaine*, fondée en 1974 par le prêtre Ion Boboc, a eu aussi une activité limitée (*Métropole orthodoxe roumaine d'Europe occidentale et méridionale, Père Jean Boboc*, <http://www.mitropolia.eu/fr/site/251/jean-boboc.htm>. Accès: le 12 août 2012).

En revanche, l'une des associations qui ont eu un impact plus prononcé dans la vie de la diaspora a été *La Maison roumaine*, dont les origines peuvent être datées du début du XX<sup>ème</sup> siècle. À l'époque, l'écrivaine Elena Văcărescu a été la figure centrale de la fondation de ce forum des intellectuels roumains, sous le nom *La maison de Roumanie en France*, en 1934. Son dessein était spécifique à cette période-là, notamment le placement de la Roumanie dans un contexte favorable sur la scène politique européenne (*Lettre d'Elena Văcărescu au professeur Nicolae Cartoian*, bibliothèque personnelle du professeur Nicolae Scurtu, Bucarest, *apud Litere, Revistă lunară de cultură a Societății Scriitorilor Târgovișteni*, année X, no. 3 (108), mars 2009, p. 68). Pourtant, l'association a servi son but seulement pour une courte période de temps, étant donné le déclenchement de la première guerre mondiale, mais c'est l'idée de concevoir une telle démarche qui est restée très importante, une véritable source d'inspiration pour l'exil roumain de France. Sur les fondements de cette tradition, *La Maison roumaine* a été refondée, mais seulement vers la fin de la période communiste, en 1982, à un moment où la diaspora avait vraiment besoin d'une structure viable qui puisse accueillir la complexité de son message (Behring, Kliems, Trepte, p. 190).

À la tête de cette institution, l'on retrouvait deux membres de la filière nobiliaire de la diaspora, Cristina Sturdza et Alexandru Ghica, ce qui témoigne d'une continuité de l'attachement des anciennes familles nobles, auparavant régnautes dans la Moldavie et la Valachie, aux idéaux démocratiques promus par l'exil roumain de la capitale française. Ceci assurait en plus un patronage prestigieux de l'association et une certaine autorité, fondée sur la tradition monarchique des pays roumains. Ce sont les intellectuels et gens de lettres Ruxandra Guțu-Pelazza et Dan Cernovodeanu, eux-aussi membres de la communauté roumaine de France, qui ont joué aussi un rôle important dans l'organisation de la *Maison roumaine*, par leur contribution à la gestion de sa bibliothèque impressionnante. Celle-ci avait en fait été assumée par l'association - c'était la fameuse bibliothèque de la *Fondation universitaire Roi Carol I* (une autre traduction possible en est : *Institut universitaire roumain Charles I<sup>er</sup>*), qui représentait une résurgence culturelle impressionnante, un pont de liaison entre les chercheurs, artistes ou, au sens plus général, intellectuels roumains de Paris. Pour donner de la proéminence au mouvement intellectuel représenté par *La Maison roumaine*, ses fondateurs ont choisi, en tant que symboles et présidents d'honneur de cette démarche, deux voix de premier rang de l'exil roumain, toutes les deux étroitement liées à l'espace français, Ștefan Lupașcu et Mircea Eliade (Alexandru Herlea, *La Maison roumaine își reia activitatea*, <http://alexandruherlea.wordpress.com/2011/07/16/%E2%80%9Ela-maison-roumaine%E2%80%9D-isi-reia-activitatea>. Accès : le 12 août 2012).

On connaît moins l'activité de Ștefan Lupașcu (1900-1988). Il s'agit d'un philosophe qui a manifesté une intégration exponentielle dans la communauté intellectuelle de France, si bien que l'artiste Georges Mathieu le considérait *le plus grand penseur du XX<sup>ème</sup> siècle* (Lumea magazin, p. 10).

### **La Maison roumaine. Un forum particulier**

*La Maison roumaine* a eu le pouvoir de regrouper des voix importantes de la communauté roumaine de France, qui ont pris part aux événements culturels organisés par cette association. Parmi les noms les plus notables qui l'ont fréquentée, on retrouve Constantin Ghica, Monica Lovinescu, Virgil Ierunca, Mihai Sturdza, Cicerone Poghir, Basarab Nicolescu, Cicerone Ionițoiu (Anticommuniste renommé, persécuté grièvement par la Sécurité, il s'est réfugié à Paris en 1979, où il a fondé deux revues de l'exil roumain, *Lupta română - La Lutte roumaine*, revue trimestrielle du Conseil national roumain, publiée entre 1980 et 1985 - et *Deșteaptă-te, Române!*, organ de luptă națională - *Éveille-toi, Roumain!*, organe de lutte nationale -, parue entre 1986 et 1989. Voir : Ionițoiu, p. 351), Alexandru Herlea et beaucoup d'autres. C'était réellement un lieu de rencontre des intellectuels roumains de Paris, où l'on organisait des conférences académiques, des cours de langue, d'histoire et de mathématiques, des expositions et des discussions. Le tout se passait dans un bâtiment acquis grâce au soutien de la Mairie de Paris et notamment, du maire Jacques Chirac. Les sujets y abordés couvraient une registre thématique très généreux et correspondaient aux préoccupations principales des représentants de la diaspora, dont il faut mentionner l'ethnologie, l'art, la linguistique, l'histoire, mais aussi des questions importantes liées à la politique et à la vie économique (Alexandru Herlea, *art. cit.*).

Pendant la période 1984-1989, le poste de secrétaire général de la *Maison roumaine* a été rempli par un autre intellectuel de premier rang de la diaspora roumaine, l'historien Neagu Djuvara. Ayant fait ses études universitaires à la Sorbonne, où il a suivi les cours de la Faculté des lettres, Djuvara a soutenu son doctorat en droit toujours à Paris, en 1940, en, plus tard, en histoire, en 1972, de nouveau à la Sorbonne. Diplomate et militant pour la démocratie, Djuvara était déjà très actif auprès des associations constituées par la diaspora roumaine, suite à son départ de Roumanie, qui a eu lieu en 1947, à cause des persécutions communistes. Il faut noter qu'il a été le secrétaire général du *Comité d'assistance des réfugiés roumains* de Paris et de la *Fondation Universitaire Carol I*, ce qui démontre sa préoccupation exceptionnelle pour la promotion d'une voix forte de l'exil. Il ne

faut non plus laisser de côté la contribution de Djuvara aux efforts de la Radio Europe Libre. Toute cette activité impressionnante lui a apporté la décoration française *L'Ordre des arts et des lettres*.

Nous avons laissé de côté intentionnellement la présentation de Neagu Djuvara, en tant que contributeur majeur à la création d'un message démocratique pour la Roumanie, afin de le placer dans le cadre de ce forum de débats très actif qui a été *La Maison roumaine*. C'est dans ce contexte que Djuvara a énoncé des idées importantes, souvent critiques à l'égard du régime communiste, dont il reprochait l'interprétation de l'histoire, mais aussi pertinentes en ce qui concerne la place de la Roumanie entre l'est et l'ouest du continent. L'écho de ses idées a envahi le processus d'intégration européenne de l'État roumain, grâce la longévité de cet intellectuel, et a mis en balance la réciprocité des relations entre la Roumanie et l'Union européenne, d'une part, et le rôle des États-Unis dans le développement de la construction européenne, d'autre part. Souvent sceptique à l'égard de l'exagération de la domination culturelle exercée par l'occident, Neagu Djuvara reste une voix fascinante qui a fait partie de cet exil si hétérogène retrouvé dans la capitale française (voir : Djuvara, *Între Orient și Occident*).

La présence de deux associations roumaines prééminentes dans la capitale française, notamment la *Maison roumaine* et le *Centre roumain de recherches*, ont donné de la consistance au message pro-européen, anticommuniste, démocratique et réformateur promu par la diaspora. Ce qui est encore plus important, c'est le fait que ces deux entités, fréquentées souvent par les mêmes personnalités de valeur et exprimant des principes très similaires, ont eu une collaboration pour l'intérêt commun de ses membres. La huitième décennie du XX<sup>ème</sup> siècle a été, ainsi, le point culminant de l'expression d'un message cohérent par l'exil roumain de France, face à cet horizon très généreux qui assurait une réception claire de ses idées et un cadre intellectuel favorable. Ces interactions ont visé également le *Cénacle de Neuilly*, mais pour comprendre cette association, il faut parler du contexte.

En 1953, c'est Mircea Eliade qui a initié la tradition des cénacles à Paris, par l'intermédiaire de ses travaux à côté des intellectuels roumains qui le fréquentaient, comme l'écrivain Horia Stamatu et le peintre Horia Damian - eux-aussi faisant partie de la diaspora française - travaux matérialisés dans la revue *Anotimpuri*. C'est de là que l'écrivain et juriste roumain Leonid Mămăligă (L.M. Arcade) a pris l'inspiration pour son propre groupe de promotion de la langue et littérature roumaines, intitulé le *Cénacle de Neuilly*, situé dans la Rue Ribera. Parmi les participants aux travaux de ce cénacle, qui est né en 1963, on retrouve

les éternels Mircea Eliade, Monica Lovinescu et Virgil Ierunca, mais aussi l'historien et collaborateur de Radio Europe Libre, Radio Voix d'Amérique et Radio France Internationale, Matei Cazacu et, plus tard, l'écrivain Bujor Nedelcovici (Nicolescu, pp. 26-29).

Une autre participation fascinante au cénacle a été celle de Sanda Stolojan (1919-2005), petite-fille de l'écrivain Duiliu Zamfirescu et interprète pour le dialogue diplomatique sous le service de cinq présidents français : de Gaulle, Pompidou, d'Estaing, Mitterrand et Chirac. Arrêtée et déportée par les communistes en 1961, Sanda Stolojan provenait d'une famille avec une tradition culturelle et politique impressionnante, ce qui l'a amenée sur la voie de l'exil parisien. Elle a participé, à part au *Cénacle de Neuilly*, à deux autres démarches promotrices d'un fort message européen, anticommuniste, pour la Roumanie, c'est-à-dire à la création de la revue *Cahiers de l'est* et de *La Ligue pour la défense des droits de l'homme de Roumanie* (une association qui était active depuis l'année fatidique 1977 et dont le but était de tirer des signaux d'alarme en réponse aux violations des droits des citoyens commises par le régime Ceaușescu). On y ajoute ses prises de position fascinantes à la Radio Europe Libre, à côté des deux monstres sacres, Monica Lovinescu et Virgil Ierunca (Radu Portocală, *Gând pentru Sanda Stolojan*, Revista 22, le 10 août 2005, <http://www.revista22.ro/gand-pentru-sanda-stolojan-1955.html>. Accès : le 12 août 2012).

Une autre contribution de Sanda Stolojan à la perpétuation d'un message intellectuel pour une Roumanie trouvée sous un régime communiste obscur a été enregistrée dans le domaine des publications, par la revue intitulée *Cahiers de l'Est*. Débutant en 1975, c'était un journal qui se proposait de prouver que, malgré la tournure politique nuisible à la création littéraire, il y avait un avenir pour les œuvres provenant de l'Europe centrale et orientale. Donc, le but des *Cahiers* était d'offrir une alternative viable aux écrivains de cet espace, de propager leur création, sans être tenus par les obstacles idéologiques qui dominaient déjà depuis trois décennies l'acte de publier. Dans le comité de la revue, on retrouvait, à part Sanda Stolojan, qui remplissait la fonction de directrice de publication, Dumitru Țepeneag, qui était le rédacteur en chef, mais aussi Eugen Ionescu et Denis de Rougemont, le fameux écrivain suisse qui promouvait l'idée du fédéralisme européen (*Cahiers de l'est*, p. 130). Ainsi, les textes d'une valeur littéraire incontestable étaient rejoints par le thème plus épineux de l'oppression politique, grâce à des contributions de la part d'auteurs de plusieurs pays communistes. Les noms Mircea Eliade, Matei Călinescu et Nicolae Breban n'y ont pas manqué (*Ethos*, p. 446).

Revenant au *Cénacle de Neuilly*, qui a regroupé, ainsi, des personnalités remarquables de la diaspora roumaine, il est à noter le fait que son activité est restée visible

pour tous ceux qui s'y intéressaient, par l'intermédiaire d'une anthologie. Cette anthologie, appelée *Caietele Inorogului*, représente un produit culturel précieux, regroupant les œuvres publiées sous l'égide du cénacle, mais aussi une continuité de la littérature roumaine libre, authentique, indépendante des caprices du régime totalitaire de Roumanie. En effet, le *Cénacle de Neuilly* n'a pas été la seule démarche intellectuelle de ce type qui ait fonctionné pour l'exil français, car la société *Hypérion - Association pour la sauvegarde du livre roumain* a eu également une contribution importante au patrimoine culturel de l'exil roumain de France (Simion, p. 216). Sous la direction de Basarab Nicolescu, physicien et à présent professeur à l'Université Babeş-Bolyai, l'association *Hypérion* a été fondée en 1981 et a eu parmi ses créateurs le même noyau dur de la diaspora, constitué par Monica Lovinescu, Virgil Ierunca et Mircea Eliade, auxquels s'ajoutaient Leonid Mămăligă, Theodor Cazaban et Matei Cazacu (Chihaia, p. 161).

### **Le dilemme des forums politiques**

Nous avons montré que la diversité des préoccupations des intellectuels qui ont constitué la diaspora roumaine de l'Hexagone avait compliqué les tentatives d'avoir un message commun, européen ou anticommuniste, exprimé par ce noyau incontestable. Le degré d'implication des élites analysées aux débats visant l'avenir de la Roumanie a dépendu d'une multitude de facteurs, comme les expériences personnelles, la couleur politique et les interactions avec le régime de Bucarest. Bien que Paris ait accueilli tant d'associations et de cercles de discussions formés et fréquentés par les intellectuels roumains et que la capitale française ait été le pôle le plus puissant de l'opposition contre le régime communiste roumain, son message a connu de nombreux obstacles indépendants de la situation de Roumanie. Pour exemplifier, il suffit de compter ces structures, parfois très prééminentes, mais d'autres fois dénuées de profondeur ou éphémères, qui ont donné une configuration assez fragmentaire à l'expression de l'exil. Certes, ce n'était pas une situation isolée, car cette fragmentation a été typique aux autres groupes de dissidents provenant du bloc communiste, mais dans le cas des Roumains, il restait le problème de la concentration des informations qui ont modelé leur message européen pour la Roumanie.

L'une des lignes de division a été la question de la distance, à une époque où la communication n'était pas aussi facile qu'à présent. Ainsi, bien que les rivalités entre les membres de la diaspora roumaine n'aient pas été décisives dans la formation d'une opinion dominante, contraire à la ligne du Parti communiste, la fragmentation spatiale de la diaspora

ne devrait pas être minimisée. Pour exemplifier cette situation, mais aussi pour observer une certaine continuité dans la démarche intellectuelle que nous suivons, nous analyserons l'importance du *Comité national roumain* et ses interactions avec la diaspora française, car c'était l'organe le plus représentatif de l'exil roumain, trouvé au-dehors de l'Hexagone.

L'avènement des communistes en Roumanie, juste après la seconde guerre mondiale, et la suppression des partis politiques traditionnels, aussi bien que la chute de la monarchie, ont ouvert la voie de l'exil pour des leaders politiques et ont engendré une forte idée de résistance. En effet, les trois partis majeurs qui ont souffert le plus à cause des oppressions communistes, le Parti national libéral, le Parti national-paysan, mais aussi, avec des réserves, le Parti social-démocrate indépendant, ont conclu dès 1948 un accord pour préserver leur identité en exil et pour lutter en commun contre les abus inimaginables du régime Petru Groza à l'égard des formations politiques. Cet accord portait le nom *Conseil des partis démocratiques roumains*. Le guidage de cette association assez bizarre était assuré par le dernier premier ministre légitime de la Roumanie, à l'époque, le général Nicolae Rădescu, tandis que l'endroit où elle s'est assemblée a été très loin de l'espace natal, plus précisément à New York. Le patronage ultime du Conseil était assuré par le Roi Michel I, qui ne s'y trouvait pas pourtant, mais qui assurait un plus de légitimité aux débats organisés (*Magazin istoric*, p. 28).

Le dilemme essentiel qui a troublé la diaspora roumaine de France, d'Amérique ou d'ailleurs, était quand même l'absence d'une structure qui représente formellement la volonté des citoyens de la Roumanie, conquise d'une certaine manière par la force par les communistes - autrement dit, un gouvernement en exil. La tradition existait à ce propos et s'était manifestée pendant les années de la guerre non seulement dans le cas des pays centraux-est européens, tels la Pologne, mais aussi dans des situations plus notables, comme le gouvernement dirigé par Charles de Gaulle (*Kurapovna*, p. 51). Dans ce dernier cas, la complexité de la démarche du général, de former un Comité national, a été remarquable, tandis que les relations avec le gouvernement britannique devaient être établies selon des principes très clairs. Le tout est démontré par le Mémorandum adressé par de Gaulle au Lord Halifax, le 26 juin 1940 (de Gaulle, vol. 1, pp. 334-335). Toujours pendant la seconde guerre mondiale, une forme d'organisation légitime en exil a été le Comité français de la libération nationale, créé par les généraux de Gaulle et Giraud, le 3 juin 1943. Pourtant, les conditions y étaient différentes, par rapport à celles des Roumains d'après 1945, comme on peut observer des principes de l'acte constitutif de cette institution : (Le Comité) *exerce la souveraineté*



*française sur tous les territoires placés hors du pouvoir de l'ennemi. Il assure la gestion et la défense de tous les intérêts français dans le monde* (de Gaulle, vol. 2, p. 447).

Pour la diaspora roumaine, la création d'une structure aussi puissante qu'un gouvernement légitime en exil aurait favorisé l'expression d'un message de résonance, mais le sujet s'est avéré très difficile. Sans entrer trop dans les détails, en s'éloignant de notre sujet principal, il faut noter pourtant que les facteurs qui ont empêché la transformation du *Conseil des partis démocratiques roumains* en une telle structure ont été multiples. Par exemple, on peut constater la réticence du gouvernement américain à l'égard d'une telle démarche, qui aurait compromis sa politique extérieure à l'égard du bloc communiste, mais aussi les dissensions parmi les représentants des partis politiques mentionnés ci-dessus. Or, tandis que leur participation, couvrant le spectre politique dominant de la Roumanie à l'époque, aurait donné plus de légitimité à la démarche entière, les conflits d'idées entre eux a rendu cette transformation trop difficile pour qu'elle ait des chances de succès.

Prenant le nom de *Comité national roumain*, qui se ressemblait à celui d'une structure du type gouvernement en exil, l'entité n'a jamais atteint cette position, malgré les sentiments favorables du Roi à l'égard d'un tel niveau de représentation (Foreign relations..., pp. 360-362). En revanche, si les citoyens de Roumanie étaient devenus quasi-inabordables, à cause des interdictions imposées par le régime, ceux de la diaspora, très nombreux d'ailleurs, avaient besoin d'une meilleure coordination, surtout parce qu'une partie d'entre eux se confrontaient à des besoins matériels immédiats, vu les conditions de leur départ de Roumanie. Pour cela, Nicolae Caranfil a fondé, à Paris, *CAROMAN*, une association dont le but était de soutenir les Roumains qui avaient pris ou allaient prendre la voie de l'exil (Djuvara, *Souvenirs...*, p. 32). L'idée était très importante et symbolisait aussi la solidarité que le pragmatisme de la diaspora roumaine, qui voulait plutôt se détacher des appartenances politiques, pour mettre l'accent sur sa propre condition et sur ses représentants valeureux, en tant que porte-paroles.

Même Rădescu était en faveur de la convocation d'une assemblée générale des Roumains de la diaspora, qui devait avoir lieu à Paris - une autre preuve que c'était en fait le centre de l'exil roumain - mais l'opposition de la part des partis politiques, notamment les nationaux-paysans, a mis la pression contre cette initiative (Pour comprendre le contexte, voir: Calafeteanu, *Politică și exil...*). Voilà comment la difficulté de mettre sur un plan second l'affiliation à un parti, même démocratique, a empêché le développement d'une démarche concrète en faveur d'un niveau supérieur de représentation à la diaspora. Pourtant, tenant compte du contexte, où ces partis historiques avaient beaucoup souffert à cause de

l'oppression extrêmement grave et violente des communistes, l'attitude des politiciens de l'exil devenait plus logique.

L'organisation du Comité a été achevée grâce à l'intervention du Roi Michel, qui a proposé le général Rădescu à la tête de l'entité, grâce à sa légitimité en tant que premier ministre. Pourtant, les pourparlers menés par le diplomate Grigore Gafencu avec le Département d'État à Washington D.C. ont mis en évidence la même réticence de la part de l'Administration américaine, à propos de la transformation du *Comité national roumain* en un gouvernement libre. Dans sa réponse officielle, le Département d'État admettait que la Roumanie se trouvait dans une *situation tragique* et que *dans la situation actuelle, un gouvernement similaire à un gouvernement en exil ne serait pas bienvenu* (Archives de Hoover Institution, Stanford University, fond *Brutus Coste*, boîte no. 1). L'échec est arrivé malgré l'expérience notable de Gafencu dans les relations internationales. Il ne faut pas oublier qu'il a été l'un des fondateurs du *Groupe roumain pour l'Europe unie*, qui se proposait de gagner une place pour la Roumanie à la table des négociations qui ont engendré les Communautés européennes et qui a participé, en tant qu'entité distincte, à *L'Union européenne des fédéralistes* (Calafeteanu, *Istoria politiciii...*, p. 361). L'attachement pour l'unité européenne a été tellement grand pour Gafencu qu'il a fait partie aussi du Comité exécutif du *Mouvement européen*, fondé par la suite du Congrès de la Haye, de 1948, dont le dessein était (et il l'est même de nos jours) d'arriver à une fédéralisation de l'Europe (Calafeteanu, *Revoluția...*, p. 56).

En dépit du statut incertain du *Comité national roumain*, ses mérites pour la diaspora roumaine ont été multiples, y compris l'implication du Roi et l'établissement d'objectifs univoques visant l'opposition au communisme, la démocratisation de la Roumanie et la solidarité parmi les Roumains de l'exil. En outre, ce qui est le plus important pour notre recherche, c'est la démarche du Comité d'étendre son influence et ses mécanismes, afin de couvrir les grands centres où l'on trouvait des représentants de la diaspora roumaine. Paris en a été évidemment une cible immédiate, où l'activité de son délégué, Virgil Veniamin, a été importante (Calafeteanu, *Exilul românesc...*, pp. 468-469), mais les légations du Comité ont couvert aussi d'autres grandes villes européennes et même sud-américaines. Le fait que Paris a été de loin le pôle le plus prééminent de la diaspora roumaine a été démontré même par l'activité financière du *Comité national roumain*, qui y a dirigé des fonds considérables, malgré ses propres difficultés financières : cet argent est revenu à la société CAROMAN, à l'Église roumaine, à la revue *Luceafărul*, au *Centre roumain de recherches* et à *l'Association des étudiants roumains* de Paris (Déclaration de Nicolae Rădescu à la séance du Comité

national roumain du 24 juin 1949 – Archives de *Hoover Institution*, Stanford University, Fond Comitetul național român, boîte no. 3).

Malgré les dissensions politiques qui ont continué dans le cadre du Comité, son activité a connu d'autres réussites notables, comme l'affiliation à l'*Assemblée des nations captives*, qui regroupait des organisations similaires d'autres peuples opprimés par le communisme (Gabaccia, p. 170). Il ne faut non plus laisser de côté la revue *La Nation roumaine*, publiée à Paris par le Comité, pour l'information de la diaspora qui s'y trouvait, une publication jointe à une variante américaine, appelée *Romania*. En plus, un autre mérite notable de l'organisation a été le rétablissement de la prestigieuse *Fondation universitaire Roi Carol I*, en 1949, qui a été un appui pour l'intelligentsia roumaine de la diaspora et un lien avec la monarchie.

La fin de l'activité du Comité à New York, intervenue en 1975, à cause des problèmes financiers et du soutien insuffisant de la part de l'Administration américaine, a transféré une partie de son activité à Paris, grâce aux démarches du politicien national-paysan Nicolae Penescu (1896-1982) (Constantinescu, p. 374). À la tête du *Conseil national roumain*, le dissident anticommuniste, libéré des prisons roumaines en 1964 (Archives de l'Institut pour l'investigation des crimes du communisme, fiche matricule pénale, Nicolae Penescu, matricule C23/Sighet. Voir aussi : Diaconescu, p. 83), quatre ans avant la visite de Charles de Gaulle à Bucarest et onze ans avant celle de Jacques Chirac (Marès, Milza, p. 175), a mené une activité internationale extrêmement critique à l'égard des politiques de Nicolae Ceaușescu. Ses actions ont été si haïes par le régime communiste que le bras armé de la Sécurité a été l'instrument de la mort de l'intellectuel exilé. En 1981, un paquet explosif envoyé à Penescu lui a infligé des blessures qui se sont avérées fatales - un autre exemple odieux des persécutions de la diaspora roumaine de France décidées par un régime qui trouvait trop souvent l'accès vers les voix qui lui étaient incommodes (Follain, pp. 130-131). Paul Goma a adressé une lettre au président des États-Unis, Ronald Reagan, en 1981, pour l'informer sur ces actes qu'il appelait *terroristes*, dirigés contre la diaspora roumaine et, surtout, contre les collaborateurs de Radio Europe Libre (Goma, pp. 167-170).

Si l'on s'éloigne dans le temps, il est à remarquer le fait qu'une autre forme de continuation du travail du *Comité national roumain* a été enregistrée toujours par son fondateur, Nicolae Rădescu, en 1950 et de nouveau à New York. Malgré son activité assez éphémère, durant une décennie, la *Ligue des Roumains libres* - le nom porté par cette organisation - est venue comme une réponse aux conflits de nature politique, marquant l'activité du *Comité national roumain* (ou *Comité national de coordination roumaine*),

alimentés par les nationaux-paysans et le Roi, qui voulaient le percevoir comme un gouvernement en exil. En revanche, cette nouvelle structure, à laquelle a participé également le diplomate Grigore Gafencu, partageait la plupart de ses objectifs avec le Comité, condamnant fermement le communisme roumain, la soumission aux Soviétiques et encourageant le soutien des Roumains, notamment ceux de l'exil, et de leurs formes libres d'organisation. Bien sûr, les relations de la Ligue avec la maison royale n'ont pas été productives, malgré le dessein de l'organisation de restaurer la monarchie en Roumanie (Andronescu, p. 159). D'autre part, une activité notable a consisté en des contacts avec d'autres associations de la diaspora et avec des diplomates américains, aussi bien que des publications et des messages adressés par le biais de la Radio Europe Libre.

Dans le cas des conflits parmi les représentants des partis historiques trouvés en exil, il est à noter que les problèmes apparus au sein du *Comité national roumain* à cause de ces visions divergentes n'ont pas été retrouvés dans toutes les actions politiques de la diaspora roumaine. Par contre, il faut noter au moins un cas où l'activité d'un parti a encouragé non seulement la continuité d'une tradition idéologique bénéfique pour la Roumanie, mais aussi une chance de former des futurs politiciens pro-européens. Il s'agit du *Club de réflexion et d'action libérale*, qui a fonctionné à Paris, depuis 1973 jusqu'à la fin du régime communiste (<http://aliantadreptei.wordpress.com/2010/03/07/cronologie-pnl-1835-2012>. Accès: le 12 août 2012). Par son activité, ce Club a eu la capacité de regrouper des personnalités remarquables de la diaspora, partisans des idées libérales, démocratiques et anticommunistes. Parmi les noms les plus notables, on y remarque Radu Câmpeanu, le futur président du Parti national libéral (PNL), après la légalisation du pluralisme politique, mais aussi Dinu Zamfirescu, coparticipant à la démarche de rétablir ce parti (Pelin, p. 301).

## Conclusions

La représentation des membres notables de l'exil roumain a manifesté des formes diverses d'expression de leurs idées réformatrices dirigées contre le régime communiste de Bucarest. Les associations créées par ces intellectuels, souvent complémentaires en ce qui concerne leurs objectifs, ont offert une certaine cohérence au message de la diaspora roumaine. Malgré les conflits de nature politique ou personnelle qui étaient inhérents aux circonstances, il n'y a pas eu de compétition acerbe pour la suprématie d'une association, qui se voyait à la tête de l'exil, surtout non pas dans l'espace français. En revanche, les interactions constantes entre ces forums de débats, ou bien même avec des autres formations

de l'exil anticommuniste et des représentants des gouvernements des pays hôtes, ont donné plus d'importance aux démarches des intellectuels roumains de la diaspora. Le pouvoir de regrouper des valeurs a été un autre trait de ces sociétés, grâce à l'abondance des personnalités de premier rang qui se trouvaient surtout à Paris et qui ont manifesté une solidarité fructueuse dans ce cas, en raison de leur dégoût à l'égard de l'acceptation communiste de la condition intellectuelle. Il faut apprécier le nombre d'associations qui ont eu un caractère culturel, académique ou artistique, parce que le besoin des gens de culture de s'exprimer librement au sein de leurs pays adoptifs a été très prononcé. Il venait souvent suite à des confrontations avec la pensée très étroite d'un régime communiste qui voyait la culture comme un outil de propagande.

Si les élites roumaines ont eu une capacité impressionnante de se regrouper autour des idéaux pro-européens et critiques envers le totalitarisme, surtout dans la capitale française, la pénétration de leur message au-delà du rideau de fer a été difficile. Dans ce cas, l'atout de la diaspora a été la concentration d'un noyau intellectuel extrêmement militant, au centre duquel il faut remarquer ce couple remarquable, constitué par Monica Lovinescu et Virgil Ierunca. Si le monde roumain de la diaspora française a inclus tant d'autres personnalités d'une valeur incontestable, ce sont les deux qui ont donné la plus grande visibilité à l'image de cette diaspora, même à l'intérieur de la Roumanie. L'utilisation des moyens radio par l'exil a été, sans doute, l'une de ses réussites les plus notables, qui a permis le franchissement de cette frontière physiquement impénétrable, marquée par le rideau de fer. Ce qui est, cependant, remarquable, c'est l'acceptation et le soutien offert par l'opinion publique, les autorités et les intellectuels français, à ces associations, à ces démarches culturelles et académiques et à ces expressions libres d'un message quelquefois virulent, accomplies par les intellectuels roumains. Sans l'ouverture manifestée par l'Hexagone, aucune action n'aurait eu de succès et les moyens de propagation des idées énoncées par les Roumains auraient été fermés à leurs voix.

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## **SOME GUIDELINES OF THE RIGHT WING'S HISTORIOGRAPHY**

Paula Mureșan, PhD student  
Faculty of European Studies,  
Babeș-Bolyai University Cluj-Napoca

*Abstract: The paper Some guidelines of the Right wing's historiography tries to present the most important books of international historians concerning the history, evolution, ideology of the Romanian right wing at the beginning of the XXth century. It also presents the most representative books on the Fascism and Nazism in Europe at the same period.*

Keywords: right wing, extremism, Nazism, fascism, nationalism, Iron Guard, Legionary Movement.

*Legionary Movement* aroused and still arouses great interest from both historians and history ordinary consumers due to its moral, social and political complexity. As such, it could not go unnoticed in the literature.

Legion, Iron Guard, or Codreanu's personality evocation, are subjects of history that had to take into account, moreover, to be explained during 1947-1989 through the dogmas of historical materialism, materialism that was the basis of the explanation of strengthening and building the communist society.

We put the question. Why has fascinated the movement? Why is it studied? The answers we find from the experts who have tried to understand a phenomenon that in ideology says some things, and in practice does the opposite: the members urge to live in the spirit and law of Christ face and in practice they murdered persons.

What is perhaps the most vexing thing is the students adhered to this movement. The support of the students remains a live, interesting, and international dispute subject, in Romanian historiography.

We remark the outstanding contributions of foreign historians such as: Eugen Weber<sup>1</sup>, Nicolas-Nagy Talavera<sup>2</sup>, Francisco Veiga<sup>3</sup>, and Armin Heinen.<sup>4</sup>

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<sup>1</sup> Eugen Weber, *Dreapta românească*, Cluj Napoca, Editura Dacia, 1999.

Eugen Weber, in *Dreapta românească*, gives a broad overview of the Legionary Movement from a unitary perspective, framing the movement in the context of the era. For Weber, the problem of the unrealism in politics or the political revolution becomes topics of prime importance. He concludes that the Legion was not the first party to introduce the unrealism in Romania's policy, and Codreanu's answers to the economic problems facing the country could be addressed only through ideological revolution. His study, well documented, crossed by a true neutralism is valuable not only as a stage, but as political analysis to understand the Romanian right wing.

Nagy-Talavera addresses fascism from a comparative perspective. The author considers that the common problems of the two countries (the delayed modernization process) plus the problems arising from World War (territorial losses for Hungary, Romania victory and expansion), have led to the emergence of fascist movements. In the author's opinion Legionary Movement exploited and minority ethnic factors, particularly those relating to the Jewish persons.

Francisco Veiga, author of *Istoria Gărzii de Fier 1919-1940. Mistica ultranaționalismului* provides a political history of Romanian society. The Legionary phenomenon is viewed from a perspective free of prejudices. Veiga's intention is to re-discuss the topic of fascism with all its implications. Thus, the history of the Legionary Movement is analyzed until the end, but it is interesting the manner of presentation: Legionary phenomenon is presented within the political history. The author's intention is not to take it out of the context; on the contrary, he tries to understand it from the historical perspective of the epoch.

Veiga tried to debunk the cliché idea that the essential characteristic of the Movement was the obsessive anti-Semitism. It is irrelevant to the author a question about the degree to which the Iron Guard Legion may or may not be considered "pure" fascist. He agrees that the party in Romania has "something" with the parties in Germany, Italy or Spain.

The Cause of Legionnaires's fall in Veiga's opinion is that the Legionnaires of '39 and '40 turned themselves in their own opponents. They could not conceive that Antonescu had managed to gain the trust of Hitler. The rebellion in Bucharest caused their end.

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<sup>2</sup> Nicolas-Nagy Talavera, *Fascismul în Ungaria și România*, București, Ed. Hasefer, 1996.

<sup>3</sup> Francisco Veiga, *Istoria Gărzii de Fier 1919-1940. Mistica ultranaționalismului*, București, Editura Humanitas, 1993.

<sup>4</sup> Armin Heinen, *Legiunea Arhanghelului Mihail, o contribuție la problema fascismului internațional*, București, Editura Humanitas, 1999.

The paper *Legiunea Arhanghelului Mihail, o contribuție la problema fascismului internațional* of Armin Heinen is a reference work for the study and understanding of the Legionary Movement and its doctrine. Framing the Legionary Movement in internal and international context, detailing the political wars, Heinen rewrites the history of interwar Romania: Romania's nationalism, 1918-1922, was a time of confusion. After the phase of political and social reforms a period of economic and political stability followed. The wave of anti-Semitic riots in Eastern Europe was spread into Romania, too and the lack of democratic education of public opinion for the radicalism of the '30 had great significance. Regarding the Legionary Movement, the author believes that it has become an important factor during 1932 - 1933.

International historiography dealing with the problem of totalitarian and dictatorial regimes was embraced with the reference work of historians that today raises controversies. We make direct reference to the origins of totalitarianism's landmark book written by Hannah Arendt<sup>5</sup> in which the author examines European society trying to define the anti-Semitism in this regard. In her opinion, anti-Semitism reached the peak of nationalism when the Jewish people lost their public positions and influence. Modern anti-Semitism therefore has political reasons rather than economic. The author explains and defines, in very clear and rigorous terms, the mechanisms of totalitarian movements seen by three instruments: political institutions, totalitarian principles and practical politics. The book becomes a benchmark for understanding the phenomena and ideologies that have marked the history of Europe in the twentieth century.

Another book that we consider of important relevance is that of French historian, Francois Furet.<sup>6</sup> The historian explains that the emergence of totalitarian regimes has economic causes, identifying this first class that led to this situation: the development of the bourgeoisie. Moreover, his study provides a comprehensive research on the relationship that Bolshevism and Communism have exercised over European intellectuals. European intelligentsia became a major player in the puzzle of understanding relationship within totalitarian regimes. Continuing Arendt's ideas, Furet held that both communism and fascism are totalitarian twins, since their origins are found in socialism and anti-liberal sentiments.

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<sup>5</sup> Hannah, Arendt, *Originile totalitarismului*, București, Editura Humanitas, 1996

<sup>6</sup> Francois, Furet *Trecutul unei iluzii. Eseu despre ideea comunistă în secolul XX*, Ed. Humanitas, 1996

Due to the fact that the truth is sought, analyzed and observed in various hypotheses, Furet entered a vivid and true historical and ideological debate with the German philosopher, Ernst Nolte, on totalitarian regimes, fascism and communism. In Nolte's view<sup>7</sup>, fascism was nothing more than a counter-reaction to communism. The main cause of the development of fascism was the resistance and response to modernity.

The historian Alain Besancon addresses the issue of communism and Nazism in the study *Originile intelectuale ale Stalinismului*.<sup>8</sup> Russia's particularity is analyzed in terms of the education system, the inability of civil society to impose values young people, the crisis of the old regime leading to the socialist revolution. The triangle made up of the old state, civil society and intelligentsia favor the emergence of Marxist ideas. Moreover, these three pillars of Marxist ideas merge together.

The work of Enzo Colloti<sup>9</sup> offers the reader a comprehensive analysis of the Nazi phenomenon, the rise of Hitler, the reasons of his ascension to power, the relations established with the Italian dictator, Mussolini, the ideological influences of the Nazism on other totalitarian ideologies. Starting with the fall of Weimar Republic and continuing up to the end of the Nazism, the book is a landmark historiography totalitarian ideology.

James Gregor's book *Young Mussolini and the Intellectual in Origins of Fascism*<sup>10</sup> tried to argue in favor of Mussolini's Marxist origins. The author declares that as a Marxist, Mussolini prioritizes economic and industrial development Italy. Due to this aspect, he becomes the most fervent advocate of the economic modernization. What actually succeeds Mussolini: mobilizing the masses, Italy's modernization remains only in words, and the nationalism is assumed in orientation.

In conclusion, we can say that totalitarian regimes developed in the twentieth century raises intriguing and currently vivid debates among the specialists. We have tried to give a general view on the changes that occurred with the establishment of totalitarian regimes, its

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<sup>7</sup> Ernst Nolte, *Fascismul în epoca SA: action française, fascismul italian, național socialismul*, Ed. Vivaldi, 2009.

<sup>8</sup> Alain Besancon, *Originile intelectuale ale Stalinismului*, București, Editura Humanitas, 1993.

<sup>9</sup> Enzo Colloti *Hitler and Nazism*, Interlink Books, 1999.

<sup>10</sup> A. James Gregor, *Young Mussolini and the Intellectual Origins of Fascism*, University of California Press, 1979

causes and effects. We used for this purpose reference works of international historiography. Far from being exhausted a subject so broad and vast, we believe that this presentation helps us to understand the national and international context of the early twentieth century.

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