

Romania

2016 Country Review

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Chapter 1

Country Overview

Country Overview

ROMANIA

With a population of around 21 million, Romania is one of the largest countries in Central and Eastern Europe. Between 1250 and 1350, the independent Romanian principalities of Wallachia and Moldavia emerged. In the 15th and 16th centuries Ottoman Turks conquered the principalities. In 1859 Wallachia and Moldavia were united as Romania. The country gained independence in 1878, and was proclaimed a kingdom in 1881. It joined the Allied Powers in World War I and acquired new territories - most notably Transylvania – after the war. Romania entered World War II on the side of the Axis Powers in 1941, but after Soviet troops entered Romania in 1944 it joined the Allies. The post-war Soviet occupation led to the establishment of a Communist government, and in 1947 the king was forced to abdicate. Nicolae Ceausescu's 24 years of harsh, repressive leadership was ended in late 1989 when he was overthrown and executed. However, former Communists dominated the government until 1996 when they were swept from power. Romania joined NATO in 2004 and the European Union in 2007. Romania is endowed with substantial natural resources including rich agricultural lands, diverse energy resources such as coal, oil, and natural gas, and an industrial base encompassing a wide range of manufacturing activities.

Key Data

Key Data	
Region:	Europe
Population:	21666350
Climate:	Temperate; cold, cloudy winters with frequent snow and fog; sunny summers with frequent showers and thunderstorms.
Languages:	Romanian Hungarian German
Currency:	1 leu (L\$) = 100 bani
Holiday:	National Day of Romania, 1 December (1990)
Area Total:	237500
Area Land:	230340
Coast Line:	225

Romania

Country Map



Europe

Regional Map



Chapter 2

Political Overview

History

From about 200 B.C.E. (Before the Common Era), when it was settled by the Dacians, a Thracian tribe, Romania has been on the path of a series of migrations and conquests. Under the Emperor Trajan early in the second century C.E. (Common Era), Dacia was incorporated into the Roman Empire, but was abandoned by a declining Rome less than two centuries later.

Romania disappeared from recorded history for hundreds of years, to re-emerge in the medieval period as the Principalities of Moldavia and Wallachia. Heavily taxed and badly administered under the Ottoman Empire, the two principalities were unified under a single native prince in 1859, and had their full independence ratified by the 1878 Treaty of Berlin. A German prince, Carol of Hohenzollern, was crowned first King of Romania in 1881.

The new state, squeezed between the Ottoman, Austro-Hungarian, and Russian empires, with Slav neighbors on three sides, looked to the West, particularly France, for its cultural, educational, and administrative models. Romania was an ally of the Entente and the United States in World War I and was granted substantial territories with Romanian populations, notably Transylvania, Bessarabia and Bukovina, after the war.

Most of Romania's pre-World War II governments maintained the form, but not the substance, of a liberal constitutional monarchy. The quasi-mystical, fascist Iron Guard movement, exploiting nationalism, fear of communism, and resentment of alleged foreign and Jewish domination of the economy, was a key factor in the creation of a dictatorship in 1938. In 1940-41, the authoritarian General Antonescu took control. Romania entered World War II on the side of the Axis Powers in June 1941, invading the Soviet Union to recover Bessarabia and Bukovina, which had been annexed in 1940.

In August 1944, a coup led by King Michael, with support from opposition politicians and the army, deposed the Antonescu dictatorship and put Romania's battered armies on the side of the Allies. Romania incurred additional heavy casualties fighting the Germans in Transylvania, Hungary and Czechoslovakia. The peace treaty, signed in Paris on Feb. 10, 1947, confirmed the Soviet annexation of Bessarabia and northern Bukovina, but restored the part of northern Transylvania granted to Hungary in 1940 by Hitler.

The treaty required massive war reparations by Romania to the Soviet Union, whose forces occupied Romania until 1958. Meanwhile, the Soviets pressed for inclusion of Romania's heretofore-negligible Communist Party in the post-war government, while non-Communist political leaders were steadily eliminated from political life. King Michael abdicated under pressure in December 1947, when the Romanian People's Republic was declared, and went into exile.

In the early 1960s, Romania's government began to assert some independence from the Soviet Union. Nicolae Ceausescu became head of the Communist Party in 1965 and head of state in 1967. Ceausescu's denunciation of the 1968 Soviet invasion of Czechoslovakia, and a brief relaxation in internal repression, helped give him a more positive image both at home and in the West. Western leaders were slow to turn against a regime that, by the late 1970s, had become increasingly harsh, arbitrary, and capricious. Rapid economic growth fueled by foreign credits gradually gave way to wrenching austerity and severe political repression.

After the collapse of communism in the rest of Eastern Europe in the late summer and fall of 1989, a mid-December protest in Timisoara against the forced relocation of a Hungarian minister grew into a countrywide protest against the Ceausescu regime, sweeping the dictator from power. Ceausescu and his wife were executed on Dec. 25, 1989, after a cursory military trial. Approximately 1500 people were killed in street fighting. An impromptu governing coalition, the National Salvation Front, installed itself and proclaimed the restoration of democracy and freedom. The Communist Party was outlawed, and Ceausescu's most unpopular measures, such as bans on abortion and contraception, were repealed.

Dozens of new political parties sprang up after 1989, gravitating around personalities rather than programs. All major parties espoused democracy and market reforms, but the National Salvation Front (FSN), which since July 1993 has been called the Party of Social Democracy of Romania, or PDSR, proposed slower, more cautious economic reforms and a social safety net. The Democratic Convention, on the other hand, favored quick, sweeping reforms, immediate privatization, and reducing the role of the ex-Communist elite.

Ion Iliescu, a former Communist Party official demoted by Ceausescu in the 1970s, emerged as leader of the FSN. Presidential and parliamentary elections were held on May 20, 1990. In the presidential election, running against representatives of the pre-war National Peasants' Party (renamed the National Peasants' Christian Democratic Party or PNTCD) and the National Liberal Party, Iliescu won 85 percent of the vote. The FSN captured two-thirds of the seats in parliament, named a university professor, Petre Roman, prime minister and began cautious free market reforms. The new government did not endure for long, falling a year and a half later.

Note: The political developments from this period onward are discussed in the "Political Conditions" of this review.

Note on History: In certain entries, open source content from the State Department Background Notes and Country Guides have been used. A full listing of sources is available in the Bibliography.

Political Conditions

In the presidential election in 1990, running against representatives of the pre-war National Peasants' Party (renamed the National Peasants' Christian Democratic Party or PNTCD) and the National Liberal Party, Ion Iliescu won 85 percent of the vote. The National Salvation Front (FSN) captured two-thirds of the seats in parliament, named a university professor, Petre Roman, prime minister and began cautious free market reforms.

The new government made a crucial early misstep. Unhappy with the continued political and economic influence of members of the Ceausescu-era elite, anti-Communist protesters had camped in University Square in April 1990. When miners from the Jiu Valley descended on Bucharest two months later and brutally dispersed the remaining "hooligans," President Iliescu, by publicly expressing gratitude, convinced many that the government had sponsored the miners. The miners also attacked the headquarters and houses of opposition leaders. The following year, in late September 1991, the Romanian government fell, when the miners returned to Bucharest to demand higher salaries and better living conditions.

An independent technocrat, Theodor Stolojan, was appointed to head an interim government until new elections could be held. Parliament drafted a new democratic constitution, approved by popular referendum in December 1991. The National Salvation Front split into two groups, led by Ion Iliescu of the Democratic National Salvation Front or FDSN, and Petre Roman of the National Salvation Front, in March 1992; Roman's party subsequently adopted the name Democratic Party, or PD.

The 1992 local and national elections revealed a political cleavage between major urban centers and the countryside. Rural voters were grateful for the restoration of most agricultural land to farmers - but fearful of change - and strongly favored President Ion Iliescu and the National Salvation Front. The urban electorate favored the Democratic Convention of Romania, or CDR, and quicker reform.

The national elections in September 1992 returned President Iliescu by a clear majority, and gave his party, the FDSN, a plurality in both houses of parliament. With parliamentary support from the nationalist Romanian National Unity Party, the Greater Romania Party, and the Socialist Labor

Party, a technocratic government was formed in November 1992 under Prime Minister Nicolae Vacaroiu, an independent (that is, non-partisan) economist. In July 1993, the FDSN merged with the Socialist Democratic Party of Romania, the Republican Party, and the Democratic Cooperationist Party to form the Party of Social Democracy of Romania (PDSR). Prime Minister Vacaroiu joined the PDSR in May 1996.

The Vacaroiu government ruled with the support of various smaller parties, all of which abandoned the coalition by the time of the November 1996 general elections. Meanwhile, in January 1994, the stability of the government became problematic when the Romanian National Unity Party, or PUNR, threatened to withdraw its support unless given cabinet portfolios. In August 1994, two members of the nationalist PUNR received cabinet portfolios in the Vacaroiu government. In September, the incumbent justice minister announced that he had become a PUNR member. The Greater Romania Party, also known as the PRM, and the Socialist Labor Party, or PSM, withdrew their support of the government in October and December 1995, respectively.

The 1996 local elections realized a major shift in the political orientation of the Romanian electorate. Opposition parties swept Bucharest and most of the larger cities in Transylvania and Dobrogea. This trend continued in the November 1996 national elections, where the opposition dominated the cities and made steep inroads into rural areas previously dominated by President Iliescu and the PDSR. The campaign of the opposition hammered away on the twin themes of the need to staunch corruption and to launch economic reform.

In the presidential elections, Emil Constantinescu of the Democratic Convention (CDR/PNTCD) defeated President Iliescu of the Party of Social Democracy of Romania (PDSR) in the second round of voting and replaced Iliescu as head of state.

In the parliamentary elections, the Party of Social Democracy of Romania, or PDSR, won the largest number of seats of any single party (42 seats in the Senate and 91 seats in the Chamber of Deputies, for a total of 132 seats). The PDSR, however, did not form the government. The constituent parties of the Democratic Convention of Romania, or CDR, alliance joined the Social Democratic Union, or USD, alliance and the Hungarian Democratic Union of Romania, or UDMR, to form a centrist coalition government, led by Prime Minister Victor Ciorbea, a former labor lawyer and government prosecutor, and member of the CDR/PNTCD. Together, the CDR (122, 53), the USD (53, 23), and the UDMR (25, 11) held 200 out of the 343 seats in the Chamber of Deputies and 87 out of 143 seats in the Senate, for an overall parliamentary majority of 287 out of 486 seats. [The National Peasants' Christian Democratic Party of Romania, or PNTCD, the National Liberal Party, and the National Liberal Party-Democratic Convention form the bulk of the CDR. The Democratic Party, led by former Prime Minister Petre Roman, and the Romanian Social Democratic Party form the USD].

After the 1996 parliamentary elections, a centrist coalition government comprised of the Democratic Convention of Romania, the Social Democratic Union, and the Hungarian Democratic

Union of Romania, and led by Prime Minister Victor Ciorbea, was formed. The ruling coalition held 200 out of the 343 seats in the Chamber of Deputies and 87 out of 143 seats in the Senate, for an overall parliamentary majority of 287 out of 486 seats. (The National Peasants' Christian Democratic Party of Romania, the National Liberal Party, and the National Liberal Party-Democratic Convention are the main parties of the CDR. The Democratic Party, led by former Prime Minister Petre Roman, and the Romanian Social Democratic Party form the USD.)

The inclusion of the Hungarian Democratic Union, or UDMR, and its ethnic Hungarian supporters in the Ciorbea government was considered a historic step toward improving relations between ethnic Romanians and ethnic Hungarians and also between Romania and Hungary. The UDMR was allotted two ministries and a number of state secretaries, county prefects and other senior positions.

The Ciorbea government outlined the following items as its top priorities: economic "shock" reform (including privatization/closure of state enterprises and monetary and fiscal reform), decentralization, and a campaign against corruption. While Western governments initially praised the new coalition for its attempts at economic reform, the government's actions were far less popular at home. In particular, trade unions protested against planned economic restructuring (mainly privatization) of state-owned enterprises. This restructuring was no more popular with vested industrial interests. The government also suffered two key foreign policy setbacks in mid-1997 when both the North Atlantic Treaty Organization and the European Union failed to invite Romania to begin accession negotiations.

A year after taking office, in December 1997, the slow pace of economic reform resulted in Prime Minister Ciorbea reshuffling his cabinet, removing several ministers who were members of parties in the coalition and replacing them with technocrats.

That same month, a key member of the ruling coalition, Petre Roman of the Democratic Party (a constituent party of the Social Democratic Union or USD), called for the resignation of Prime Minister Ciorbea if real reforms were not soon implemented. Coalition infighting worsened when the Romanian Senate, acting against the preferences of President Constantinescu, voted against education policies favored by the Hungarian Democratic Union of Romania, the ethnic Hungarian party. Not only did the Senate ban separate, minority-language university instruction, it mandated that all history and geography classes - even those taught in Hungarian-language schools - be taught in Romanian. Members of President Constantinescu's and Prime Minister Ciorbea's own party, the National Peasants' Christian Democratic Party of Romania, or PNTCD, were largely responsible for the legislation.

These developments led to increased tensions between the CDR and the UDMR, within the CDR/PNTCD, and between Romania and Hungary who, for obvious reasons, was concerned about the treatment of ethnic Hungarians in Romania.

Coalition relations worsened when Prime Minister Ciorbea forced the foreign minister to resign and then sacked the transportation minister - both members of the Democratic Party/Social Democratic Union. Petre Roman then demanded that Ciorbea resign and a new cabinet take office by the end of March, threatening to pull out of the coalition and force early elections. President Constantinescu supported Ciorbea and called for every parliamentary vote to be considered a confidence vote. In doing this, President Constantinescu was, in effect, "calling the Democratic Party's bluff." Public opinion polls at the time suggested that the Democratic Party/Social Democratic Union would not perform well in parliamentary elections.

At the end of January 1998, the Democratic Party/Social Democratic Union pulled out of the governing coalition but agreed to continue to support the government's reform legislation for a six-month period. In effect, this kept the government in office and prevented pre-term elections.

Between the end of January and the end of March 1998, the situation in the governing coalition worsened. While it appears that the coalition parties were committed to the shared objective of economic restructuring, personality clashes, ties to vested trade and industrial interests, as well as a history of hostile relations, prevented the members of the coalition from agreeing upon and enacting the much-needed reforms.

The fact that many members of the government were inexperienced and that the required economic reforms -- especially the privatization of state-owned industries -- would be very painful did not help the situation. Generally speaking, there was very little of a natural affinity between the National Peasants' Christian Democratic Party of Romania, also known as the PNTCD, and the Democratic Party. The PNTCD had been anti-Communist during Ceausescu's rule and severely repressed. Many members of the DP had belonged to the Communist party elite. In particular, the two parties strongly disagreed about land reform and how to deal with former, Communist security officials.

By February, another member of the CDR, the National Liberal Party, was calling for the resignation of Prime Minister Ciorbea. Even the leader of Ciorbea's own party, the PNTCD, was suggesting that Ciorbea should go. The coalition was unable to pass the 1998 budget, and talks with the International Monetary Fund had broken down, largely because of the budget situation.

By late March, with the IMF withholding loans and at least 40 members of his own party calling for his resignation, Prime Minister Ciorbea stepped down. Gavril Dejeu of the PNTCD was named acting prime minister, and the Democratic Party/Social Democratic Union rejoined the governing coalition. The PNTCD soon nominated Radu Vasile to be the next prime minister; he took office in early April, leading a coalition of the same four alliances/parties of the previous government.

Prime Minister Vasile faced all of the problems of his predecessor. He was also confronted with large demonstrations against unemployment and declining standards of living; more strikes by railway workers and miners; another economic downturn; and a split in the PNTCD between

"conservatives" backing Ciorbea and "pragmatists" backing Vasile. Throughout the remainder of 1998 and much of 1999, the Vasile government had no more success than its predecessor in implementing economic reforms.

In mid-December 1999, at its Helsinki Summit, the European Union invited Romania to begin accession negotiations. This positive development was followed by a major government shake-up. Ten of Prime Minister Vasile's cabinet ministers resigned the day after the summit, and President Constantinescu, after criticizing the Vasile government's performance, sacked Vasile the next day. While Vasile initially refused to leave office, claiming that the president's move was unconstitutional (as only the parliament can dismiss a prime minister), Vasile eventually agreed to return to his seat in the Senate. In the meantime, the PNTCD removed Vasile as party leader. Acting Prime Minister Alexandru Athanasiu was soon replaced by the Chairman of the Romanian National Bank, Mugur Isarescu.

As was the case with former Prime Minister Vasile, Isarescu inherited all of the problems of his predecessors -- and was then confronted with several new challenges. Early in 2000, the Romanian economy remained troubled, and teachers and railway workers went on strike. The new government was also confronted with the domestic and international fallout from a late January 2000 overflow of a cyanide-laden wastewater retention dam at the Aural gold mine in Baia Mare in northern Romania. The spill allowed high concentrations of cyanide (used to extract gold from ore containing gold and other minerals) into the River Tisza and downstream into Hungary and northern Serbia. The cyanide eventually flowed into the River Danube. Wildlife in and along both rivers was severely affected, and water supplies were poisoned. Hungary continued to seek compensation from the Australian company that owned 50 percent of the mine. Hungary said it might also seek compensation from the Romanian government, which owned approximately 45 percent of the mine. The remaining five percent was controlled by private, Romanian enterprises.

In addition, in mid-2000, the Isarescu government was confronted with the failure of Romania's largest private investment fund, several bank failures, and an accompanying panic by investors and depositors. The unrest brought about a temporary delay of an International Monetary Fund loan to Romania. It also damaged both domestic and foreign creditors' (and potential investors') confidence in Romania's financial stability. In the aftermath, the Isarescu government pledged to legislate improved regulation of the banking sector.

Nature also caused problems for Romania as the damaging floods the country faced in April 2000 were followed by an intensely hot and dry summer which devastated Romanian agriculture.

In the June 2000 local elections, the lack of support for the center-right parties of the governing coalition became evident. In contrast, opposition leftists did well. These results were to foreshadow the outcomes of the November/December 2000 parliamentary and presidential elections.

The Romanian electorate's frustration with the previous three years of economic decline was

largely responsible for the parliamentary and presidential election results of November/December 2000. The governing coalition, led by Prime Minister Isarescu, was swept out of office, replaced by a government led by Prime Minister Adrian Nastase of the Party of Social Democracy of Romania, or PDSR. With nearly 37 percent of the vote, the PDSR and its allies took 155 seats in the lower house of parliament and 65 seats in the upper house. The National Peasants' Christian-Democrat Party, also known as the PNTCD, leaders of the former ruling coalition, was severely punished by the electorate and gained no representation in parliament. The PDSR, now called the Social Democratic Party, has been ruling as a minority government with broad support from liberals, nationalists, and ethnic Hungarians.

In the presidential election, in a field of nine candidates that included then-Prime Minister Isarescu, the former Communist leader --Ion Iliescu of the PDSR -- failed to get an absolute majority of the votes in the first round. Isarescu received less than 10 percent of the vote. Nevertheless, in the first round ultra-nationalist Corneliu Vadim Tudor garnered 30 percent of the vote enabling him to contest the second round with Iliescu. Tudor, and his Greater Romania Party, campaigned on a nationalist platform that laid blame for Romania's economic woes on ethnic Hungarians, Jews, and Gypsies. *The Economist* argued that voters feared Tudor's platform, which was not hospitable to ethnic minorities, could interfere with EU accession. In the second round Iliescu defeated Tudor with nearly 67 percent of the vote.

Throughout 2001, Romania's politics continued to be substantially influenced by the country's ongoing accession negotiations with the European Union and by the attendant economic, structural and political reforms necessary to integrate Romania's economy and society with those of its neighbors and the West European countries. The fiscal discipline required balancing the budget and the government's privatization program had been largely unpopular with the Romanian public. Prime Minister Nastase continued to implement economic reforms and, in 2001, Romania began to recover economically. Although the recent economic growth was a positive indicator for Romania, there remained much room to make up in its economic transition.

In terms of domestic politics, the Romanian parliament approved legislation, which would return to property that had been nationalized in the years under communism to the original owners. The new law, which was put into effect in January 2001, was symbolic of the economic and political transition that had been ongoing. Simultaneously, it was also a practical effort toward reform.

Also on the domestic political agenda, a law which had criminalized homosexuality during the Ceausescu years was stricken from the legal statutes in December 2001.

A top priority for the government in 2002 involved battling the corruption that had become so pervasive in politics and the financial sector. On Dec. 27, 2001, Prime Minister Nastase revealed a campaign to combat corruption in the judicial and banking systems. At the beginning of 2002, the government announced it was setting up a special prosecuting office to deal specifically with corruption, entitled the National Anticorruption Prosecution.

In November 2002, at a summit in Prague, Romania was formally invited to join NATO. In March 2003, the Romanian foreign minister, along with the equivalent ministers of Bulgaria, Slovenia, Slovakia, Estonia, Latvia and Lithuania, went to Brussels to attend an accession ceremony. In Brussels, at NATO headquarters, NATO's existing members signed documents that would accept the new countries into the strategic alliance. The next step, which would extend over a period of a year, entailed ratification by national parliaments.

In July 2003, President Iliescu visited President Vladimir Putin in Russia. The trip was made for the purpose of signing a mutual friendship treaty. Earlier, in May 2003, Romania and Russia reached an agreement which mutually recognized national sovereignty and their respective borders. Efforts were also made to resolve a dispute over the annexation of the country now known as Moldova by the former Soviet Union in 1940. There remained an unresolved issue of Romania's state reserves of gold, jewels and fine art estimated at \$5 billion, which were sent to Moscow in World War I "for safekeeping purposes" but were never returned. The Bolsheviks, who assumed power in 1917, never returned Romania's reserves and claimed they had been retained because Romania had never paid for arms from Moscow. Although Russia had not reversed its position, the two countries agreed to an inquiry on the matter.

During the aforementioned trip to Russia, Romania and its host country issued a joint declaration which condemned Romania's alliance with Nazis during the first part of World War II. A month earlier, the Romanian government had issued a controversial statement saying that while it encouraged "investigation into the phenomenon of the Holocaust in Europe, including allowing access to documents found in Romanian archives," it also appeared that "there was no Holocaust between 1940 and 1945." During this period, however, Romania had been allied with Nazi Germany.

Consequently, the Romanian minister was compelled to respond to a summon by the Israeli foreign ministry to clarify the issue. According to the Romanian Culture Minister, the Romanian government had not taken part in the Holocaust on Romanian soil during World War II, although such activities had taken place in occupied territories. The minister did, however, allow that ethno-religious discrimination was part of the state's policies and programs. The Israeli government charged that the Romanian assertions "ran counter to historical truth." It went on to state that according to the Federation of Jewish Communities in Romania, the then dictator of Romania, Marshal Ion Antonescu, was directly responsible for sending 250,000 Jews to their deaths in Nazi concentration camps. They also claimed that he was responsible for inciting a massacre of between 3,000 and 10,000 Jews in the northeastern town of Iasi in June 1941. The situation soured normally good relations between Romania and Israel and also angered Romania's Jewish community.

Relations between Romania and Moldova were also strained at a regional summit in 2004. At the summit, President Iliescu challenged Moldova's President Vladimir Voronin regarding an "anti-

Romanian campaign" that was being carried out in the Moldovan media and political enclaves of that country. Iliescu reportedly told Voronin that his country did not understand "the anti-Romanian campaign unleashed in Moldova." For his part, President Voronin said there was no such campaign but rather "acts of provocation." At issue was a staunch national identity campaign in Moldova in which some groups sought to emphasize the distinctions in language and culture from Romania. Also contributing to the tension was the suspicion by Communists in Moldova about strengthened relations with Romania. Nevertheless, the presidents of both countries agreed to heal the growing rift.

Meanwhile on the geopolitical agenda, Romania entered into NATO in March 2004.

Several months later in November 2004, elections were held. Prime Minister Adrian Nastase's Social Democrats appeared to be on course to win the country's parliamentary elections. Exit polls showed the governing Social Democrats ahead of the centrist opposition Justice and Truth Alliance, who had campaigned against alleged corruption of the incumbents. There was widespread doubt about the outcome of the parliamentary elections as accusations of fraud ran rampant. The uncertainty surrounding the outcome meant that the formation of a government would be difficult. Nonetheless by the start of December 2004, the official parliamentary results by the Electoral Bureau were as follows: In the Chamber of Deputies, the Socialists alliance with the Humanists garnered 36.61 per cent of the vote, followed by the Justice and Truth alliance with 31.33 per cent, the Greater Romania Party with 12.92 per cent, and the Hungarian Democratic Federation of Romania with 6.17 per cent. In the Senate, the Socialist-Humanist alliance had 37.13 per cent, followed by the Justice and Truth alliance with 31.77 per cent, the Greater Romanians with 13.63 per cent, and the Hungarian Democratic Federation of Romania with 6.23 per cent.

Meanwhile, the exit polls also showed Prime Minister Nastase leading Alliance leader Traian Basescu on the presidential ballot to succeed Ion Iliescu. Early results showed Nastase with 41 percent of the votes cast and Basescu with 34 percent. There was an uproar in the aftermath of this first round as the opposition alleged that additional votes had been inappropriately given to Nastase. Nevertheless, both of these two presidential contenders faced a second round of voting on December 12 to determine the winner of the presidency. The period leading up to the second round of elections was characterized by a hard fought battle. In the end, Traian Basescu -- the mayor of Bucharest -- was declared president with over 51 percent of the votes cast. Nastase admitted defeat with 48.77 percent of the votes cast.

Basescu promised to move Romania toward accession with the European Union in 2007 and he expressed commitment to speeding up reforms required for entry. He also noted that his priority was to form a government which would be capable of continuing membership negotiations for Romania's entry into the European body. In this regard, Calin Tariceanu was named as prime minister and began to form a government.

In April 2005, Romania signed an accession treaty to the European bloc, effectively placing the country on a path for union. Also in April 2005, the European Parliament voted to allow Romania (and Bulgaria) to join the European body in 2007. Actual membership would still depend on both countries reforming certain arenas such as the farming industry and the administration of security, as well as making efforts to deal with corruption.

Both countries missed the first round of European expansion because of their respective failures to put into effect democratic and market reforms. As well, Bulgaria was criticized for not adopting anti-corruption legislation. Meanwhile, Romania was criticized for its lack of press and media freedoms, in addition to its failure to deal with organized crime. Regardless, the affirmative vote paved the way for an accession treaty to be signed later in April 2005. But the accession treaty does not guarantee membership in the European body. If either Bulgaria or Romania cannot satisfy the requirements of the European Union, accession may have to wait until 2008.

A month later in May 2005, the parliament ratified the accession treaty.

In July 2005, Prime Minister Calin Tariceanu said that he would resign and call for snap elections. His plan was to ensure a mandate to push necessary reforms for entry into the European Union. His decision came after the opposition Socialists and the Constitutional Court both rejected key aspects of his reform package. Noting that he was effectively blocked, Tariceanu said, "The solution is to go back to voters again and to wait for their verdict." He was hoping that his Alliance of Justice and Truth party would win a strong majority in the new elections, thus facilitating the passage of his reforms.

In August 2005, Prime Minister Calin Tariceanu reshuffled his cabinet replacing four ministers; finance, European Integration, Health, and Deputy Prime Minister in charge of economic sectors. Tariceanu was hoping to win support for reforms considered mandatory for European Union accession. If the reforms were not realized soon, then accession could be delayed for a year until 2008.

In December 2005, United States Secretary of State Condoleezza Rice visited Romania. During her visit, she signed an agreement with the government by which the United States would be able to use military bases in Romania.

At the close of 2005, Tariceanu's administration was under international pressure when the Red Cross and Human Rights Watch reported that Romania was home to some of the United States CIA's "black sites" -- the secret camps used by the United States intelligence agency to interrogate suspected al-Qaida members. The administration denied the claims. Nevertheless, officials of the European commission said that there would be a comprehensive investigation on this matter. The investigation was to determine the veracity of the charges since such sites would be a violation of the European convention on human rights and the international convention against

torture. If the sites were ever found, then Romania could be in breach of Article 6 of the Treaty of Nice, which calls on all member states to uphold basic human rights.

In February 2006, domestic politics took center stage when former Prime Minister Adrian Nastase was charged with corruption. For his part, he denied the charges and said that he had not participated in any wrongdoing.

In September 2006, officials from the European Union announced that Romania would be admitted to the European bloc. Accession to the European Union was set for January 2007.

The year 2007 marked accession by Romania to the European Union (EU). The addition of this country was the latest step in the development of enlargement of the European bloc.

In February 2007, Foreign Minister Mihai Ungureanu was asked to resign for his failure to advise cabinet immediately about the arrest of two Romanians in Iraq for taking pictures of a military base. Instead, Prime Minister Tariceanu learned of the incident via media reports. The two Romanians were subsequently released by United States authorities in Iraq and the situation ended without incident. Adrian Cioroianu was selected to be the new foreign minister.

The spring of 2007 in Romania was dominated by news about the possible impeachment of suspended President Traian Basescu. The impeachment was the culmination of the president's ongoing power struggle with his former ally and current nemesis, Prime Minister Calin Popescu Tariceanu. That struggle resulted in accusations by the opposition Social Democratic Party (SDP) that President Basescu acted like a dictator and failed to act in accordance with the constitution. At issue was the president's anti-corruption drive, which did not resonate well with some members of parliament who claimed he was over-stepping his powers. These accusations ultimately contributed to his suspension by parliament in April 2007. For his part, however, the president said that he was simply trying to advance good governance in Romania.

Now, with the president set to face his fate through a national referendum on his impeachment, voters went to the polls to make their decision. Turnout was relatively low at only 44 percent, however, the result was decisive. An overwhelming majority of voters -- 74 percent -- cast ballots against the impeachment of Basescu. Prime Minister Tariceanu responded to the result by characterizing it as "a victory without glory" for the president.

But in June 2007, Prime Minister Calin Popescu Tariceanu was faced with his own tribulations. A no-confidence motion, titled "The Tariceanu Government Has to Go," was levied against the government. Those behind the motion argued that Romania required "a stable, professional government, with a transparently assumed parliamentary majority," and called on political parties either to accept the government or to concur on the need for early elections.

The move ultimately went down to defeat after a vote in parliament in which the only 228 of the 464 parliamentarians even voted for or against the motion. Among those voting, the outcome was close -- 115 in favor and 112 against, with one voided ballot. Nevertheless, the motion could not have been carried forward without 233 affirmative votes.

The vote appeared to reflect the ongoing political struggle between the president's faction and the prime minister's supporters, with most political parties other than the two pro-presidential parties being against the motion. Analysts suggested that Romania was likely to face a serious debate about the separation of powers between the executive and legislative branches of government. The other topic of debate was expected to involve the constitutional duties of the president and the thrust for good governance.

Also in June 2007, the issue of clandestine prisons, or "black sites," returned to the political purview when Dick Marty, an investigator for the Council of Europe, said that he had evidence to prove the United States' Central Intelligence Agency (CIA) directed clandestine prisons in Poland and Romania for the purpose of interrogating "war on terror" suspects. He noted that the secret prisons or "black sites" in Europe had been administered "directly and exclusively by the CIA."

Marty named Poland and Romania as host countries of these secret prisons. While the governments of both Poland and Romania denied hosting such "black sites," the CIA issued a statement noting, "The CIA's counter-terror operations have been lawful, effective, closely reviewed, and of benefit to many people - including Europeans - by disrupting plots and saving lives." United States President Bush acknowledged the existence of CIA prisons overseas, but did not specify host countries.

Also in 2007, the European Commission drew attention to Romania's enduring corruption challenges by calling on the country to actively combat this issue. The country was expected to remain on the international scene in 2008 when it was set to play host at the forthcoming NATO summit.

Romania was set to hold an election around November 28, 2008. The actual date was eventually scheduled for November 30, 2008. The people of Romania went to the polls to elect members to the Chamber of Deputies and seats to the Senate.

In these 2008 elections, the uninominal system was in effect whereby ballots were cast for an entire list of candidates selected by each political party rather than choosing individual candidates. To that end, the candidates in contention included those from the following parties: Social Democratic Party, the Conservative Party, the National Liberal Party, the Democratic-Liberal Party, the Hungarian Democratic Union of Romania, the Greater Romanian Party, New Generation Party, Christian-Democratic National Peasants' Party and others. In addition, six non-parliamentary parties and 31 independents were also contesting the race.

The Democratic-Liberal Party was formed in January 2008 when the Liberal Democratic Party formed a union and merged with the Democratic Party. It was a center-right, pro-European Union party, with tenants of conservatism, economic liberalism and reformism, and was the largest opposition party in Romania at the time. The National Union coalition was composed of the center-left Social Democratic Party and the conservative Humanist Party. The two parties announced their union in April of 2008. The Justice and Truth Alliance was composed of the ruling National Liberal Party, a party based on liberalism, and the centrist Democratic Party. The alliance was formed in Fall 2003, hoping to stimulate investments, create new jobs, create a "responsible social policy," fight corruption, and establish a non-political judiciary. Conflict between President Traian Basescu of the Liberal Democrats and Prime Minister Calin Popescu Tariceanu of the National Liberals resulted in the collapse of their ruling coalition.

Polling data from the firm IMAS on June 26, 2008 showed the following results: Democratic Liberal Party had 40 percent of the vote, the Social Democratic Party had 26 percent, the National Liberal Party had 18 percent, the New Generation Party had 5 percent, the Democratic Union of Hungarians in Romania had 5 percent, the Greater Romania Party had 3 percent, the Conservative Party had a negligible amount, as did the others.

The Social Democrat-Conservative alliance, who campaigned on a platform of increased welfare payments, appeared to be in the lead, with exit polls showing that party capturing most of the vote. The ruling National Liberals were trailing far behind, indicating that the economic situation was factoring negatively in the minds of voters. Former allies, the Liberal Democrats, were running competitively with the Social Democrat-Conservative alliance. The ethnic Hungarian party was faring better than the pre-election polls suggested with about seven percent of the vote.

Ultimately, the Central Election Bureau announced that the Democratic Liberal Party had won the largest number of seats in the Romanian parliament, surpassing the Alliance of Social Democrats and Conservatives, which actually won the most votes.* According to the Central Election Bureau, after the distribution and redistribution of the seats were taken into consideration, the Democratic Liberal Party had 115 seats in the Deputies' Chamber, the lower house of parliament, and 51 seats in the Senate. The Alliance of Social Democrats and Conservatives secured 114 and 49 seats in the two houses of the parliament respectively. The National Liberal Party won 65 seats in the lower house and 28 seats in Senate.

*In terms of percentages, the Alliance of Social Democrats and Conservatives, obtained 33.09 percent in the Deputies' Chamber and 34.16 percent in the Senate. while the Democrat Liberal Party obtained 32.36 percent and 33.57 percent in the two houses of parliament.

With no one party obtaining an outright majority in the parliament, the major contenders formed a coalition government. To that end, Romania's Democrat Liberal Party and the Social Democratic

Party (PSD) signed a protocol formalizing that coalition government. Then, on December 15, 2008, Romanian President Traian Basescu named Emil Boc, president of the Democrat Liberal Party, as prime minister.

At the start of October 2009, Romania's coalition government collapsed after only a few months at the helm. The collapse was spurred by the decision of the the leftist Social Democrat Party (PSD) to resigned from the ruling bloc in protest against the sacking of the interior minister.

At issue was the decision by centrist Prime Minister Emil Boc to sack the PSD's Dan Nica for comments uttered about the potential for fraud in the country's forthcoming presidential elections. PSD leader, Mircea Geoana, said that all PSD ministers in the government were resigning to register their collective outrage over Nica's protest dismissal.

For its part, Prime Minister Boc's Liberal Democrats (PD-L) could potentially lead a a minority government for some time, assuming they could gain parliamentary support for the appointment of new cabinet ministers. But goodwill among the various political factions was not at its high water mark after Prime Minister Boc ignored President Traian Basescu's suggestion that a neutral figure replace Nica at the interior ministry. Instead, Prime Minister Boc selected Vasile Blaga -- a member of his own party, the PD-L, and a stalwart of the president -- to replace Nica. The move was not likely to assuage tensions across the political spectrum.

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Perhaps not surprisingly, on October 13, 2009, a non-confidence motion by opposition parties in Romania's parliament passed, effectively bringing down the Democrat Liberal government of Prime Minister Emil Boc. The 329-seat parliament passed the motion against Boc's government with 254 votes. It was the first government to have collapsed as a result of a confidence motion in Romania's post-communist period of 20 years.

That confidence motion had been initiated by the National Liberal Party and Hungarian Democratic Union of Romania, and was supported by some members of a former coalition partner, the Social Democratic Party. Indeed, ahead of the vote, the leader of the Social Democrats, Mircea Geoana, said: "This is a very dangerous government for Romania, with its only aim being to cling on to power and to try to defraud the presidential elections." Meanwhile, Liberals leader, Crin Antonescu, said the ruling party had been for a long time "the biggest danger"

in Romania. For his part, Prime Minister Boc's call that his government be judged in terms of national interests and not via partisanship ended in failure.

On October 15, 2009, Romanian President Traian Basescu designated Lucian Croitoru, an adviser to the Central Bank Governor Mugur Isarescu, as the country's next prime minister. The prime minister-designate was proposed by the ruling Liberal Democrats and had ten days to form a parliamentary majority, present a cabinet list, and offer a government program to the parliament. Explaining his choice of head of government, President Basescu explained, "My option for Mr. Croitoru was generated by the fact that we need a prime minister competent in macroeconomic issues, both on a national and global level."

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Presidential elections in Romania were held on Nov. 22, 2009. There were 12 candidates contesting the race although incumbent President Traian Basescu, who was seeking a second term, was viewed as a favorite to win. He was backed by the Liberal Democratic Party. Other candidates included Mircea Geoana of the Social Democratic Party; Crin Antonescu of the National Liberal Party; Corneliu Vadim Tudor of the Greater Romania Party; Kelemen Hunor of the Hungarian Democratic Union of Romania; and Gigi Becali of the Christian Democratic New Generation Party. Bucharest Mayor Sorin Oprescu, Eduard Manole and Constantin Ninel Potirca were running as independents while Remus Cernea and Ovidiu Iane were backed by the Green Party and Romanian Ecologist Party respectively. Constantin Rotaru from the Socialist Alliance Party rounded out the mix.

Exit poll data showed that President Traian Basescu has won the first round of the country's presidential election with a plurality of the votes. However, in garnering only 32.44 percent -- well short of the 50 percent needed to win outright -- he would face a run-off election on Dec. 6, 2009. Social Democrat Mircea Geoana was second with 31.15 percent and would also be contesting the next round. Days after the first round was completed, Romania's opposition Social Democratic Party and National Liberal Party signed an agreement formalizing a political alliance. That alliance would endorse the leader of the Social Democrats, Mircea Geoana, in the presidential run-off vote against the incumbent President Traian Basescu. As well, the agreement would pave the way for post-election control over the parliament.

On Dec. 6, 2009, exit polls showed an extremely tight race, with former Romanian Foreign Minister Mircea Geoana slightly ahead of President Traian Basescu by a margin of a few percentage points. With an eye on commanding legitimacy, both candidates claimed early victory despite the fact that the official results were not yet available. But official results ultimately indicated that President Basescu garnered a narrow election victory, having captured 50.3 percent of the vote share and Geoana had 49.7 percent. The shift in fortune was not accepted easily by the opposition, given the state of the exit poll data. As such, the opposition immediately charged that electoral fraud was at play. Indeed, Social Democrat vice-president Liviu Dragnea said in an interview with Reuters that there was evidence of fraud: "The exit poll, the large number of annulled votes... massive electoral tourism and other things obviously force us to contest the

result."

Election observers from the Organization for Security and Cooperation in Europe called on authorities to investigate irregularities. Then, on Dec. 8, 2009, Romania's Social Democratic Party submitted an appeal to the Constitutional Court to annul the second round of the presidential election on the basis of vote fraud. Party Secretary General Liviu Dragnea said, "We are asking ... for the annulment of the second election round and a repeat of the election, as law requires." The court ultimately ruled against that action.

With President Basescu's legitimacy as the head of state affirmed, later in December 2009, he called on Emil Boc to form a new government. Boc subsequently received a vote of confidence from parliament.

On February 4, 2010, recently re-elected President Traian Basescu of Romania said that his country would host missile interceptors as part of a new United States defense shield system. President Basescu explained that Romania's chief military and security entity, the Supreme Defense Council, agreed to such the proposal by the United States. While the proposal would still have to be ratified by the legislative branch of government, there was some degree of confidence that it would successfully pass through that branch of government.

President Basescu said in an interview with Radio Free Europe, "Terrestrial interceptors will be placed on Romania's territory as part of the anti-missile system. According to the calendar agreed with the American side, the components located on Romania's territory will become operational in 2015." While he noted that the missile defense system would protect Romanian territory, he emphasized that the move would not threaten Russia.

Indeed, the plan for Romania to host the missile defense system was a departure from a Bush-era program to station 10 long-range interceptor missiles in Poland and a radar system in the Czech Republic. These directives raised the ire of Russia, which threatened to relocate its own missiles closer to Europe. But the new proposal, which would instead involve Romania, appeared to be part of the Obama administration's approach to missile defense. Indeed, this new approach would focus on a combination of both fixed and movable Standard Missile 3 interceptors, as well as radars responding to the threat posed by short- and medium-range missiles. The location of fixed or ground-based interceptors in Romania was thought to be related to that country's proximity to Iran.

On June 15, 2010, the Romanian government -- led by Liberal Democrat Emil Boc -- survived a no-confidence vote tabled by the Social Democrats. The vote resulted in 231 parliamentarians voting in favor of the motion; the outcome was just short of the 236 needed for the vote to pass. At issue were a proposed package of austerity measures by the government, including cuts to social welfare benefits, pensions and public sector wages, which have sparked several strikes and protests

from outraged unions and angry citizens. Despite the ostensible unpopularity of these moves, Prime Minister Boc has argued that recession-mired Romania must reduce budget spending in order to avoid payment default -- a serious threat in several European countries. He emphasized the necessity of the austerity plan in moving the country back on a path of economic health. He also stressed the importance of showing the International Monetary Fund that Romania was serious in its efforts, thus facilitating the disbursement of further installments of an IMF rescue loan valued at 20 billion euro or \$24.5 billion USD. But the Social Democrats expressed the view that the austerity measures would plunge the country into further economic crisis.

At the start of February 2012, Romania's Prime Minister Emil Boc resigned from office following a spate of anti-austerity protest. Boc said he was stepping down in order to "defuse political and social tension." At issue has been a series of austerity measures, including a 25 percent reduction in public sector wages, a freeze on pensions, and an increase in the sales tax, all of which were intended to rein in debt in one of Europe's poorest countries, and ensure that Romania would qualify for an installment of rescue funds from the International Monetary Fund. The measures -- while necessary -- have been the source of major discontent among the Romanian people, and have contributed to the public's loss of support for the outgoing head of government. Nevertheless, as explained by Boc himself, his centrist government was not acting in order to win popularity contests, but rather, was responding to the economic crisis plaguing the country. "I know that I made difficult decisions, but the fruits have begun to appear," he said.

With an eye on preventing the country from slipping into a power vacuum, President Traian Basescu appointed Justice Minister Catalin Predoiu as caretaker prime minister. But that appointment did not last long as the president then named Mihai Razvan Ungureanu, the head of the Foreign Intelligence Service, as the prime minister. There were high hopes that Ungureanu's standing as an independent (*vis a vis* a partisan) with institutional experience would aid him in his job. While that question was yet to be answered, Ungureanu won a vote of confidence in parliament on Feb. 9, 2012. A total of 237 deputies in the 481-member parliament cast affirmative votes; there were also two votes opposing the new government, while the Social Liberal Union -- an alliance composed of some opposition parties -- chose to refrain from voting.

Parliamentary elections were scheduled for later in the year (November 2012), but now were likely to occur a bit ahead of schedule. It was yet to be seen if the left-wing opposition, led by Victor Ponta, would be able to translate public discontent into election victory. Ponta and the opposition were, however, leading the polls in terms of voters' preferences.

Parliamentary elections were set to be held in Romania before Nov. 30, 2012. At stake was the composition of the bicameral "Parlamentul Romaniei" (Romanian Parliament). That body consists of the "Senatul" (Senate) and the "Adunarea Deputatilor" (Chamber of Deputies); the Senate has 137 seats; members are elected by popular vote on a proportional representation basis to serve four-year terms. The Chamber of Deputies has 334 seats; members are elected by popular vote

on a proportional representation basis to serve four-year terms.

The last elections were held in 2008. In both chambers, the main race was between the Social Democratic Party or PSD and the Democratic Liberal Party or PDL, with the National Liberal Party or PNL in third place. The closeness of the (inconclusive) result between the Social Democrats and the Democratic Liberals since led to a number of coalition governments, each collapsing and forcing the formation of new governments.

Note that on April 27, 2012, Romania's government collapsed after a no-confidence vote in parliament on a censure motion filed by the opposition. The vote came less than three months after Prime Minister Mihai Razvan Ungureanu took office and constituted the second government collapse since the start of the year. The main parties in opposition -- the Social Democrats and the Liberals -- said the Ungureanu government lacked transparency in its sale of natural resources and accused the cabinet of being "a threat" to the nation. Meanwhile, the Romanian people appeared to have little affection for the government's policies, as protesters took to the streets to rally against austerity measures and corruption.

Signaling that he was ready to lead a new government to take the country in a new direction, Social Democrat opposition leader Victor Ponta said he was prepared to become the country's new prime minister. "Our coalition is ready to form a new government. We already have a government proposal," Ponta said.

Romanian President Traian Basescu wasted little time in answering Ponta's call as he named the leader of the Social Democratic Party to be the country's new prime minister. "Today, I had consultations with the parliamentary parties in order to designate a new prime minister," Basescu said. He noted that the Social Democrat Party was the only one with a proposal for government.

It should be noted that parliamentary elections were scheduled for later in the year (November 2012) and were highly anticipated, given the tumultuous state of politics in Romania. The main question dominating the political landscape in Romania at the start of May 2012 was whether or not the new government, led by Victor Ponta, would be able to offer stable government in the immediate future.

As the first week of May 2012 came to a close, Ponta tried to dispel any doubts about his short-term government by noting that his priority was to name a competent cabinet, chart the course towards fair elections later in the year, with an eye on democratic governance for the long-term. It was also yet to be seen if Ponta and his left-leaning alliance could ultimately translate public discontent into election victory at the polls. In recent times and ahead of the November 2012 elections, Ponta's bloc has been leading the polls in terms of voters' preferences.

On July 5, 2012, the ruling coalition of Romania's government was preparing a motion aimed at

accusing President Traian Basescu of violating the country's constitution and overstepping his authority. The motion was expected to pass in parliament where the leftist coalition, led by Prime Minister Victor Ponta, has a majority. The political climate in parliament had already shifted to one antagonistic to the president. Indeed, the ruling coalition dismissed parliamentary leaders allied with Basescu.

By July 6, 2012, as expected, the motion was approved and President Basescu was effectively suspended from his role. Then on July 10, 2012, Romania's constitutional court upheld the parliamentary vote suspending President Basescu. The move paved the way for a national referendum, which would be aimed at ratifying (or rejecting) Basescu's presidency. That referendum was to be held on July 29, 2012.

During Basescu's expected suspension, Crin Antonescu, the National Liberal Party leader and president of the Senate, was expected to serve as interim president. The scene in Romania was the latest manifestation of a clear power struggle between the president and prime minister. The situation has drawn criticism from the European Commission, which said that efforts to undermine Basescu threatened the rule of law in Romania.

Note that in the days ahead of the referendum, Romania's opposition Democratic Liberal Party announced that it would boycott the vote to suspend President Basescu. The move was oriented toward invalidating the ratification process via insufficient voter turnout (re: a valid referendum requires turnout of at least 50 percent). Stated differently, the move something of a tactic to avoid against the president since polling data showed a majority of Romanians approved of the impeachment of Basescu. Since the ruling coalition had a high bar to cross in ensuring that turnout exceeded 50 percent, a boycott could, conceivably, stymie their effort. Accordingly, the boycott move could well be beneficial to Basescu's political fortune.

On July 29, 2012, Romanians were supposed to render their opinions over the presidency of Basescu. News of low voter turnout gave an indication that Romanians may well have decided to indirectly ratify Basescu's leadership by honoring the boycott. Indeed, with election authorities concluding that turnout was at 45.9 percent -- below the required 50 percent threshold needed for a valid referendum result -- it was apparent that Basescu would be granted political survival. Speaking of this outcome, Basescu declared that Romanians had "rejected a coup," saying: "Romanians have invalidated the referendum by not participating."

On Aug, 21, 2012, Romania's top court, the Constitutional Court, ruled that the referendum ratifying the impeachment of President Basescu was invalid because it failed to meet the required 50 percent threshold of voter turnout. Augustin Zegrean, the chief judge on the Constitutional Court, declared: "We stated that the referendum quorum condition was not met." He also confirmed the verdict, noting that the decision was passed "with a legal majority of 6-3." The court's ruling effectively curtailed Prime Minister Ponta's attempt to oust his rival, and paved the

way for Basescu to be reinstated as president. Indeed, a day later on Aug. 22, 2012, the Constitutional Court restored the suspended Basescu to the post of Romanian head of state.

This outcome might have ensured the least volatile reaction on the Romanian political scene. Still, the European Union was not looking favorably on Romania, which has viewed the Basescu-Ponta feud as a destabilizing dynamic, and decried the attempt to impeach the president. Not surprisingly, the European bloc has placed Romania under special monitoring due to concerns over constitutional issues, judicial independence, and corruption.

Note that parliamentary elections were originally set to be held in Romania before Nov. 30, 2012 but were subsequently delayed until Dec. 9, 2012. At stake was the composition of the bicameral "Parlamentul Romaniei" (Romanian Parliament). That body consists of the "Senatul" (Senate) and the "Adunarea Deputatilor" (Chamber of Deputies); the Senate has 137 seats; members are elected by popular vote on a proportional representation basis to serve four-year terms. The Chamber of Deputies has 334 seats; members are elected by popular vote on a proportional representation basis to serve four-year terms.

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As discussed above, Romania's government collapsed after a no-confidence vote in parliament on a censure motion filed by the opposition. The vote came less than three months after Prime Minister Mihai Razvan Ungureanu took office and constituted the second government collapse since the start of the year. Social Democrat opposition leader Victor Ponta became the country's new prime minister at the helm of a new government. That administration would be tested in these parliamentary elections set for November 2012, given the tumultuous state of politics in Romania.

Ahead of the parliamentary elections, five opposition entities -- the Democratic Liberal Party, along with four extra-parliamentary political organizations, the Christian-Democratic National Peasants' Party, the New Republic Party, the Right of Center Civic Initiative, and the Christian-Democratic Foundation, signed a joint manifesto to form a center-right alliance. The goal of the alliance was to win parliamentary elections, and seize power from the Social Democrats.

Of note was the fact that Prime Minister Ponta was involved in a power struggle with President Basescu for some time; that feud reached new heights in mid-2012 with the parliament's decision to suspend the president. Indeed, July 2012 saw President Basescu effectively suspended from his role. With Romania's constitutional court upholding Basescu's suspension, the scene was set for a national referendum, which would be aimed at ratifying (or rejecting) Basescu's presidency. That referendum was held on July 29, 2012 -- ahead of the parliamentary vote discussed here. The

referendum resulted in an invalidated outcome due to low voter turnout. In August 2012, Romania's top court, the Constitutional Court, ruled that the referendum ratifying the impeachment of President Basescu was invalid because it failed to meet the required 50 percent threshold of voter turnout and restored the suspended Basescu to the post of Romanian head of state.

Opinion polls ahead of voting showed Ponta's governing center-left coalition with the advantage. Assuming that Ponta's bloc won the most votes, there was no guarantee that President Basescu would, in fact, call upon the center-left incumbent prime minister to form a new government. Given the animosity between the two men over the aforementioned power struggle, and Basescu's assertion that he would use his presidential power to appoint a prime minister "in the national interest," Romania could be headed for further political instability, not to mention a constitutional crisis. But protracted political chaos would do little to assuage international lenders at a time when Romania was pursuing an important loan agreement with the International Monetary Fund.

On Dec. 9, 2012, after the polls were closed and the votes were being tabulated, it was apparent that Ponta's ruling Social Liberal Union (composed of the Social Democrats, the the National Liberals and the Conservative Party) was on track to secure an overwhelming victory. Exit polls showed the Social Liberal Union winning approximately 55 percent of votes for the Chamber of Deputies and 57 percent of votes for the Senate. The pro-Basescu Right Romania Alliance was far behind with 18.5 percent for the Chamber of Deputies and 19 percent for the Senate. The populist People's Party carried between 10 and 14 percent for both houses of the parliament. The Hungarian Democratic Union of Romania had about five percent of the vote for the both chambers of the parliament. As indicated above, it was yet to be seen where President Basescu would move in his intent to choose a prime minister "in the national interest." Given the strong performance of the Social Liberal Union in the elections, President Basescu called on Ponta to once again form a government and lead the cabinet as prime minister.

By the start of 2014, Prime Minister Ponta was lauding the economic stewardship of his government, pointing to the fact that Romania had met all the economic performance goals agreed on with the International Monetary Fund (IMF). Prime Minister Ponta said, "Four of the five performance criteria have been met, the criterion regarding the narrowing of the budget deficit has not been certified, due to the delay of the letter of intent, but I hope the letter of intent will be approved by the IMF Board in March, and the accomplishment of all targets relating the budget deficit be also acknowledged." He added that the economic growth forecast for 2013 was 2.8 percent -- greater by more than one percentage point than the initial target for growth. Ponta also made mention of the fact that the National Bank established a decline in inflation down to 1.5 percent in late 2013 and that public debt had reached its lowest ever recorded level and was even lower than the European average. As a result, the prime minister said, "Romania was able for the first time in its history to issue 30-year bonds, meaning that the institutions that lent us money have confidence in Romania being able to pay its debts in the upcoming 30 years."

On Feb. 26, 2014, Romania's Liberal Party withdrew from Prime Minister Victor Ponta's Social Democrat-led coalition and resigned from government. The move by the Liberals to leave government was spurred by several seemingly petty disagreements with the Social Democrats, including ire over unreturned telephone calls and text messages. Regardless of the trite nature of the Liberals' motivation, the fact of the matter was that the prime minister's Social Democrats would be left with a small parliamentary majority, which would yet likely trigger a confidence vote.

There was little doubt that the vote on March 4, 2014, would end positively for Prime Minister Ponta and the Social Democrats. Nevertheless, Prime Minister Ponta was likely to call on an ethnic Hungarian party to strengthen his hand in parliament. To that end, the Democratic Union of Hungarians in Romania, agreed to join Ponta's coalition; the ethnic Hungarian party would hold control over two ministerial portfolios as a result.

With the support of the Democratic Union of Hungarians in Romania, the Ponta government would be able to move forward with a series of structural reforms, which were part of the commitments made to the International Monetary Fund in exchange for a four billion euro assistance deal. As well, having been released from an alliance with the Liberals would free Prime Minister Ponta to move forward with pet agenda items, such as abandoning Romania's 16 percent flat tax.

In the last week of June 2014, the parliament of Romania called on President Traian Basescu to resign from office amidst a burgeoning bribery scandal involving his younger brother. At issue was the detainment of Mircea Basescu on allegations that he received a bribe in exchange for his assistance in reducing the jail sentence of a mafia boss, Sandu Anghel.

Prosecutors said Mircea Basescu took a bribe of 250,000 euros (US\$340,800) via from the son of Sandu Anghel for the purpose of facilitating a shorter jail sentence for his father. The elder Anghel was serving close to nine years in jail for stabbing another family member.

In truth, the center-right president has been involved in a long-standing feud with the ruling Socialist-led coalition of Prime Minister Victor Ponta. This call by the parliament for the president's resignation suggested that the Socialists and their allies in parliament were not about to let any opportunity pass to force Basescu from the helm of leadership. The non-binding declaration from parliament read as follows: "Romania's President Traian Basescu is no longer rightfully entitled to ensure the prestige, independence and legitimacy of the presidential function, which is why he should immediately resign."

For his part, President Basescu made clear that he was not involved in his brother's affairs and was not culpable for his brother's alleged wrong doing. He also pointed to his record in support of an independent judiciary. Accordingly, President Basescu he would not be compelled to resign from

office.

Note: The next presidential election was expected to be held later in 2014. All eyes were on November 2014 as the likely timeline. Typically, the president is elected by popular vote for five-year term and is eligible for re-election to a second term.

The incumbent -- and outgoing -- president was Traian Basescu, a conservative, who was in power since 2004 and re-elected in 2009. It should be noted that Basescu's time in power was marked by drama and dissonance as he was suspended from office via an impeachment vote in the Socialist-dominated parliament, faced with a leadership referendum, but ultimately reinstated to power in 2012 via a ruling in the Constitutional Court. His tenure was particularly noted for Basescu's conflict with Prime Minister Victor Ponta, a Social Democrat, who was seeking the presidency in 2014.

In that presidential election, as noted here, Prime Minister Ponta was looking to move from head of government to the post of head of state. His main challenger was expected to be the mayor of the Transylvanian city of Sibiu, Klaus Iohannis -- an ethnic German with a center-right political orientation. The main issue in the election was expected to be the economy. At issue was the reform agenda called for by the International Monetary Fund that was intended to secure a loan deal valued at four billion euros.

Note that in July 2014, polling data by INSCOP published in Adevarul showed Ponta with 43.6 percent support - ahead of Iohannis by more than 12 points. Of course, for any candidate secure an outright victory and avoid a run-off election, he/she would have to garner at least 50 percent of the vote.

In October 2014, the trend remained relatively the same. Polling data by INSCOP published in Adevarul showed Ponta with 41 percent of votes against Iohannis with 30 percent in the first round. In the second round, Ponta would receive 53.5 percent of the vote share, against Iohannis, who would carry 46.5 percent.

It was to be seen if Ponta's advantage would hold until election day, especially after his nemesis, outgoing President Basescu, issued accusations that Ponta served as an undercover intelligence officer between 1997 and 2001. For his part, Ponta dismissed the accusations as "all lies."

In the aftermath of the election held on Nov. 2, 2014, Ponta had won the first round with 40 percent of the vote share, ahead of Iohannis who had 30 percent. The two were headed to a run-off election two weeks later where Ponta hoped he would ultimately prevail and become the next president of Romania.

To that end, polling data certainly gave the left-leaning Ponta the advantage over center-right

Iohannis in the second round of the elections. An opinion poll by CSCI, which was published in the daily newspaper, *Evenimentul Zilei*, Ponta was forecast to carry as much as 55 percent of the vote share against Iohannis with 45 percent. Internal polling for Ponta and the ruling coalition gave similar results. It was to be seen if the polling prognostication was valid.

There were some suggestions that with Basescu vacating the presidency, with that post very likely be filled by his nemesis, Ponta, and with the parliament dominated by Ponta's Social Democrats and their allies in the ruling coalition, there would conceivably be no check on Ponta's power. On the other hand, with Basescu gone, it was possible that governance in Romania -- with Ponta as president and an ally as prime minister -- would function more smoothly than the outgoing power structure, which was characterized by acrimony.

Moving towards the second round of voting, attention was on a flare of socio-political unrest as thousands of Romanians took to the streets to protest against the poor handling of overseas ballots in the first round, and to demand a fair second round. Although plans were afoot to try to improve access for Romanians to vote at European embassies abroad, there remained a sense of outrage.

It was not known if that outrage directed the outcome of the election, but the Romanian presidential contest moved in a sharply different direction on Nov. 16, 2014, when the runoff election took place. Defying the pre-election polling data, Iohannis pulled off a surprise victory, defeating Ponta, and becoming the first ethnic German president of Romania. Indeed, Iohannis, who was backed by two center-right parties, garnered 55 percent of the vote, promoting Ponta, who had 45 percent, to quickly concede defeat. Ponta also made it clear that he would stay on as prime minister and head of government. For his part, Iohannis declared victory, which he said was the result of record turnout. He said: "Dear Romanians, you were phenomenal today. We've seen a massive turnout!"

It was not known if the citizenry's outrage over voting access abroad was a catalyst for public opinion. It was possible that the overall voting access problems acted as an imprimatur for hitherto submerged disillusionment by Romanians. It was also possible that with the "inevitability" of a Ponta presidency looming in the near future, some Romanians began to rethink the wisdom of awarding the Social Democrats a lock on both executive and legislative power. Regardless, the outcome was that, once again, Romania would have a conservative in the office of the presidency, with a leftist in the office of the prime minister. It was to be seen if that kind of divided government would suffer from similar paralysis and acrimony as before.

In the first part of June 2015, there was a chorus of calls for the resignation of Romanian Prime Minister Victor Ponta. At issue was a criminal investigation into a corruption case involving forgery, money-laundering, and tax evasion, which had already led to no shortage of high-profile arrests in Romania. Now, prosecutors were connecting the prime minister to the case, and launching an investigation into his alleged involvement. For his part, Prime Minister Ponta

strenuously denied any wrongdoing and released a statement in which he said that the accusations being brought against him were not new and had previously been advanced by his political rivals. He noted that those charges had been already "meticulously dismantled" and he cited "clear proof and certified documents."

Regardless of the legitimacy of the claims, with Ponta facing re-election in 2016, it was fair to conclude that simply being linked with the case could be detrimental to his future political prospects. Already, the opposition had filed a no-confidence vote against Ponta's government -- a move that admittedly was unlikely to end in the fall of his government since his coalition, the Social Liberal Union (composed of the Social Democrats, the National Liberals and the Conservative Party), retained decisive control over parliament. As well, there were calls from the opposition, led by President Klaus Iohannis who beat Ponta at polls in the presidential contest in 2014, for the prime minister to resign over the investigation. But Prime Minister Ponta dismissed the president's demand, writing via the social media outlet. Facebook: "I respect his [President Klaus Iohannis'] public position but I was appointed in the job by Romania's parliament and only parliament can dismiss me."

Since mid-2015, there have been a chorus of calls for the resignation of Romanian Prime Minister Victor Ponta. At issue was a criminal investigation into a corruption case involving forgery, money-laundering, and tax evasion, which had already led to no shortage of high-profile arrests in Romania. Now, prosecutors were connecting the prime minister to the case, and launching an investigation into his alleged involvement. For his part, Prime Minister Ponta strenuously denied any wrongdoing and released a statement in which he said that the accusations being brought against him were not new and had previously been advanced by his political rivals. He noted that those charges had been already "meticulously dismantled" and he cited "clear proof and certified documents."

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On June 13, 2015, Prime Minister Ponta survived a vote of no confidence aimed at removing him from office over existing corruption accusations (as discussed above). The vote meant that Ponta

would retain political immunity in the corruption investigation. With an eye on redirecting attention to the governing agenda, he said after the vote, "What does it mean? We have a government, we have a majority, let's get back to work."

That effort to "get back to work" would be stymied by a criminal inquiry that was launched at the end of June 2015 against Sebastian Ghita -- one of the prime minister's allies. Prosecutors in Romania were looking into claims that Ghita, a member of parliament, tried to bribe ethnic Moldovans with Romanian citizenship during the presidential election of 2014 that Ponta lost to Klaus Iohannis. For his part, Ghita has denied the allegations that he unlawfully attempted to gain support for Ponta in that contest; however, the burgeoning scandal was not expected to help Ponta politically.

In mid-July 2015, the political damage to Ponta was too great and the prime minister announced he would resign as the leader of his Social Democrat party. Ponta denied any wrongdoing himself, dismissing the allegations discussed here as being politically motivated. However, he concluded that it would be better for his party if he stepped down from a leadership position at the helm of the party until the investigation was complete. Ponta did, however, make clear that he was not stepping down as prime minister. Addressing his motivations via the social media outlet, Facebook, Ponta said, "There is a new and special situation that I must react to. The PSD president is being investigated by the DNA (anti-corruption prosecutors) ... in a bid not to let this situation harm the party, I inform you about my decision to hold no positions in the party until I prove my innocence." That task promised to be difficult since on July 13, 2015, Ponta was charged with corruption. The litany of charges against Ponta included forgery, money-laundering, and tax evasion.

By mid-September 2015, prosecutors in Romania had ended their corruption investigation against Ponta, indicting the prime minister on charges related to activities when he was not in office. The list of allegations included forgery, money laundering, and tax evasion. This result meant that the case would be sent to Romania's top court for trial. While Ponta, as discussed above, enjoyed immunity from prosecution as a member of parliament, he was not legally protected when it came to activities alleged to have taken place when he was not a lawmaker. Ponta would be allowed to remain free pending trial. A court date was not set at the time of writing.

At the end of September 2015, Prime Minister Ponta survived a no-confidence vote in parliament by a comfortable margin. Members of parliament from parties participating in the prime minister's ruling coalition abstained from the vote. As a result, the opposition ranks, led by the Liberals, were not able to cobble together the support needed to remove Ponta from power. The result of the confidence motion stood as a test of Ponta's political resilience despite the fact that he was set to stand trial for corruption. It would thus empower Ponta to shrug off continuing calls for his resignation, and allow him to move forward with his economic agenda, which included public sector salary increases, tax cuts, and financial aid.

In an interview with the media after the confidence vote, Prime Minister Ponta said, "Today's vote represents a failure on all fronts by the Liberals and proof they don't have a number of votes for a government. I will extract myself from all these political battles and I will be ready to use all my energy as prime minister together with the coalition partners."

Going into the autumn of 2015, it seemed as if Ponta was the ultimate political survivor. However, his tenure as prime minister of Romania came to an abrupt end at the start of November 2015, when he resigned amidst mass protests following a devastating nightclub fire that killed 32 people and injured 200 others. The tragedy spurred national protests as Romanians raged against the lack of proper regulations that led to the disaster and demanded that the government resign. After successive days of protests, Prime Minister Ponta announced his resignation from office, saying, "I can carry any political battles, but I can't fight with the people." He added, "I hope that my and the government's resignation will satisfy protesters' expectations, so that we can return to reason and reasonable decisions for what needs doing in Romania as soon as possible." Ponta would now be singularly focused on his prevailing legal woes, with court hearings expected to commence in late 2015.

Meanwhile, the ruling coalition, led by the Social Democrats, would have the task of trying to hold together its coalition government. The Social Democrat Party would be helped by the fact that its junior coalition partner, the Democratic Union of Hungarians in Romania, expressed support for continuing its governing alliance with Ponta's party. With the support of Democratic Union of Hungarians in Romania, the Social Democrats would be able to retain its parliamentary majority.

For his part, President Iohannis appointed outgoing Education Minister Sorin Cimpeanu as interim prime minister to replace Ponta until a new technocratic prime minister could be named to head a government. By the second week of November 2015, former European Commissioner Dacian Ciolos -- a technocrat and a consensus candidate likely to gain support in parliament -- was named as the new prime minister of Romania.

Ciolos formed a technocratic government in mid-November 2015, which quickly won a confidence vote, essentially giving the new administration a mandate to move forward with economic reforms and anti-corruption measures. President Klaus Iohannis lauded these developments, saying via the social media outlet, Facebook: "This is a proof that parties understood that a government of technocrats represents now the best solution for Romania." Ciolos would remain as the head of government for the rest of the term until scheduled elections could take place at the end of 2016.

Note:

Note that in 2015, Europe was being rocked by a migrant crisis as people from Syria and other

countries embroiled in turmoil sought refuge. The European Union approved a plan that would distribute the 120,000 refugees at stake across its 28 member states. Four former east bloc countries -- Czech Republic, Slovakia, Romania, and Hungary -- voted against the proposal, arguing it was a violation of their sovereignty; they also suggested that accepting Muslims from Middle Eastern countries could impact their national cultures. Leaders of those countries insisted that they would resist the quotas and do whatever necessary not to accept the refugees into their border. However, European Commission Vice President Frans Timmermans said the measure would be implemented irrespective of opposition from the four recalcitrant countries. Germany led the charge in arguing that the burdens of providing for people in need had to be shared by all countries of the European Union. German Chancellor Angela Merkel also reminded the people of her country and member states of the European Union that there was a moral imperative to provide aid to refugees in need. See the Special Entry in the Foreign Policy section of this Country Review for details about this scenario.

-- January 2016

Written by Dr. Denise Youngblood Coleman, Editor in Chief, www.countrywatch.com. General research sources listed in Bibliography. Specific supplementary sources: "Romania Sparks Holocaust Row." June 17, 2003. BBC News.

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Political Risk Index

Political Risk Index

The **Political Risk Index** is a proprietary index measuring the level of risk posed to governments, corporations, and investors, based on a myriad of political and economic factors. The [Political Risk Index](#) is calculated using an established methodology by CountryWatch's Editor-in-Chief and is based on varied criteria* including the following consideration: political stability, political representation, democratic accountability, freedom of expression, security and crime, risk of conflict, human development, jurisprudence and regulatory transparency, economic risk, foreign investment considerations, possibility of sovereign default, and corruption. Scores are assigned

from 0-10 using the aforementioned criteria. A score of 0 marks the highest political risk, while a score of 10 marks the lowest political risk. Stated differently, countries with the lowest scores pose the greatest political risk. A score of 0 marks the most dire level of political risk and an ultimate nadir, while a score of 10 marks the lowest possible level of political risk, according to this proprietary index. Rarely will there be scores of 0 or 10 due to the reality that countries contain complex landscapes; as such, the index offers a range of possibilities ranging from lesser to greater risk.

Country	Assessment
Afghanistan	2
Albania	4
Algeria	6
Andorra	9
Angola	4
Antigua	8
Argentina	4
Armenia	4-5
Australia	9.5
Austria	9.5
Azerbaijan	4

Bahamas	8.5
Bahrain	6
Bangladesh	3.5
Barbados	8.5-9
Belarus	3
Belgium	9
Belize	8
Benin	5
Bhutan	5
Bolivia	5
Bosnia-Herzegovina	4
Botswana	7
Brazil	7
Brunei	7
Bulgaria	6
Burkina Faso	4
Burma (Myanmar)	4.5
Burundi	3

Cambodia	4
Cameroon	5
Canada	9.5
Cape Verde	6
Central African Republic	3
Chad	4
Chile	9
China	7
China: Hong Kong	8
China: Taiwan	8
Colombia	7
Comoros	5
Congo DRC	3
Congo RC	4
Costa Rica	8
Cote d'Ivoire	4.5
Croatia	7
Cuba	4-4.5

Cyprus	5
Czech Republic	8
Denmark	9.5
Djibouti	4.5
Dominica	7
Dominican Republic	6
East Timor	5
Ecuador	6
Egypt	5
El Salvador	7
Equatorial Guinea	4
Eritrea	3
Estonia	8
Ethiopia	4
Fiji	5
Finland	9
Fr. Yugoslav Rep. Macedonia	5
France	9

Gabon	5
Gambia	4
Georgia	5
Germany	9.5
Ghana	6
Greece	4.5-5
Grenada	8
Guatemala	6
Guinea	3.5
Guinea-Bissau	3.5
Guyana	4.5
Haiti	3.5
Holy See (Vatican)	9
Honduras	4.5-5
Hungary	7
Iceland	8.5-9
India	7.5-8
Indonesia	6

Iran	3.5-4
Iraq	2.5-3
Ireland	8-8.5
Israel	8
Italy	7.5
Jamaica	6.5-7
Japan	9
Jordan	6.5
Kazakhstan	6
Kenya	5
Kiribati	7
Korea, North	1
Korea, South	8
Kosovo	4
Kuwait	7
Kyrgyzstan	4.5
Laos	4.5
Latvia	7

Lebanon	5.5
Lesotho	6
Liberia	3.5
Libya	2
Liechtenstein	9
Lithuania	7.5
Luxembourg	9
Madagascar	4
Malawi	4
Malaysia	8
Maldives	4.5
Mali	4
Malta	8
Marshall Islands	6
Mauritania	4.5-5
Mauritius	7
Mexico	6.5
Micronesia	7

Moldova	5
Monaco	9
Mongolia	5
Montenegro	6
Morocco	6.5
Mozambique	4.5-5
Namibia	6.5-7
Nauru	6
Nepal	4
Netherlands	9.5
New Zealand	9.5
Nicaragua	5
Niger	4
Nigeria	4.5
Norway	9.5
Oman	7
Pakistan	3.5
Palau	7

Panama	7.5
Papua New Guinea	5
Paraguay	6.5-7
Peru	7
Philippines	6
Poland	8
Portugal	7.5
Qatar	7.5
Romania	5.5
Russia	5.5
Rwanda	5
Saint Kitts and Nevis	8
Saint Lucia	8
Saint Vincent and Grenadines	8
Samoa	7
San Marino	9
Sao Tome and Principe	5.5
Saudi Arabia	6

Senegal	6
Serbia	5
Seychelles	7
Sierra Leone	4.5
Singapore	9
Slovak Republic (Slovakia)	8
Slovenia	8
Solomon Islands	6
Somalia	2
South Africa	7
Spain	7.5
Sri Lanka	5
Sudan	3.5
Suriname	5
Swaziland	5
Sweden	9.5
Switzerland	9.5
Syria	2

Tajikistan	4.5
Tanzania	6
Thailand	6.5
Togo	4.5
Tonga	7
Trinidad and Tobago	8
Tunisia	6
Turkey	7
Turkmenistan	4.5
Tuvalu	7
Uganda	6
Ukraine	3.5-4
United Arab Emirates	7
United Kingdom	9
United States	9.5
Uruguay	8
Uzbekistan	4
Vanuatu	7

Venezuela	4
Vietnam	5
Yemen	3
Zambia	4.5
Zimbabwe	3

*Methodology

The [Political Risk Index](#) is calculated by CountryWatch's Editor-in-Chief and is based on the combined scoring of varied criteria as follows --

1. political stability (record of peaceful transitions of power, ability of government to stay in office and carry out policies as a result of productive executive-legislative relationship, perhaps with popular support vis a vis risk of government collapse)
2. political representation (right of suffrage, free and fair elections, multi-party participation, and influence of foreign powers)
3. democratic accountability (record of respect for political rights, human rights, and civil liberties, backed by constitutional protections)
4. freedom of expression (media freedom and freedom of expression, right to dissent or express political opposition, backed by constitutional protections)
5. security and crime (the degree to which a country has security mechanisms that ensures safety of citizens and ensures law and order, without resorting to extra-judicial measures)
6. risk of conflict (the presence of conflict; record of coups or civil disturbances; threat of war; threats posed by internal or external tensions; threat or record of terrorism or insurgencies)
7. human development (quality of life; access to education; socio-economic conditions; systemic concern for the status of women and children)
8. jurisprudence and regulatory transparency (the impartiality of the legal system, the degree of transparency within the regulatory system of a country and the durability of that structure)

9. economic conditions (economic stability, investment climate, degree of nationalization of industries, property rights, labor force development)
10. corruption (the degree of corruption in a country and/or efforts by the government to address graft and other irregularities)

Editor's Note:

As of 2015, the current climate of upheaval internationally -- both politically and economically -- has affected the ratings for several countries across the world.

North Korea, [Afghanistan](#), [Somalia](#), and [Zimbabwe](#) -- retain their low rankings.

Several Middle Eastern and North African countries, such as [Tunisia](#), [Egypt](#), [Libya](#), [Syria](#), [Iraq](#) and [Yemen](#) were downgraded in recent years due to political instability occurring in the "season of unrest" sweeping the region since 2011 and continuing today. The worst downgrades affected [Syria](#) where civil war is at play, along with the rampage of terror being carried out by Islamist terrorists who have also seized control over part of Syrian territory. [Iraq](#) has been further downgraded due to the rampage of Islamist terrorists and their takeover of wide swaths of Iraqi territory. [Libya](#) has also been downgraded further due to its slippage into failed state status; at issue in [Libya](#) have been an ongoing power struggle between rival militias. [Yemen](#) continues to hold steady with a poor ranking due to continued unrest at the hands of Houthi rebels, secessionists, al-Qaida in the Arabian Peninsula, and Islamic State. Its landscape has been further complicated by the fact that it is now the site of a proxy war between [Iran](#) and [Saudi Arabia](#). Conversely, [Tunisia](#) and [Egypt](#) have seen slight upgrades as these countries stabilize.

In Africa, [Zimbabwe](#) continues to be one of the bleak spots of the world with the Mugabe regime effectively destroying the country's once vibrant economy, and miring [Zimbabwe](#) with an exceedingly high rate of inflation, debilitating unemployment, devolving public services, and critical food shortages; rampant crime and political oppression round out the landscape. [Somalia](#) also sports a poor ranking due to the continuing influence of the terror group, al-Shabab, which was not operating across the border in [Kenya](#). On the upside, [Nigeria](#), which was ineffectively dealing with the threat posed by the terror group, Boko Haram, was making some strides on the national security front with its new president at the helm. [Mali](#) was slightly upgraded due to its efforts to return to constitutional order following the 2012 coup and to neutralize the threat of separatists and Islamists. But the [Central African Republic](#) was downgraded due to the takeover of the government by Muslim Seleka rebels and a continued state of lawlessness in that country. [South Sudan](#) -- the world's newest nation state -- has not been officially included in this assessment;

however, it can be unofficially assessed to be in the vicinity of "3" due to its manifold political and economic challenges. [Burkina Faso](#), [Burundi](#) and [Guinea](#) have been downgraded due to political unrest, with [Guinea](#) also having to deal with the burgeoning Ebola crisis.

In Europe, [Ukraine](#) was downgraded due to the unrest facing that country following its Maidan revolution that triggered a pro-Russian uprising in the eastern part of the country. [Russia](#) was also implicated in the Ukrainian crisis due to its intervention on behalf of pro-Russian separatists, as well as its annexation of the Ukrainian territory of Crimea. Strains on the infrastructure of southern and eastern European countries, such as [Serbia](#), [Croatia](#), and [Hungary](#), due to an influx of refugees was expected to pose social and economic challenges, and slight downgrades were made accordingly. So too, a corruption crisis for the Romanian prime minister has affected the ranking of that country. Meanwhile, the rankings for [Spain](#), [Portugal](#), [Ireland](#), and [Italy](#) were maintained due to debt woes and the concomitant effect on the euro zone. [Greece](#), another euro zone nation, was earlier downgraded due to its sovereign debt crisis; however, no further downgrade was added since the country was able to successfully forge a bailout rescue deal with creditor institutions. Cyprus' exposure to Greek banks yielded a downgrade in its case.

In Asia, [Nepal](#) was downgraded in response to continuous political instability and a constitutional crisis that prevails well after landmark elections were held. Both [India](#) and [China](#) retain their rankings; [India](#) holds a slightly higher ranking than [China](#) due to its record of democratic representation and accountability. Increasing violence and political instability in [Pakistan](#) resulted in a downgrade for this country's already low rating. Meanwhile, [Singapore](#) retained its strong rankings due to its continued effective stewardship of the economy and political stability.

In the Americas, ongoing political and economic woes, as well as crime and corruption have affected the rankings for [Mexico](#), [Guatemala](#), and [Brazil](#). [Argentina](#) was downgraded due to its default on debt following the failure of talks with bond holders. [Venezuela](#) was downgraded due to its mix of market unfriendly policies and political oppression. For the moment, the [United States](#) maintains a strong ranking along with [Canada](#), and most of the English-speaking countries of the Caribbean; however, a renewed debt ceiling crisis could cause the [United States](#) to be downgraded in a future edition. Finally, a small but significant upgrade was attributed to [Cuba](#) due to its recent pro-business reforms and its normalization of ties with the United States.

Source:

Dr. Denise Youngblood Coleman, Editor in Chief, CountryWatch Inc. www.countrywatch.com

Updated:

2015

Political Stability

Political Stability

The **Political Stability Index** is a proprietary index measuring a country's level of stability, standard of good governance, record of constitutional order, respect for human rights, and overall strength of democracy. The [Political Stability Index](#) is calculated using an established methodology* by CountryWatch's Editor-in-Chief and is based on a given country's record of peaceful transitions of power, ability of a government to stay in office and carry out its policies vis a vis risk credible risks of government collapse. Threats include coups, domestic violence and instability, terrorism, etc. This index measures the dynamic between the quality of a country's government and the threats that can compromise and undermine stability. Scores are assigned from 0-10 using the aforementioned criteria. A score of 0 marks the lowest level of political stability and an ultimate nadir, while a score of 10 marks the highest level of political stability possible, according to this proprietary index. Rarely will there be scores of 0 or 10 due to the reality that countries contain complex landscapes; as such, the index offers a range of possibilities ranging from lesser to greater stability.

Country	Assessment
Afghanistan	2
Albania	4.5-5
Algeria	5
Andorra	9.5
Angola	4.5-5
Antigua	8.5-9

Argentina	7
Armenia	5.5
Australia	9.5
Austria	9.5
Azerbaijan	5
Bahamas	9
Bahrain	6
Bangladesh	4.5
Barbados	9
Belarus	4
Belgium	9
Belize	8
Benin	5
Bhutan	5
Bolivia	6
Bosnia-Herzegovina	5
Botswana	8.5
Brazil	7

Brunei	8
Bulgaria	7.5
Burkina Faso	4
Burma (Myanmar)	4.5
Burundi	4
Cambodia	4.5-5
Cameroon	6
Canada	9.5
Cape Verde	6
Central African Republic	3
Chad	4.5
Chile	9
China	7
China: Hong Kong	8
China: Taiwan	8
Colombia	7.5
Comoros	5
Congo DRC	3

Congo RC	5
Costa Rica	9.5
Cote d'Ivoire	3.5
Croatia	7.5
Cuba	4.5
Cyprus	8
Czech Republic	8.5
Denmark	9.5
Djibouti	5
Dominica	8.5
Dominican Republic	7
East Timor	5
Ecuador	7
Egypt	4.5-5
El Salvador	7.5-8
Equatorial Guinea	4.5
Eritrea	4
Estonia	9

Ethiopia	4.5
Fiji	5
Finland	9
Fr. Yugoslav Rep. Macedonia	6.5
France	9
Gabon	5
Gambia	4.5
Georgia	5
Germany	9.5
Ghana	7
Greece	6
Grenada	8.5
Guatemala	7
Guinea	3.5-4
Guinea-Bissau	4
Guyana	6
Haiti	3.5-4
Holy See (Vatican)	9.5

Honduras	6
Hungary	7.5
Iceland	9
India	8
Indonesia	7
Iran	3.5
Iraq	2.5
Ireland	9.5
Israel	8
Italy	8.5-9
Jamaica	8
Japan	9
Jordan	6
Kazakhstan	6
Kenya	5
Kiribati	8
Korea, North	2
Korea, South	8.5

Kosovo	5.5
Kuwait	7
Kyrgyzstan	5
Laos	5
Latvia	8.5
Lebanon	5.5
Lesotho	5
Liberia	3.5-4
Libya	2
Liechtenstein	9
Lithuania	9
Luxembourg	9.5
Madagascar	4
Malawi	5
Malaysia	8
Maldives	4.5-5
Mali	4.5-5
Malta	9

Marshall Islands	8
Mauritania	6
Mauritius	8
Mexico	6.5-7
Micronesia	8
Moldova	5.5
Monaco	9.5
Mongolia	6.5-7
Montenegro	8
Morocco	7
Mozambique	5
Namibia	8.5
Nauru	8
Nepal	4.5
Netherlands	9.5
New Zealand	9.5
Nicaragua	6
Niger	4.5

Nigeria	4.5
Norway	9.5
Oman	7
Pakistan	3
Palau	8
Panama	8.5
Papua New Guinea	6
Paraguay	8
Peru	7.5
Philippines	6
Poland	9
Portugal	9
Qatar	7
Romania	7
Russia	6
Rwanda	5
Saint Kitts and Nevis	9
Saint Lucia	9

Saint Vincent and Grenadines	9
Samoa	8
San Marino	9.5
Sao Tome and Principe	7
Saudi Arabia	6
Senegal	7.5
Serbia	6.5
Seychelles	8
Sierra Leone	4.5
Singapore	9.5
Slovak Republic (Slovakia)	8.5
Slovenia	9
Solomon Islands	6.5-7
Somalia	2
South Africa	7.5
Spain	9
Sri Lanka	5
Sudan	3

Suriname	5
Swaziland	5
Sweden	9.5
Switzerland	9.5
Syria	2
Tajikistan	4.5
Tanzania	6
Thailand	6
Togo	5
Tonga	7
Trinidad and Tobago	8
Tunisia	5
Turkey	7.5
Turkmenistan	5
Tuvalu	8.5
Uganda	6
Ukraine	3.5-4
United Arab Emirates	7

United Kingdom	9
United States	9
Uruguay	8.5
Uzbekistan	4
Vanuatu	8.5
Venezuela	4.5-5
Vietnam	4.5
Yemen	2.5
Zambia	5
Zimbabwe	3

*Methodology

The Political Stability Index is calculated by CountryWatch's Editor-in-Chief and is based on the combined scoring of varied criteria as follows --

1. record of peaceful transitions of power (free and fair elections; adherence to political accords)
2. record of democratic representation, presence of instruments of democracy; systemic accountability
3. respect for human rights; respect for civil rights
4. strength of the system of jurisprudence, adherence to constitutional order, and good governance
5. ability of a government to stay in office and carry out its policies vis a vis risk credible risks of government collapse (i.e. government stability versus a country being deemed "ungovernable")

6. threat of coups, insurgencies, and insurrection
7. level of unchecked crime and corruption
8. risk of terrorism and other threats to national security
9. relationship with regional powers and international community; record of bilateral or multilateral cooperation
10. degree of economic strife (i.e. economic and financial challenges)

Editor's Note:

As of 2015, the current climate of upheaval internationally -- both politically and economically -- has affected the ratings for several countries across the world. The usual suspects -- North Korea, [Afghanistan](#), and [Somalia](#) -- retain their low rankings. The reclusive and ultra-dictatorial North Korean regime, which has terrified the world with its nuclear threats, has exhibited internal instability. Of note was a cut-throat purge of hundreds of high ranking officials deemed to be a threat to Kim Jung-un. Despite their attempts to recover from years of lawlessness, war, and warlordism, both [Afghanistan](#) and [Somalia](#) continue to be beset by terrorism and turmoil. In [Afghanistan](#), while international forces have seen success in the effort against the terror group, al-Qaida, the other Islamist extremist group, the Taliban, continues to carry out a vicious insurgency using terrorism. In [Somalia](#), while the government attempts to do the nation's business, the terror group, al-Shabab continues to make its presence known not only in [Somalia](#), but across the border into [Kenya](#) with devastating results/ Also in this category is [Iraq](#), which continues to be rocked by horrific violence and terrorism at the hands of Islamic State, which has taken over wide swaths of Iraqi territory.

Syria, [Libya](#), and [Yemen](#) have been added to this unfortunate echelon of the world's most politically unstable countries. [Syria](#) has been mired by the twin hazards of 1. a civil war as rebels oppose the Assad regime; and 2. the rampage of terror being carried out by Islamic State, which also seized control over vast portions of Syrian territory. Meanwhile, the post-Qaddhafi landscape of [Libya](#) has devolved into chaos as rival militias battle for control -- the elected government of the country notwithstanding. Rounding out this grim triad is [Yemen](#), which was dealing with a Houthi rebellion, secessionists in the south, as well as the threat of terrorism from al-Qaida in the Arabian Peninsula as well as Islamic State, while also being the site of a proxy war between Shi'a [Iran](#) and Sunni [Saudi Arabia](#).

Meanwhile, several Middle Eastern and North African countries, such as [Tunisia](#), [Egypt](#), and

[Bahrain](#) were downgraded in recent years due to political instability occurring in the "season of unrest" sweeping the region since 2011 and continuing today. All three of these countries have stabilized in recent years and have been upgraded accordingly. In [Bahrain](#), the landscape had calmed. In [Egypt](#), the secular military-backed government has generated criticism for its crackdown on the Muslim Brotherhood; however, the country had ratified the presidency via democratic elections and were on track to hold parliamentary elections as the country moved along the path of democratization. Perhaps the most impressive story was coming out of [Tunisia](#) -- the country whose Jasmine Revolution sparked the entire Arab Spring -- and where after a few years of strife, a new progressive constitution was passed into law and a secular government had been elected to power. [Tunisia](#), [Egypt](#), and [Bahrain](#) have seen slight upgrades as these countries stabilize.

In Africa, the [Central African Republic](#) was downgraded the previous year due to the takeover of the government by Muslim Seleka rebels. Although the country has been trying to emerge from this crisis, the fact of the matter was that it was difficult to halt the precipitous decline into lawlessness in that country. [Zimbabwe](#) has maintained its consistently poor ranking due to the dictatorial regime of Mugabe, who continues to hold a tight grip on power, intimidates the opposition, squashes dissent, and oppresses the white farmer population of the country. Moving in a slightly improved direction is [Nigeria](#), which has sported abysmal ratings due to the government's fecklessness in dealing with the threat posed by the Islamist terror group, Boko Haram. Under its newly-elected government, there appears to be more of a concerted effort to make national security a priority action item. [Mali](#) was also slightly upgraded due to its efforts to return to constitutional order following the 2012 coup and to neutralize the threat of separatists and Islamists. Political instability has visited [Burkina Faso](#) and [Burundi](#) as the leaders of those countries attempted to side-step constitutional limits to hold onto power. In [Burundi](#), an attempted coup ensued but quelled, and the president won a (questionable) new term in office; unrest has since punctuated the landscape. In [Burkina Faso](#), the political climate has turned stormy as a result of a successful coup that ended the rule of the president, and then a putsch against the transitional government. These two African countries have been downgraded as a result.

It should be noted that the African country of South [Sudan](#) -- the world's newest nation state -- has not been officially included in this assessment; however, it can be unofficially assessed to be in the vicinity of "3" due to its manifold political and economic challenges. [Guinea](#) has endured poor rankings throughout, but was slightly downgraded further over fears of social unrest and the Ebola health crisis.

In Europe, [Ukraine](#) was downgraded due to the unrest facing that country following its Maidan revolution that triggered a pro-Russian uprising in the eastern part of the country. [Russia](#) was also implicated in the Ukrainian crisis due to its intervention on behalf of pro-Russian separatists, as well as its annexation of the Ukrainian territory of Crimea. [Serbia](#) and [Albania](#) were slightly downgraded due to eruptions of unrest, while [Romania](#) was slightly downgraded on the basis of

corruption charges against the prime minister. [Spain](#), [Portugal](#), [Ireland](#), and [Italy](#) were downgraded due to debt woes and the concomitant effect on the euro zone. [Greece](#), another euro zone nation, was downgraded the previous year due to its sovereign debt crisis; however, the country successfully forged a rescue deal with international creditors and stayed within the Euro zone. Greek voters rewarded the hitherto unknown upstart party at the polls for these efforts. As a result, [Greece](#) was actually upgraded slightly as it proved to the world that it could endure the political and economic storms. Meanwhile, [Germany](#), [France](#), [Switzerland](#), the [United Kingdom](#), the [Netherlands](#), and the Scandinavian countries continue to post impressive ranking consistent with these countries' strong records of democracy, freedom, and peaceful transfers of power.

In Asia, [Nepal](#) was downgraded in response to continuous political instability well after landmark elections that prevails today. [Cambodia](#) was very slightly downgraded due to post-election instability that has resulted in occasional flares of violence. Despite the "trifecta of tragedy" in [Japan](#) in 2011 -- the earthquake, the ensuing tsunami, and the resulting nuclear crisis -- and the appreciable destabilization of the economic and political terrain therein, this country has only slightly been downgraded. Japan's challenges have been assessed to be transient, the government remains accountable, and there is little risk of default. Both [India](#) and China retain their rankings; [India](#) holds a slightly higher ranking than [China](#) due to its record of democratic representation and accountability. Increasing violence and political instability in [Pakistan](#) resulted in a downgrade for this country's already low rating.

In the Americas, [Haiti](#) retained its downgraded status due to ongoing political and economic woes. [Mexico](#) was downgraded due to its alarming rate of crime. [Guatemala](#) was downgraded due to charges of corruption, the arrest of the president, and uncertainty over the outcome of elections. [Brazil](#) was downgraded due to the corruption charges erupting on the political landscape, the stalling of the economy, and the increasingly loud calls for the impeachment of President Rousseff. [Argentina](#) was downgraded due to its default on debt following the failure of talks with bond holders. [Venezuela](#) was downgraded due to the fact that the country's post-Chavez government is every bit as autocratic and nationalistic, but even more inclined to oppress its political opponents. [Colombia](#) was upgraded slightly due to efforts aimed at securing a peace deal with the FARC insurgents. A small but significant upgrade was attributed to [Cuba](#) due to its recent pro-business reforms and its normalization of ties with the United States. Meanwhile, the [United States](#), [Canada](#), [Costa Rica](#), [Panama](#), and most of the English-speaking countries of the Caribbean retain their strong rankings due to their records of stability and peaceful transfers of power.

In the Pacific, [Fiji](#) was upgraded due to its return to constitutional order and democracy with the holding of the first elections in eight years.

In Oceania, [Maldives](#) has been slightly downgraded due to the government's continued and rather relentless persecution of the country's former pro-democracy leader - former President Nasheed.

Source:

Dr. Denise Youngblood Coleman, Editor in Chief, CountryWatch Inc. www.countrywatch.com

Updated:

2015

Freedom Rankings

Freedom Rankings

Freedom in the World

Editor's Note: This ranking by Freedom House quantifies political freedom and civil liberties into a single combined index on each sovereign country's level of freedom and liberty. The initials "PR" and "CL" stand for Political Rights and Civil Liberties, respectively. The number 1 represents the most free countries and the number 7 represents the least free. Several countries fall in the continuum in between. The freedom ratings reflect an overall judgment based on survey results.

Country	PR	CL	Freedom Status	Trend Arrow
Afghanistan	6 ?	6	Not Free	
Albania*	3	3	Partly Free	
Algeria	6	5	Not Free	

Andorra*	1	1	Free	
Angola	6	5	Not Free	
Antigua and Barbuda*	3 ?	2	Free	
Argentina*	2	2	Free	
Armenia	6	4	Partly Free	
Australia*	1	1	Free	
Austria*	1	1	Free	
Azerbaijan	6	5	Not Free	
Bahamas*	1	1	Free	
Bahrain	6 ?	5	Not Free ?	
Bangladesh*	3 ?	4	Partly Free	
Barbados*	1	1	Free	
Belarus	7	6	Not Free	
Belgium*	1	1	Free	
Belize*	1	2	Free	
Benin*	2	2	Free	
Bhutan	4	5	Partly Free	
Bolivia*	3	3	Partly Free	

Bosnia-Herzegovina*	4	3	Partly Free	
Botswana*	3 ?	2	Free	
Brazil*	2	2	Free	
Brunei	6	5	Not Free	
Bulgaria*	2	2	Free	
Burkina Faso	5	3	Partly Free	
Burma	7	7	Not Free	
Burundi*	4	5	Partly Free	↑
Cambodia	6	5	Not Free	↓
Cameroon	6	6	Not Free	
Canada*	1	1	Free	
Cape Verde*	1	1	Free	
Central African Republic	5	5	Partly Free	
Chad	7	6	Not Free	
Chile*	1	1	Free	
China	7	6	Not Free	
Colombia*	3	4	Partly Free	
Comoros*	3	4	Partly Free	

Congo (Brazzaville)	6	5	Not Free	↓
Congo (Kinshasa)	6	6	Not Free	↓
Costa Rica*	1	1	Free	
Cote d'Ivoire	6	5	Not Free	
Croatia*	1 ?	2	Free	
Cuba	7	6	Not Free	
Cyprus*	1	1	Free	
Czech Republic*	1	1	Free	
Denmark*	1	1	Free	
Djibouti	5	5	Partly Free	
Dominica*	1	1	Free	
Dominican Republic*	2	2	Free	↓
East Timor*	3	4	Partly Free	
Ecuador*	3	3	Partly Free	
Egypt	6	5	Not Free	
El Salvador*	2	3	Free	
Equatorial Guinea	7	7	Not Free	
Eritrea	7	7 ?	Not Free	

Estonia*	1	1	Free	
Ethiopia	5	5	Partly Free	↓
Fiji	6	4	Partly Free	
Finland*	1	1	Free	
France*	1	1	Free	
Gabon	6	5 ?	Not Free ?	
The Gambia	5	5 ?	Partly Free	
Georgia	4	4	Partly Free	
Germany*	1	1	Free	
Ghana*	1	2	Free	
Greece*	1	2	Free	
Grenada*	1	2	Free	
Guatemala*	4 ?	4	Partly Free	
Guinea	7	6 ?	Not Free	
Guinea-Bissau*	4	4	Partly Free	
Guyana*	2	3	Free	
Haiti*	4	5	Partly Free	
Honduras	4 ?	4 ?	Partly Free	

Hungary*	1	1	Free	
Iceland*	1	1	Free	
India*	2	3	Free	
Indonesia*	2	3	Free	
Iran	6	6	Not Free	↓
Iraq	5 ?	6	Not Free	
Ireland*	1	1	Free	
Israel*	1	2	Free	
Italy*	1	2	Free	
Jamaica*	2	3	Free	
Japan*	1	2	Free	
Jordan	6 ?	5	Not Free ?	
Kazakhstan	6	5	Not Free	↓
Kenya	4	4 ?	Partly Free	
Kiribati*	1	1	Free	
Kosovo	5 ?	4 ?	Partly Free ?	
Kuwait	4	4	Partly Free	
Kyrgyzstan	6 ?	5 ?	Not Free ?	

Laos	7	6	Not Free	
Latvia*	2	1	Free	
Lebanon	5	3 ?	Partly Free	
Lesotho*	3 ?	3	Partly Free ?	
Liberia*	3	4	Partly Free	
Libya	7	7	Not Free	
Liechtenstein*	1	1	Free	
Lithuania*	1	1	Free	
Luxembourg*	1	1	Free	
Macedonia*	3	3	Partly Free	↑
Madagascar	6 ?	4 ?	Partly Free	
Malawi*	3 ?	4	Partly Free	
Malaysia	4	4	Partly Free	
Maldives*	3 ?	4	Partly Free	
Mali*	2	3	Free	
Malta*	1	1	Free	↓
Marshall Islands*	1	1	Free	
Mauritania	6	5	Not Free	

Mauritius*	1	2	Free	
Mexico*	2	3	Free	
Micronesia*	1	1	Free	
Moldova*	3 ?	4	Partly Free	
Monaco*	2	1	Free	
Mongolia*	2	2	Free	↑
Montenegro*	3	2 ?	Free ?	
Morocco	5	4	Partly Free	↓
Mozambique	4 ?	3	Partly Free	
Namibia*	2	2	Free	
Nauru*	1	1	Free	
Nepal	4	4	Partly Free	
Netherlands*	1	1	Free	
New Zealand*	1	1	Free	
Nicaragua*	4	4 ?	Partly Free	
Niger	5 ?	4	Partly Free	
Nigeria	5	4	Partly Free	↓
North Korea	7	7	Not Free	↓

Norway*	1	1	Free	
Oman	6	5	Not Free	
Pakistan	4	5	Partly Free	
Palau*	1	1	Free	
Panama*	1	2	Free	
Papua New Guinea*	4	3	Partly Free	
Paraguay*	3	3	Partly Free	
Peru*	2	3	Free	
Philippines	4	3	Partly Free	↓
Poland*	1	1	Free	
Portugal*	1	1	Free	
Qatar	6	5	Not Free	
Romania*	2	2	Free	
Russia	6	5	Not Free	↓
Rwanda	6	5	Not Free	
Saint Kitts and Nevis*	1	1	Free	
Saint Lucia*	1	1	Free	
Saint Vincent and Grenadines*	2	1	Free	

Samoa*	2	2	Free	
San Marino*	1	1	Free	
Sao Tome and Principe*	2	2	Free	
Saudi Arabia	7	6	Not Free	
Senegal*	3	3	Partly Free	
Serbia*	2 ?	2	Free	
Seychelles*	3	3	Partly Free	
Sierra Leone*	3	3	Partly Free	
Singapore	5	4	Partly Free	
Slovakia*	1	1	Free	↓
Slovenia*	1	1	Free	
Solomon Islands	4	3	Partly Free	
Somalia	7	7	Not Free	
South Africa*	2	2	Free	
South Korea*	1	2	Free	
Spain*	1	1	Free	
Sri Lanka*	4	4	Partly Free	
Sudan	7	7	Not Free	

Suriname*	2	2	Free	
Swaziland	7	5	Not Free	
Sweden*	1	1	Free	
Switzerland*	1	1	Free	↓
Syria	7	6	Not Free	
Taiwan*	1 ?	2 ?	Free	
Tajikistan	6	5	Not Free	
Tanzania	4	3	Partly Free	
Thailand	5	4	Partly Free	
Togo	5	4 ?	Partly Free	
Tonga	5	3	Partly Free	
Trinidad and Tobago*	2	2	Free	
Tunisia	7	5	Not Free	
Turkey*	3	3	Partly Free	↓
Turkmenistan	7	7	Not Free	
Tuvalu*	1	1	Free	
Uganda	5	4	Partly Free	
Ukraine*	3	2	Free	

United Arab Emirates	6	5	Not Free	
United Kingdom*	1	1	Free	
United States*	1	1	Free	
Uruguay*	1	1	Free	
Uzbekistan	7	7	Not Free	
Vanuatu*	2	2	Free	
Venezuela	5 ?	4	Partly Free	
Vietnam	7	5	Not Free	↓
Yemen	6 ?	5	Not Free ?	
Zambia*	3	4 ?	Partly Free	
Zimbabwe	6 ?	6	Not Free	

Methodology:

PR and CL stand for political rights and civil liberties, respectively; 1 represents the most free and 7 the least free rating. The ratings reflect an overall judgment based on survey results.

? ? up or down indicates a change in political rights, civil liberties, or status since the last survey.

↑ ↓ up or down indicates a trend of positive or negative changes that took place but that were not sufficient to result in a change in political rights or civil liberties ratings of 1-7.

* indicates a country's status as an electoral democracy.

Source:

This data is derived from the latest edition of Freedom House's Freedom in the World 2010 edition.

Available at URL: <http://www.freedomhouse.org>

Updated:

Reviewed in 2015

Human Rights

Human Rights in Romania

Overview

Romania is a constitutional democracy with a bicameral parliamentary system. In recent years, the government has made attempts to address previous human rights abuses and to prevent future problems; however, many abuses continue to occur.

Recent elections have been marred by allegations of fraud. Multiple ballot casting was also a concern. In the end, however, the results were found to be consistent with the will of the people.

Members of the government, especially those who manage public funds and public services, were found to be corrupt. Judiciary influence, coercion of the media, and the undermining of civil society organizations are all known actions taken by the government. The government is also known to restrict the freedom of religion and workers rights arbitrarily.

Police and security forces in Romania abuse and harass suspects, detainees, and Roma (Gypsies). Excessive force is also used and recently resulted in the deaths of at least 3 people from fatal gunfire. Prison conditions are harsh and inhumane. Overcrowding, ill-treatment from prison staff and lack of medical services continue to be unaddressed issues.

The rights of children in Romania are often not protected. Child labor and trafficking are normal occurrences. There is inadequate assistance for persons with disabilities both inside institutions and in society.

Human Development Index (HDI) Rank:

See Social Overview in Country Review for full list of countries' rankings.

Human Poverty Index Rank:

Not Ranked

Gini Index:

28.8

Life Expectancy at Birth (years):

70 years

Unemployment Rate:

5.9%

Population living on \$1 a day (%):

N/A

Population living on \$2 a day (%):

N/A

Population living beneath the Poverty Line (%):

25%

Internally Displaced People:

N/A

Note- Some 8,000 refugees are currently seeking asylum in Romania

Total Crime Rate (%):

25.4%

Health Expenditure (% of GDP):

Public: 4.2%

% of GDP Spent on Education:

3.5%

Human Rights Conventions Party to:

- International Convention on the Prevention and Punishment of the Crime of Genocide
- International Convention on the Elimination of All Forms of Racial Discrimination
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- Convention on the Elimination of All Forms of Discrimination against Women
- Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment
- Conventions on the Rights of the Child

- Convention relating to the Status of Refugees
- Rome Statute of the International Criminal Court

*Human Development Index (HDI) is a composite index that measures the level of well-being in 177 nations in the world. It uses factors such as poverty, literacy, life-expectancy, education, gross domestic product, and purchasing power parity to assess the average achievements in each nation. It has been used in the United Nation's Human Development Report since 1993.

*Human Poverty Index Ranking is based on certain indicators used to calculate the Human Poverty Index. Probability at birth of not surviving to age 40, adult literacy rate, population without sustainable access to an improved water source, and population below income poverty line are the indicators assessed in this measure.

*The Gini Index measures inequality based on the distribution of family income or consumption. A value of 0 represents perfect equality (income being distributed equally), and a value of 100 perfect inequality (income all going to one individual).

*The calculation of the total crime rate is the % of the total population which has been effected by property crime, robbery, sexual assault, assault, or bribery (corruption) related occurrences.

Government Functions

Constitution

Romania's constitution, approved and adopted by a national referendum on Dec. 8, 1991, stipulates that Romania is a unitary state with a republican form of government. The constitution established a mixed presidential-parliamentary system in which some executive powers are shared between a directly elected president and a government approved by parliament.

Note: Revisions to the constitution went into place in 2003.

Executive Authority

The president of Romania is the head of state, representing Romania abroad and serving as the commander-in-chief of Romania's armed forces. If no candidate receives a majority of votes in a first round of the presidential election, a second round is held between the two candidates receiving the most votes. The candidate who then receives the most votes wins the election. The president cannot be a member of any political party while in office and is expected to play a non-partisan role as the mediator between the different organs of state and between the state and society. The president may return, only once, legislation to parliament for reconsideration, but cannot veto legislation adopted by both houses of parliament. The president may consult with the government on urgent matters and may preside over government meetings, but cannot initiate legislative proposals. The president can, however, call referenda.

The president appoints a prime minister designate and, upon the proposal of the prime minister, designates other cabinet ministers. If parliament does not pass a confidence vote (investiture vote) on the formation of a new government after at least two attempts, then the president may dissolve both houses of parliament and call new elections after consulting with parliamentary leaders. The president can dissolve parliament under these conditions only once per year and not during the last six months of a president's term of office. The president appoints three justices to the Constitutional Court and justices to the Supreme Court of Justice upon the proposal of the Superior Council of Magistrates.

Executive power is also vested in a government consisting of a prime minister and other cabinet ministers. The government proposes a policy program to both houses of parliament, which then must pass an investiture vote before the government takes office. The government is responsible for implementing legislation adopted by parliament and can propose legislation to either house of parliament. Members of the government can be dismissed collectively or individually in censure motions (votes of no-confidence) passed by a majority of both houses sitting in joint session.

Legislative Authority

Legislative power is vested in a bicameral parliament made up of a Chamber of Deputies and a Senate. The constitution stipulates that the number of deputies and senators will be decided by law, in proportion to Romania's population. The Chamber of Deputies is made up of members -- most of whom are elected for maximum four-year terms according to a proportional representation formula. The Chamber of Deputies can initiate legislation and is responsible for appointing three justices to the Constitutional Court. The Senate is made up of members elected for maximum four-year terms according to a proportional representation formula. The Senate can also initiate legislation and is responsible for appointing justices to the Constitutional Court.

Together, both houses are responsible for passing constitutional amendments, laws that regulate public organizations, and ordinary laws. Laws are passed by majority votes in both houses. If a

proposed law passes in one chamber and is rejected in the other, it is sent back to the first chamber for reconsideration. A second rejection is considered final, that is, a veto. The parliament passes, in joint session, motions of censure (no-confidence votes) and votes on the formation of a new government (investiture votes) by a majority of deputies and senators.

Judicial Authority

Judicial authority is vested in a Supreme Court of Justice, a Constitutional Court, and other courts. The Supreme Court of Justice is responsible for coordinating the legal activity of all the courts in Romania. Members of the Supreme Court of Justice are appointed by the president, after being proposed by the Superior Council of Magistrates, for six-year terms, which can be renewed. The members of the Superior Council of Magistrates are elected for four-year terms by both houses of parliament sitting in joint session. The Constitutional Court consists of nine judges elected for non-renewable nine-year terms. Three justices are appointed by the Chamber of Deputies, three by the Senate, and three by the president. The Constitutional Court has the power of constitutional review, enabling it to rule on the constitutionality of laws passed by parliament.

Government Structure

Names:

conventional long form:

None

conventional short form:

Romania

local long form:

none

local short form:

Romania

Type:

Republic; mixed presidential-parliamentary system

Executive Branch:

Head of State:

President Klaus Iohannis (since 2014). Iohannis won the presidential election of 2014, as discussed below. Typically, the president is elected by popular vote for five-year term and is eligible for re-election to a second term.

Primer on 2014 presidential election in Romania:

(first round - Nov. 2, 2014; second round - Nov 16, 2014)

A presidential election was set to be held in November 2014. Typically, the president is elected by popular vote for five-year term and is eligible for re-election to a second term.

The incumbent -- and outgoing -- president was Traian Basescu, a conservative, who was in power since 2004 and re-elected in 2009. It should be noted that Basescu's time in power was marked by drama and dissonance as he was suspended from office via an impeachment vote in the Socialist-dominated parliament, faced with a leadership referendum, but ultimately reinstated to power in 2012 via a ruling in the Constitutional Court. His tenure was particularly noted for Basescu's conflict with Prime Minister Victor Ponta, a Social Democrat, who was seeking the presidency in 2014.

In that presidential election, as noted here, Prime Minister Ponta was looking to move from head of government to the post of head of state. His main challenger was expected to be the mayor of the Transylvanian city of Sibiu, Klaus Iohannis -- an ethnic German with a center-right political orientation. The main issue in the election was expected to be the economy. At issue was the reform agenda called for by the International Monetary Fund that was intended to secure a loan deal valued at four billion euros.

Note that in July 2014, polling data by INSCOP published in Adevarul showed Ponta with 43.6 percent support - ahead of Iohannis by more than 12 points. Of course, for any candidate secure an outright victory and avoid a run-off election, he/she would have to garner at least 50 percent of the vote.

In October 2014, the trend remained relatively the same. Polling data by INSCOP published in Adevarul showed Ponta with 41 percent of votes against Iohannis with 30 percent in the first round. In the second round, Ponta would receive 53.5 percent of the vote share, against Iohannis, who would carry 46.5 percent.

It was to be seen if Ponta's advantage would hold until election day, especially after his nemesis, outgoing President Basescu, issued accusations that Ponta served as an undercover intelligence officer between 1997 and 2001. For his part, Ponta dismissed the accusations as "all lies."

In the aftermath of the election held on Nov. 2, 2014, Ponta had won the first round with 40

percent of the vote share, ahead of Iohannis who had 30 percent. The two were headed to a run-off election two weeks later where Ponta hoped he would ultimately prevail and become the next president of Romania.

To that end, polling data certainly gave the left-leaning Ponta the advantage over center-right Iohannis in the second round of the elections. An opinion poll by CSCI, which was published in the daily newspaper, *Evenimentul Zilei*, Ponta was forecast to carry as much as 55 percent of the vote share against Iohannis with 45 percent. Internal polling for Ponta and the ruling coalition gave similar results. It was to be seen if the polling prognostication was valid.

There were some suggestions that with Basescu vacating the presidency, with that post very likely be filled by his nemesis, Ponta, and with the parliament dominated by Ponta's Social Democrats and their allies in the ruling coalition, there would conceivably be no check on Ponta's power. On the other hand, with Basescu gone, it was possible that governance in Romania -- with Ponta as president and an ally as prime minister -- would function more smoothly than the outgoing power structure, which was characterized by acrimony.

Moving towards the second round of voting, attention was on a flare of socio-political unrest as thousands of Romanians took to the streets to protest against the poor handling of overseas ballots in the first round, and to demand a fair second round. Although plans were afoot to try to improve access for Romanians to vote at European embassies abroad, there remained a sense of outrage.

It was not known if that outrage directed the outcome of the election, but the Romanian presidential contest moved in a sharply different direction on Nov. 16, 2014, when the runoff election took place. Defying the pre-election polling data, Iohannis pulled off a surprise victory, defeating Ponta, and becoming the first ethnic German president of Romania. Indeed, Iohannis, who was backed by two center-right parties, garnered 55 percent of the vote, prompting Ponta, who had 45 percent, to quickly concede defeat. Ponta also made it clear that he would stay on as prime minister and head of government. For his part, Iohannis declared victory, which he said was the result of record turnout. He said: "Dear Romanians, you were phenomenal today. We've seen a massive turnout!"

It was not know if the citizenry's outrage over voting access abroad was a catalyst for public opinion. It was possible that the overall voting access problems acted as an imprimatur for hitherto submerged disillusionment by Romanians. It was also possible that with the "inevitability" of a Ponta presidency looming in the near future, some Romanians began to rethink the wisdom of awarding the Social Democrats a lock on both executive and legislative power. Regardless, the outcome was that, once again, Romania would have a conservative in the office of the presidency, with a leftist in the office of the prime minister. It was to be seen if that kind of divided government would suffer from similar paralysis and acrimony as before.

Head of Government:

Prime Minister Dacian Ciolos (since Nov. 2015)

Note on Head of Government:

Interim prime minister appointed by president at the time of writing. Prime Minister Victor Ponta, in power since 2012 following elections of that year, resigned from office in 2015). Please see Primer on Parliamentary Elections of December 2012 discussed below in "Legislative Branch." Please see "Note on Governance" regarding Ponta's resignation.

Note that in 2015, Ponta was charged with corruption. Around the same time, he announced he would resign as the leader of his Social Democrat party. Ponta denied any wrongdoing himself, dismissing the allegations as being politically motivated. However, he concluded that it would be better for his party if he stepped down from a leadership position at the helm of the party until the investigation was complete. He did, however, make clear that he was not stepping down as prime minister.

At the end of September 2015, Prime Minister Ponta survived a no-confidence vote in parliament by a comfortable margin. The result of the confidence motion stood as a test of Ponta's political resilience despite the fact that he was set to stand trial for corruption.

Going into the autumn of 2015, it seemed as if Ponta was the ultimate political survivor. However, his tenure as prime minister of Romania came to an abrupt end at the start of November 2015, when he resigned amidst mass protests following a devastating nightclub fire that killed 32 people and injured 200 others. The tragedy spurred national protests as Romanians raged against the lack of proper regulations that led to the disaster and demanded that the government resign. After successive days of protests, Prime Minister Ponta announced his resignation from office.

President Iohannis appointed outgoing Education Minister Sorin Cimpeanu as interim prime minister to replace Ponta until a new technocratic prime minister could be named to head a government. By the second week of November 2015, former European Commissioner Dacian Ciolos -- a technocrat and a consensus candidate likely to gain support in parliament -- was named as the new prime minister of Romania.

Ciolos formed a technocratic government in mid-November 2015, which quickly won a confidence vote, essentially giving the new administration a mandate to move forward with economic reforms and anti-corruption measures. President Klaus Iohannis lauded these developments, saying via the social media outlet, Facebook: "This is a proof that parties understood that a government of technocrats represents now the best solution for Romania." Ciolos would remain as the head of government for the rest of the term until scheduled elections could take place at the end of 2016.

Cabinet:

Council of Ministers; recommended by the prime minister, appointed by the president, and approved by both houses of the Romanian parliament.

Legislative Branch:

Bicameral "Parlamentul Romaniei" (Romanian Parliament):

Consists of the "Senatul" (Senate) and the "Adunarea Deputatilor" (Chamber of Deputies); the Senate (176 seats; members elected by popular vote in a mixed electoral system to serve four-year terms) and the Chamber of Deputies (412 seats; members elected by popular vote in a mixed electoral system to serve four-year terms)

Elections:

Elections last held in December 2012. Election results were as follows:

Senate --

percent of vote by alliance/party - USL 60.1%, ARD 16.7%, PP-DD 14.6%, UDMR 5.3%, other 3.3%; seats by alliance/party - USL 122, ARD 24, PP-DD 21, UDMR 9

Chamber of Deputies --

percent of vote by alliance/party - USL 58.6%, ARD 16.5%, PP-DD 14%, UDMR 5.2%, ethnic minorities 2.6%, other 3.1%; seats by alliance/party - USL 273, ARD 56, PP-DD 47, UDMR 18, ethnic minorities 18

Primer on Parliamentary Elections in Romania

(Nov. 30, 2012; delayed to Dec. 9, 2012)

Parliamentary elections were originally set to be held in [Romania](#) before Nov. 30, 2012 but were subsequently delayed until Dec. 9, 2012. At stake was the composition of the bicameral "Parlamentul Romaniei" (Romanian Parliament). That body consists of the "Senatul" (Senate) and the "Adunarea Deputatilor" (Chamber of Deputies); the Senate has 137 seats; members are elected by popular vote on a proportional representation basis to serve four-year terms. The Chamber of Deputies has 334 seats; members are elected by popular vote on a proportional representation basis to serve four-year terms.

Background

The last elections were held in 2008. In both chambers, the main race was between the Social Democratic Party or PSD and the Democratic Liberal Party or PDL, with the National Liberal Party or PNL in third place. The closeness of the (inconclusive) result between the Social Democrats and the Democratic Liberals since led to a number of coalition governments, each collapsing and forcing the formation of new governments.

Note that on April 27, 2012, Romania's government collapsed after a no-confidence vote in parliament on a censure motion filed by the opposition. The vote came less than three months after Prime Minister Mihai Razvan Ungureanu took office and constituted the second government collapse since the start of the year. The main parties in opposition -- the Social Democrats and the Liberals -- said the Ungureanu government lacked transparency in its sale of natural resources and accused the cabinet of being "a threat" to the nation. Meanwhile, the Romanian people appeared to have little affection for the government's policies, as protesters took to the streets to rally against austerity measures and corruption.

Signaling that he was ready to lead a new government to take the country in a new direction, Social Democrat opposition leader Victor Ponta said he was prepared to become the country's new prime minister. "Our coalition is ready to form a new government. We already have a government proposal," Ponta said.

Romanian President Traian Basescu wasted little time in answering Ponta's call as he named the leader of the Social Democratic Party to be the country's new prime minister. "Today, I had consultations with the parliamentary parties in order to designate a new prime minister," Basescu said. He noted that the Social Democrat Party was the only one with a proposal for government.

It should be noted that parliamentary elections were scheduled for later in the year (2012) and were highly anticipated, given the tumultuous state of politics in [Romania](#). The main question dominating the political landscape in [Romania](#) at the start of May 2012 was whether or not the new government, led by Victor Ponta, would be able to offer stable government in the immediate future.

As the first week of May 2012 came to a close, Ponta tried to dispel any doubts about his short-term government by noting that his priority was to name a competent cabinet, chart the course towards fair elections later in the year, with an eye on democratic governance for the long-term. It was also yet to be seen if Ponta and his left-leaning alliance could ultimately translate public discontent into election victory at the polls. In recent times and ahead of the 2012 elections, Ponta's bloc has been leading the polls in terms of voters' preferences.

Ahead of the parliamentary elections, five opposition entities -- the Democratic Liberal Party, along with four extra-parliamentary political organizations, the Christian-Democratic National Peasants' Party, the New Republic Party, the Right of Center Civic Initiative, and the Christian-Democratic Foundation, signed a joint manifesto to form a center-right alliance. The goal of the alliance was to win parliamentary elections, and seize power from the Social Democrats.

Note

Prime Minister Ponta has been involved in a power struggle with President Basescu for some time; that feud reached new heights in mid-2012 with the parliament's decision to suspend the president. Indeed, July 2012 saw President Basescu effectively suspended from his role. With Romania's constitutional court upholding Basescu's suspension, the scene was set for a national referendum, which would be aimed at ratifying (or rejecting) Basescu's presidency. That referendum was held on July 29, 2012 -- ahead of the parliamentary vote discussed here. The referendum resulted in an invalidated outcome due to low voter turnout. In August 2012, Romania's top court, the Constitutional Court, ruled that the referendum ratifying the impeachment of President Basescu was invalid because it failed to meet the required 50 percent threshold of voter turnout and restored the suspended Basescu to the post of Romanian head of state.

Polls and Results

Opinion polls ahead of voting showed Ponta's governing center-left coalition with the advantage. Assuming that Ponta's bloc won the most votes, there was no guarantee that President Basescu would, in fact, call upon the center-left incumbent prime minister to form a new government. Given the animosity between the two men over the aforementioned power struggle, and Basescu's assertion that he would use his presidential power to appoint a prime minister "in the national interest," [Romania](#) could be headed for further political instability, not to mention a constitutional crisis. But protracted political chaos would do little to assuage international lenders at a time when [Romania](#) was pursuing an important loan agreement with the International Monetary Fund.

On Dec. 9, 2012, after the polls were closed and the votes were being tabulated, it was apparent that Ponta's ruling Social Liberal Union (composed of the Social Democrats, the the National Liberals and the Conservative Party) was on track to secure an overwhelming victory. Exit polls showed the Social Liberal Union winning approximately 55 percent of votes for the Chamber of Deputies and 57 percent of votes for the Senate. The pro-Basescu Right Romania Alliance was far behind with 18.5 percent for the Chamber of Deputies and 19 percent for the Senate. The populist People's Party carried between 10 and 14 percent for both houses of the parliament. The Hungarian Democratic Union of Romania had about five percent of the vote for the both chambers of the parliament. As indicated above, it was yet to be seen where President Basescu would move in his intent to choose a prime minister "in the national interest." Given the strong performance of the Social Liberal Union in the elections, President Basescu called on Ponta to once again form a government and lead the cabinet as prime minister.

On Feb. 26, 2014, Romania's Liberal Party withdrew from Prime Minister Victor Ponta's Social Democrat-led coalition and resigned from government. The move by the Liberals to leave government was spurred by several seemingly petty disagreements with the Social Democrats, including ire over unreturned telephone calls and text messages. Regardless of the trite nature of the Liberals' motivation, the fact of the matter was that the prime minister's Social Democrats would be left with a small parliamentary majority, which would yet likely trigger a confidence

vote.

There was little doubt that the vote on March 4, 2014, would end positively for Prime Minister Ponta and the Social Democrats. Nevertheless, Prime Minister Ponta was likely to call on an ethnic Hungarian party to strengthen his hand in parliament. To that end, the Democratic Union of Hungarians in Romania, agreed to join Ponta's coalition; the ethnic Hungarian party would hold control over two ministerial portfolios as a result.

With the support of the Democratic Union of Hungarians in Romania, the Ponta government would be able to move forward with a series of structural reforms, which were part of the commitments made to the International Monetary Fund in exchange for a four billion euro assistance deal. As well, having been released from an alliance with the Liberals would free Prime Minister Ponta to move forward with pet agenda items, such as abandoning Romania's 16 percent flat tax.

Note on Governance:

Since mid-2015, there have been a chorus of calls for the resignation of Romanian Prime Minister Victor Ponta. At issue was a criminal investigation into a corruption case involving forgery, money-laundering, and tax evasion, which had already led to no shortage of high-profile arrests in Romania. Now, prosecutors were connecting the prime minister to the case, and launching an investigation into his alleged involvement. For his part, Prime Minister Ponta strenuously denied any wrongdoing and released a statement in which he said that the accusations being brought against him were not new and had previously been advanced by his political rivals. He noted that those charges had been already "meticulously dismantled" and he cited "clear proof and certified documents."

Regardless of the legitimacy of the claims, with Ponta facing re-election in 2016, it was fair to conclude that simply being linked with the case could be detrimental to his future political prospects. Already, the opposition had filed a no-confidence vote against Ponta's government -- a move that admittedly was unlikely to end in the fall of his government since his coalition, the Social Liberal Union (composed of the Social Democrats, the National Liberals and the Conservative Party), retained decisive control over parliament. As well, there were calls from the opposition, led by President Klaus Iohannis who beat Ponta at polls in the presidential contest in 2014, for the prime minister to resign over the investigation. But Prime Minister Ponta dismissed the president's demand, writing via the social media outlet, Facebook: "I respect his [President Klaus Iohannis'] public position but I was appointed in the job by Romania's parliament and only parliament can dismiss me."

On June 13, 2015, Prime Minister Ponta survived a vote of no confidence aimed at removing him from office over existing corruption accusations (as discussed above). The vote meant that Ponta would retain political immunity in the corruption investigation. With an eye on redirecting

attention to the governing agenda, he said after the vote, "What does it mean? We have a government, we have a majority, let's get back to work."

That effort to "get back to work" would be stymied by a criminal inquiry that was launched at the end of June 2015 against Sebastian Ghita -- one of the prime minister's allies. Prosecutors in Romania were looking into claims that Ghita, a member of parliament, tried to bribe ethnic Moldovans with Romanian citizenship during the presidential election of 2014 that Ponta lost to Klaus Iohannis. For his part, Ghita has denied the allegations that he unlawfully attempted to gain support for Ponta in that contest; however, the burgeoning scandal was not expected to help Ponta politically.

In mid-July 2015, the political damage to Ponta was too great and the prime minister announced he would resign as the leader of his Social Democrat party. Ponta denied any wrongdoing himself, dismissing the allegations discussed here as being politically motivated. However, he concluded that it would be better for his party if he stepped down from a leadership position at the helm of the party until the investigation was complete. Ponta did, however, make clear that he was not stepping down as prime minister. Addressing his motivations via the social media outlet, Facebook, Ponta said, "There is a new and special situation that I must react to. The PSD president is being investigated by the DNA (anti-corruption prosecutors) ... in a bid not to let this situation harm the party, I inform you about my decision to hold no positions in the party until I prove my innocence." That task promised to be difficult since on July 13, 2015, Ponta was charged with corruption. The litany of charges against Ponta included forgery, money-laundering, and tax evasion.

By mid-September 2015, prosecutors in Romania had ended their corruption investigation against Ponta, indicting the prime minister on charges related to activities when he was not in office. The list of allegations included forgery, money laundering, and tax evasion. This result meant that the case would be sent to Romania's top court for trial. While Ponta, as discussed above, enjoyed immunity from prosecution as a member of parliament, he was not legally protected when it came to activities alleged to have taken place when he was not a lawmaker. Ponta would be allowed to remain free pending trial. A court date was not set at the time of writing.

At the end of September 2015, Prime Minister Ponta survived a no-confidence vote in parliament by a comfortable margin. Members of parliament from parties participating in the prime minister's ruling coalition abstained from the vote. As a result, the opposition ranks, led by the Liberals, were not able to cobble together the support needed to remove Ponta from power. The result of the confidence motion stood as a test of Ponta's political resilience despite the fact that he was set to stand trial for corruption. It would thus empower Ponta to shrug off continuing calls for his resignation, and allow him to move forward with his economic agenda, which included public sector salary increases, tax cuts, and financial aid.

In an interview with the media after the confidence vote, Prime Minister Ponta said, "Today's vote represents a failure on all fronts by the Liberals and proof they don't have a number of votes for a government. I will extract myself from all these political battles and I will be ready to use all my energy as prime minister together with the coalition partners."

Going into the autumn of 2015, it seemed as if Ponta was the ultimate political survivor. However, his tenure as prime minister of Romania came to an abrupt end at the start of November 2015, when he resigned amidst mass protests following a devastating nightclub fire that killed 32 people and injured 200 others. The tragedy spurred national protests as Romanians raged against the lack of proper regulations that led to the disaster and demanded that the government resign. After successive days of protests, Prime Minister Ponta announced his resignation from office, saying, "I can carry any political battles, but I can't fight with the people." He added, "I hope that my and the government's resignation will satisfy protesters' expectations, so that we can return to reason and reasonable decisions for what needs doing in Romania as soon as possible."

For his part, Ponta would now be singularly focused on his prevailing legal woes, with court hearings expected to commence in late 2015. Meanwhile, the ruling coalition, led by the Social Democrats, would have the task of trying to hold together its coalition government, and naming a new prime minister to the helm. The Social Democrat Party would be helped by the fact that its junior coalition partner, the Democratic Union of Hungarians in Romania, expressed support for continuing its governing alliance with Ponta's party. With the support of Democratic Union of Hungarians in Romania, the Social Democrats would be able to retain its parliamentary majority.

For his part, President Iohannis appointed outgoing Education Minister Sorin Cimpeanu as interim prime minister to replace Ponta until a new technocratic prime minister could be named to head a government for the rest of the term until scheduled elections could take place at the end of 2016. That selection was soon made and Dacian Ciolos was chosen to lead a government of technocrats in November 2015.

Judicial Branch:

Supreme Court of Justice (comprised of 11 judges appointed for three-year terms by the president in consultation with the Superior Council of Magistrates, which is comprised of the minister of justice, the prosecutor general, two civil society representatives appointed by the Senate, and 14 judges and prosecutors elected by their peers); a separate body, the Constitutional Court, validates elections and makes decisions regarding the constitutionality of laws, treaties, ordinances, and internal rules of the Parliament; it is comprised of nine members serving nine-year terms, with three members each appointed by the president, the Senate, and the Chamber of Deputies

Constitution:

Dec. 8, 1991; revision effective Oct. 2003

Legal System:

Formerly, a mixture of civil law system and communist legal theory; currently based on the constitution of France's Fifth Republic

Administrative Divisions:

41 counties (judete, singular - judet) and 1 municipality* (municipiu); Alba, Arad, Arges, Bacau, Bihor, Bistrita-Nasaud, Botosani, Braila, Brasov, Bucuresti (Bucharest)*, Buzau, Calarasi, Caras-Severin, Cluj, Constanta, Covasna, Dimbovita, Dolj, Galati, Gorj, Giurgiu, Harghita, Hunedoara, Ialomita, Iasi, Ilfov, Maramures, Mehedinti, Mures, Neamt, Olt, Prahova, Salaj, Satu Mare, Sibiu, Suceava, Teleorman, Timis, Tulcea, Vaslui, Vilcea, Vrancea

Political Parties and Leaders:

Christian-Democratic National Peasants' Party or PNT-CD [Aurelian PAVELESCU] (formerly part of the ARD coalition)

Democratic Union of Hungarians in Romania or UDMR [Hunor KELEMEN]

Green Party [Remus CERNEA]

National Liberal Party or PNL [Alina GORGHIU and Vasile BLAGA] - merged with former PDL and FC

National Union for Romania's Progress or UNPR [Gabriel OPREA]- merged with former PP-DD

New Republic Party or NR [George MIOC]

Popular Movement Party [Traian BASESCU]

Party of the Alliance of Liberals and Democrats or ALDE [Calin POPESCU TARICEANU, Daniel CONSTANTIN]

Social Democratic Party or PSD [Liviu DRAGNEA]

Social Liberal Union or USL (coalition of PSD, PC, and UNPR)

Suffrage:

18 years of age; universal

Principal Government Officials

Leadership and Cabinet

Pres.

Klaus IOHANNIS

Prime Min.

Dacian CIOLOS

Dep. Prime Min.

Costin Grigore BORG

Dep. Prime Min.

Vasile DANCU

Min. of Agriculture & Rural Development

Achim IRIMESCU

Min. for Communications and Information Society

Marius-Raul BOSTAN

Min. of Culture

Vlad ALEXANDRESCU

Min. of Economy, Trade, & Relations With Business Environment

Costin Grigore BORG

Min. of Education

Adrian CURAJ

Min. of Energy

Victor Vlad GRIGORESCU

Min. of the Environment, Water, & Forests

Cristiana Pasca PALMER

Min. of European Funds

Aura Carmen RADUCU

Min. of Foreign Affairs

Lazar COMANESCU

Min. of Health

Patriciu ACHIMAS-CADARIU

Min. of the Internal Affairs

Petre TOBA

Min. of Justice

Raluca Alexandra PRUNA

Min. of Labor, Family, Social Protection, & Elderly

Claudia Ana MOARCAS

Min. of National Defense

Mihnea Ioan MOTOC

Min. of Public Finance

Anca Dana Paliu DRAGU
Min. of Regional Development & Public Admin.
Vasile DANCU
Min. of Transport
Marian Dan COSTESCU
Min. of Youth & Sports
Elisabeta LIPA
Min.-Del. for Liaison With Parliament
Ciprian BUCUR
Min.-Del. for Romanian Diaspora
Dan STOENESCU
Min.-Del. for Social Dialogue
Victoria-Violeta ALEXANDRU
Head, Prime Minister's Chancellery
Ioan Dragos TUDORACHE
Governor, National Bank of Romania
Mugur ISARESCU
Ambassador to the US
George Cristian MAIOR
Permanent Representative to the UN, New York
Ion JINGA

-- as of 2016

Leader Biography

Leader Biography

Leader

Head of State:

President Klaus Iohannis (since 2014). Iohannis won the presidential election of 2014, as discussed below. Typically, the president is elected by popular vote for five-year term and is eligible for re-election to a second term.

Primer on 2014 presidential election in Romania:

(first round - Nov. 2, 2014; second round - Nov 16, 2014)

A presidential election was set to be held in November 2014. Typically, the president is elected by popular vote for five-year term and is eligible for re-election to a second term.

The incumbent -- and outgoing -- president was Traian Basescu, a conservative, who was in power since 2004 and re-elected in 2009. It should be noted that Basescu's time in power was marked by drama and dissonance as he was suspended from office via an impeachment vote in the Socialist-dominated parliament, faced with a leadership referendum, but ultimately reinstated to power in 2012 via a ruling in the Constitutional Court. His tenure was particularly noted for Basescu's conflict with Prime Minister Victor Ponta, a Social Democrat, who was seeking the presidency in 2014.

In that presidential election, as noted here, Prime Minister Ponta was looking to move from head of government to the post of head of state. His main challenger was expected to be the mayor of the Transylvanian city of Sibiu, Klaus Iohannis -- an ethnic German with a center-right political orientation. The main issue in the election was expected to be the economy. At issue was the reform agenda called for by the International Monetary Fund that was intended to secure a loan deal valued at four billion euros.

Note that in July 2014, polling data by INSCOP published in Adevarul showed Ponta with 43.6 percent support - ahead of Iohannis by more than 12 points. Of course, for any candidate secure an outright victory and avoid a run-off election, he/she would have to garner at least 50 percent of the vote.

In October 2014, the trend remained relatively the same. Polling data by INSCOP published in *Adevarul* showed Ponta with 41 percent of votes against Iohannis with 30 percent in the first round. In the second round, Ponta would receive 53.5 percent of the vote share, against Iohannis, who would carry 46.5 percent.

It was to be seen if Ponta's advantage would hold until election day, especially after his nemesis, outgoing President Basescu, issued accusations that Ponta served as an undercover intelligence officer between 1997 and 2001. For his part, Ponta dismissed the accusations as "all lies."

In the aftermath of the election held on Nov. 2, 2014, Ponta had won the first round with 40 percent of the vote share, ahead of Iohannis who had 30 percent. The two were headed to a run-off election two weeks later where Ponta hoped he would ultimately prevail and become the next president of Romania.

To that end, polling data certainly gave the left-leaning Ponta the advantage over center-right Iohannis in the second round of the elections. An opinion poll by CSCI, which was published in the daily newspaper, *Evenimentul Zilei*, Ponta was forecast to carry as much as 55 percent of the vote share against Iohannis with 45 percent. Internal polling for Ponta and the ruling coalition gave similar results. It was to be seen if the polling prognostication was valid.

There were some suggestions that with Basescu vacating the presidency, with that post very likely be filled by his nemesis, Ponta, and with the parliament dominated by Ponta's Social Democrats and their allies in the ruling coalition, there would conceivably be no check on Ponta's power. On the other hand, with Basescu gone, it was possible that governance in Romania -- with Ponta as president and an ally as prime minister -- would function more smoothly than the outgoing power structure, which was characterized by acrimony.

Moving towards the second round of voting, attention was on a flare of socio-political unrest as thousands of Romanians took to the streets to protest against the poor handling of overseas ballots in the first round, and to demand a fair second round. Although plans were afoot to try to improve

access for Romanians to vote at European embassies abroad, there remained a sense of outrage.

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Foreign Relations

General Relations

Romania is a member of numerous international organizations including the United Nations and many of its specialized and regional agencies, the International Bank for Reconstruction and Development, the International Monetary Fund, and the World Trade Organization.

Romania is also a member of the European Bank for Reconstruction and Development, the Organization for Security and Cooperation in Europe, and the Council of Europe. In addition, Romania is an associate partner of the Western European Union and a member of the North Atlantic Treaty Organization's Partnership for Peace program.

The government continued to make integration into Western institutions its chief foreign policy objective. Fundamental to this objective is Romanian membership in NATO and the European Union.

Relations with NATO and the European Union

Romania's top political priorities in recent times included entry to NATO and the EU. Indeed, NATO was to meet in Prague in 2002 to discuss expansion of the alliance. Romania's admittance was not secured given its need for military reorganization and adoption of Western standards.

Then, in November 2002, at the aforementioned summit in Prague, Romania was formally invited to join NATO. In March 2003, the Romanian foreign minister, along with the equivalent ministers of Bulgaria, Slovenia, Slovakia, Estonia, Latvia and Lithuania, went to Brussels to attend an accession ceremony. In Brussels, at NATO headquarters, NATO's existing members signed documents that would accept the new countries into the strategic alliance. The next step, which would extend over a period of a year, entailed ratification by national parliaments.

Accession to NATO finally came to pass in March 2004. The country was expected to remain on the international scene in 2008 when it was set to play host at the forthcoming NATO summit.

Accession to the EU has posed even greater difficulty for Romania. Romania remains poor with low standards of living and among the highest inflation rates in Europe at 41 percent. Romania, as well as Bulgaria, is at the bottom of the list of contenders for accession. In 2000 the European Commission revoked Romania's visa-free travel to the EU after complaints of illegal immigration, and in December 2001, the ban on travel was lifted. However, the new government has implemented economic reforms and tightened border controls in 2001.

Currently, Romania's economy is growing, following deep recession since 1995. The European Commission is likely to issue a more positive assessment. Yet despite evidence of economic recovery, Romania needs reform in almost every aspect of the economy and is far behind its eastern European counterparts in accession to the EU.

In 1997 and 1999, reports by the European Commission were issued; the latter report advocated conditional negotiations with Romania on accession. This was followed by an invitation to begin accession negotiations in mid-December 1999, at its Helsinki Summit. EU accession negotiations were started with Romania on Feb. 15, 2000. Romania hoped to be considered for accession in

2007.

In 2005, the government of Romania was hoping to win support for reforms considered mandatory for European Union accession. If the reforms were not realized soon, then, it was believed that accession could be delayed for a year until 2008. In September 2006, however, officials from the European Union announced that Romania would be admitted to the European bloc. Accession to the European Union was set for 2007 and took place at the start of that year.

Meanwhile, at the close of 2005, the government was under international pressure when the Red Cross and Human Rights Watch reported that Romania was home to some of the United States CIA's "black sites" -- the secret camps used by the United States intelligence agency to interrogate suspected al-Qaida members. The administration denied the claims. Nevertheless, officials of the European commission said that there would be a comprehensive investigation on this matter. The investigation was to determine the veracity of the charges since such sites would be a violation of the European convention on human rights and the international convention against torture. If the sites are found, then Romania could be in breach of Article 6 of the Treaty of Nice, which calls on all member states to uphold basic human rights.

In June 2007, the issue of clandestine prisons or "black sites" returned to the political purview when Dick Marty, an investigator for the Council of Europe, said that he had evidence to prove the United States' Central Intelligence Agency (CIA) directed clandestine prisons in Poland and Romania for the purpose of interrogating "war on terror" suspects. He noted that the secret prisons or "black sites" in Europe had been administered "directly and exclusively by the CIA."

Marty named Poland and Romania as host countries of these secret prisons. While the governments of both Poland and Romania denied hosting such "black sites," the CIA issued a statement noting, "The CIA's counter-terror operations have been lawful, effective, closely reviewed, and of benefit to many people - including Europeans - by disrupting plots and saving lives." United States President Bush acknowledged the existence of CIA prisons overseas, but did not specify host countries.

Also in 2007, the European Commission drew attention to Romania's enduring corruption challenges by calling on the country to actively combat this issue.

Editor's Summary of the European Union:

The European Community's original member states were Belgium, Netherlands, Luxembourg, France, Italy and West Germany. Then, in 1973, United Kingdom, Denmark and Ireland joined the grouping. In the 1980s, Greece, Spain and Portugal joined in the 1980s. The European Union

was officially established in 1993 under the Maastricht Treaty. Two years later, Austria, Sweden and Finland joined the European bloc. In 2002, the euro was introduced in 12 member states; since then, the euro zone expanded to include 16 countries. In 2004, the new entrants to the EU were the Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. Bulgaria and Romania joined in 2007. To date, entry talks have been ongoing for Croatia, accession talks have been ongoing for Turkey, and the Former Yugoslav Republic of Macedonia has submitted a request to join.

Meanwhile, in 2005, the EU moved in the direction of official endorsement of the body's constitution. Ratification votes against that draft document in various countries (France and Netherlands) placed it in doubt. A new Reform Treaty emerged in 2007, which was later known as the Lisbon Treaty because it was signed in the Portuguese capital. It was intended to be the new operational foundation of European Union. Indeed, the Lisbon Treaty contains provisions for dealing with the European body's expansion into the eastern part of the continent and was intended to replace the European constitution. It also created two new posts -- a permanent European Union President and a foreign policy chief -- for the purpose of augmenting the influence of the regional bloc on the international stage.

Supporters see the Lisbon Treaty as fundamental to the European Union's success, explaining that without it, the body's processes would remain cumbersome. For example, contained within it is a provision for more decisions to be made by majority vote instead of unanimity. But detractors have argued that the Lisbon Treaty is part of a federalist agenda and that it is threatening to the sovereignty of nation states.

The Lisbon Treaty was originally scheduled to become effective at the start of 2009; however, its fate was placed in doubt in 2008 when Irish voters decisively rejected the accord. Irish ratification in 2009 finally took place and revitalized the process. Problems with the ratification process in Poland, and legal challenges in the Czech Republic, led to the renewed risk of collapse. Ultimately, the Lisbon Treaty could not be have been implemented unless it was approved by all 27 EU states. With that prerequisite fulfilled, the stage was set for the treaty to go into force before Jan. 1, 2010. To that end, a signing ceremony took place in the city of Lisbon on Dec. 1, 2009.

Regional Relations

Relations with Hungary

Much controversy has surrounded the issue of the Hungarian status law that was implemented in 2002. The law grants welfare rights, right to work for three months per year in Hungary, free university education, and travel allowances for the 3.5 million Magyars living outside of Hungary. Romania contains 1.6 million ethnic Hungarians (7.1 percent of its population), the largest Hungarian minority outside of Hungary. Other states with significant Hungarian populations

include: Slovakia, Yugoslavia, Ukraine, Croatia, and Slovenia. Romania, as well as Slovakia, has objected strongly to the status law as discriminatory. Most of the 1.6 million Magyars reside in the western region of Transylvania, which was given to Romania by the 1920 Treaty of Trianon.

The Romanian government has accused Hungary of seeking "co-sovereignty" over the region and of attempting to "Magyarize" the population. Romania claims that Romanians living in Transylvania are victims of discrimination and that the status law encourages the population to claim they are Hungarian for economic reasons. Hungary claims that it is its obligation to assist Magyars living outside of its borders and that Romania has a poor track record in regards to the treatment of minority groups. Hungary has conceded to allow Romanian nationals to work in Hungary for up to three months. The Organization for Security and Cooperation in Europe has joined Romania and Slovakia in criticizing the law arguing it could spark conflict and that the protection of minority rights is the obligation of the state where the minority resides.

In October 2001 Prime Minister Nastase stated that Hungary's use of collective rights, rights granted to communities rather than individuals, is not accepted by the Council of Europe or the Venice Commission. Nastase insists that the 1996 treaty between Romania and Hungary addresses the issue of minority groups. Nastase has made a controversial proposal that a member card to the Hungarian Democratic Union of Romania be used as a Hungarian card. This recent development has sparked much debate and it is hoped that it will reopen talks with Hungary on this issue.

Relations with Moldova

Relations between Romania and Moldova were also strained at a regional summit in 2004. At the summit, President Iliescu challenged Moldova's President Vladimir Voronin regarding an "anti-Romanian campaign" that was being carried out in the Moldovan media and political enclaves. Iliescu reportedly told Voronin that his country did not understand "the anti-Romanian campaign unleashed in Moldova." For his part, President Voronin said there was no such campaign, but rather "acts of provocation." At issue was a staunch national identity campaign in Moldova in which some groups sought to emphasize the distinctions in language and culture from Romania. Also contributing to the tension was the suspicion by Communists in Moldova about any type of strengthened relations with Romania. Nevertheless, the presidents of both countries agreed to heal the growing rift.

Relations with the Central European Free Trade Area

In 1991, the leaders of Czechoslovakia, Hungary and Poland formed an informal alliance, known as the Visegrad group, to begin regional cooperation that was not dominated by the Soviet Union. The countries created the Central European Free Trade Area, or CEFTA, to increase trade and to give the countries a greater voice with western international organizations. The CEFTA subsequently grew to include Bulgaria, Romania, and Slovenia.

The amicable break-up of Czechoslovakia and deteriorating relations among some of the members decreased the influence of the CEFTA until the EU suggested that regional cooperation was a prerequisite to EU membership. Relations were also improved by the simultaneous entry of the Czech Republic, Hungary and Poland into NATO in March 1999.

Relations with Russia

In July 2003, President Iliescu visited President Vladimir Putin in Russia. The trip was made for the purpose of signing a mutual friendship treaty. Earlier, in May 2003, Romania and Russia reached an agreement which mutually recognized national sovereignty and their respective borders. Efforts were also made to resolve a dispute over the annexation of the country now known as Moldova by the former Soviet Union in 1940. There remains an unresolved issue of Romania's state reserves of gold, jewels and fine art estimated at \$5 billion, which were sent to Moscow in World War I "for safekeeping purposes" but were never returned. The Bolsheviks, who assumed power in 1917, never returned Romania's reserves and claimed that they had been retained because Romania had never paid for arms from Moscow. Although Russia has not reversed its position, the two countries agreed to an inquiry on the matter.

Other Significant Relations

Relations with the United States (U.S.)

Cold during the early post-war period, U.S. bilateral relations with Romania began to improve in the early 1960s with the signing of an agreement providing for partial settlement of American property claims. Cultural, scientific, and educational exchanges were initiated, and in 1964 the legations of both nations were promoted to full embassies.

Responding to Ceausescu's cautious distancing of Romania from Soviet foreign policy, particularly continued diplomatic relations with Israel and denunciation of the 1968 Soviet intervention in Czechoslovakia, President Nixon paid an official visit to Romania in August 1969. Despite political differences, high-level contacts continued between U.S. and Romanian leaders throughout the decade of the 1970s, culminating in the 1978 state visit to Washington by President and Mrs. Ceausescu.

In 1972, a consular convention to facilitate protection of citizens and their property in both countries was signed. Overseas Private Investment Corporation (OPIC) facilities were granted, and Romania became eligible for U.S. Export-Import Bank credits.

A trade agreement signed in April 1975 accorded Most Favored Nation (MFN) status to Romania under section 402 of the Trade Reform Act of 1974 (the Jackson-Vanik amendment that links MFN to a country's performance on emigration.) This status was renewed yearly after

Congressional review of a presidential determination that Romania was making progress toward freedom of emigration. Subsequently, the two countries signed a long-term agreement on economic, industrial, and technical cooperation.

In the mid-1980s, criticism of Romania's deteriorating human rights record, particularly allegations of mistreatment of religious and ethnic minorities, spurred attempts by Congress to withdraw MFN status. In 1988, to preempt Congressional action, Ceausescu renounced MFN treatment, calling Jackson-Vanik and other human rights requirements unacceptable interference in Romanian sovereignty.

After welcoming the revolution of December 1989 with a brief visit by Secretary of State Baker in February 1990, the U.S. Government expressed concern that opposition parties had faced discriminatory treatment in the May 1990 elections, when the National Salvation Front won a sweeping victory. The slow progress of subsequent political and economic reform increased that concern, and relations with Romania cooled sharply after the June 1990 intervention of the miners in University Square. Anxious to cultivate better relations with the U.S. and Europe, and disappointed at the poor results from its gradualist economic reform strategy, the Stolojan government undertook some economic reforms and conducted free and fair parliamentary and presidential elections in September 1992. Encouraged by the conduct of local elections in February 1992, Deputy Secretary of State Lawrence Eagleburger paid a visit in May 1992. Congress voted down a 1992 attempt to restore MFN status, but restored MFN in November 1993 in recognition of Romania's progress in instituting political and economic reform. In 1996, the U.S. Congress voted to extend permanent MFN graduation to Romania.

As Romania's policies have become unequivocally pro-Western, the United States has moved to deepen relations. President Clinton visited Bucharest in 1997 and announced a strategic partnership between the U.S. and Romania, through which the two countries could strengthen bilateral relations and deepen cooperation on shared goals in economic and political development, regional security, defense reform, and non-traditional threats (such as trans-border crime and non-proliferation). Romania was also a strong ally of the Bush administration's war on terror.

The United States maintains Agency for International Development (USAID) and Peace Corps missions in Bucharest, and provides humanitarian, economic, and technical assistance to help Romania in its transition to democracy and a market economy.

On February 4, 2010, President Traian Basescu of Romania said that his country would host missile interceptors as part of a new United States defense shield system. President Basescu explained that Romania's chief military and security entity, the Supreme Defense Council, agreed to such the proposal by the United States. While the proposal would still have to be ratified by the legislative branch of government, there was some degree of confidence that it would successfully pass through that branch of government.

President Basescu said in an interview with Radio Free Europe, "Terrestrial interceptors will be placed on Romania's territory as part of the anti-missile system. According to the calendar agreed with the American side, the components located on Romania's territory will become operational in 2015." While he noted that the missile defense system would protect Romanian territory, he emphasized that the move would not threaten Russia.

Indeed, the plan for Romania to host the missile defense system was a departure from a Bush-era program to station 10 long-range interceptor missiles in Poland and a radar system in the Czech Republic. These directives raised the ire of Russia, which threatened to relocate its own missiles closer to Europe. But the new proposal, which would instead involve Romania, appeared to be part of the Obama administration's approach to missile defense. Indeed, this new approach would focus on a combination of both fixed and movable Standard Missile 3 interceptors, as well as radars responding to the threat posed by short- and medium-range missiles. The location of fixed or ground-based interceptors in Romania was thought to be related to that country's proximity to Iran.

Relations with Israel

In June 2003, the Romanian government had issued a controversial statement saying that while it encouraged "investigation into the phenomenon of the Holocaust in Europe, including allowing access to documents found in Romanian archives," it also appeared that "there was no Holocaust between 1940 and 1945." During this period, however, Romania had been allied with Nazi Germany. Consequently, the Romanian minister was compelled to respond to a summon by the Israeli foreign ministry to clarify the issue. According to the Romanian Culture Minister, the Romanian government had not taken part in the Holocaust on Romanian soil during World War II, although such activities had taken place in occupied territories. The minister did, however, allow that ethno-religious discrimination was part of the state's policies and programs.

The Israeli government charged that the Romanian assertions "ran counter to historical truth." It went on to state that according to the Federation of Jewish Communities in Romania, the then dictator of Romania, Marshal Ion Antonescu, was directly responsible for sending 250,000 Jews to their deaths in Nazi concentration camps. They also claimed he was responsible for inciting a massacre of between 3,000 and 10,000 Jews in the north-eastern town of Iasi in June 1941. The situation soured normally good relations between Romania and Israel and also angered Romania's Jewish community.

Special Entry:

Migrant crisis rocks Europe

In September 2015, a humanitarian crisis was rocking Europe as displaced Syrians desperate to escape the destructive civil war at home, along with the threat of brutal terrorism at the hands of Islamic State, sought refuge in Europe. Most of the migrants were attempting to reach Western Europe by traveling either by boat across the Mediterranean to Cyprus, and then traveling north through Greece, the Balkan countries, and Hungary. The migrants were not eager to remain in those countries as their goal was to reach a destination in Western Europe. But because of prevailing laws and Hungary's hardline stance, many of the migrants were essentially trapped in Hungarian asylum-seekers' processing centers due to restrictions on movement. At issue were European Union regulations requiring refugees to seek asylum in the first country where they land. Many of the migrants in Hungary were soon insisting they would walk by foot to Germany and Austria if the Hungarian government continued to impede their travel.

Pope Francis -- the leader of the Roman Catholic Church and the head of the Holy See -- entered the fray and called on Catholic parishes, churches, and monasteries across Europe to provide sanctuary to migrants seeking refuge. Meanwhile, private groups (i.e. with no governmental ties) have sprouted up in Europe to assist in transporting migrants from Hungary to more hospitable ground in Austria and Germany.

While the Hungarian government has received criticism for its hardline stance regarding migrants, in contrast to Austria and Germany, which have eased European Union restrictions and allowed migrants to bypass the normal asylum seeking process, the legal landscape was set to change. Of note were signals from Austria and Germany indicating that they would soon phase out the special measures in place allowing migrants to get to western Europe. Acknowledging that they had made exceptions due to the dire nature of the crisis, the governments of Austria and Germany noted that they would soon be returning to normal conditions whereby asylum seekers would have to be registered and processed in the first European Union country where they arrive.

The migrant crisis had been ongoing for some time; however, it captured global attention when the body of a young Kurdish boy washed onto the shores of a Turkish resort. The boy along with his brother and mother perished in the sea when the person paid to help them escape Syria abandoned their boat before it landed at the Greek island of Kos. The visual image of a young child being the innocent casualty of the war and bloodshed wrought by those in power was reminiscent of another notorious image decades earlier in Vietnam. In 1972, the photograph of Kim Phuc who had been burned by napalm and was running naked in the streets to escape the bombing was seared in the minds of people across the world, and is credited with helping bring the war to an end. It is to be determined if the heartbreaking image of the body of young Alan Kurdi would have the same impact in 2015. It was nevertheless drawing attention on the humanitarian crisis sweeping across Europe as Syrians sought refuge from the horrendous conditions of a country destroyed by war and terrorism.

Note that by mid-September 2015, Hungary was militarizing its southern border to prevent the infiltration by Syrians seeking asylum. Hungary additionally erected a border fence to keep the migrants out, even going so far as to deploy riot police, who used tear gas and water cannons on the refugees at the border with Serbia.

The right wing Hungarian government also passed controversial legislation prohibiting irregular entry into its borders -- even by asylum seekers. Hungary's new punitive legislation was intended to ensure that refugees successfully crossing the border from Serbia into its territory were quickly arrested and placed on trial. In almost all cases, the Hungarian courts ruled against defendants, and then expelled them from Hungary. A similar process would soon be in place on the Hungarian border with Croatia where a fence was being built but where construction was not complete. The Hungarian laws, it should be noted, run counter to prevailing international law. As noted by the head of the United Nations High Commissioner for Refugees, Antonio Guterres, "It is not a crime to cross a border to seek asylum."

United Nations Human Rights Commissioner Ra'ad al Hussein Zeid was more vociferous as he condemned the Hungarian government for its harsh and inhumane tactics, which the United Nations said violated international law. A statement from the Human Rights Commission at the United Nations read as follows: "High Commissioner Zeid (Ra'ad al Hussein) deplored the xenophobic and anti-Muslim views that appear to lie at the heart of current Hungarian government policy." Zeid himself entered the fray, saying, "I am appalled at the callous, and in some cases illegal, actions of the Hungarian authorities in recent days, which include denying entry to, arresting, summarily rejecting and returning refugees, using disproportionate force on migrants and refugees, as well as reportedly assaulting journalists and seizing video documentation." He added: "Seeking asylum is not a crime, and neither is entering a country irregularly."

Meanwhile, both Serbia and Croatia were being strained internally as they sought to deal with the influx of refugees. The government in Croatia implored the international community to intervene since their resources were over-stretched and unable to properly deal with the mass influx of migrants. Crucially, the refugee crisis was soon sparking regional conflicts as governments of these countries attempted to manage the crisis. Of note was the fact that Serbia was moving migrants through its country by placing them on buses and transporting them to the border with Croatia. In response, Croatia announced that it would halt all cargo traffic from eastern countries, saying that it simply could not deal with the vast influx of refugees. Indeed, the Croatian channel has become increasingly clogged since Hungary militarized its borders. For its part, Serbia said it would consider "counter-measures."

In Germany, there were plans to impose controls on the border with Austria, with an eye on adhering to international law, which dictates that refugees must seek asylum in their initial European Union "landing" countries. As noted by German Interior Minister Thomas de Maiziere, refugees cannot "choose" their host countries. He added that the imposition of new controls was

intended to return to a regime consistent with international law, as he said, "The aim of these measures is to limit the current inflows to Germany and to return to orderly procedures when people enter the country." To this end, the government of Germany in September 2015 approved a new asylum law aimed at reducing the number of migrants arriving inside its borders. The anxiety for Germany centered on its ability to appropriately tend to so many refugees and should be distinguished from the outright refusal from other former East bloc European countries to accept the responsibility for sharing the burden. German President Joachim Gauck addressed the challenge facing Germany as he said, "Our ability to take in people is limited, although we don't know yet where those limits are."

Given the crisis sweeping across the region, European Commission President Jean-Claude Juncker said that plans were afoot for a "swift, determined and comprehensive" response that would adhere to principles of "humanity and human dignity" via a quota system. Soon thereafter, European Council President Donald Tusk announced that an extraordinary summit of European Union leaders was scheduled for Sept. 23, 2015, to consider options for accommodating the approximately 120,000 asylum seekers across the regional bloc.

To that end, the European Union approved a plan that would distribute the 120,000 refugees at stake across its 28 member states. Four former east bloc countries -- Czech Republic, Slovakia, Romania, and Hungary -- voted against the proposal, arguing it was a violation of their sovereignty; they also suggested that accepting Muslims from Middle Eastern countries could impact their national cultures. Leaders of those countries insisted that they would resist the quotas and do whatever necessary not to accept the refugees into their borders.

European Commission Vice President Frans Timmermans said the measure would be implemented irrespective of opposition from the four recalcitrant countries. He said, "We know some member states were not in favor of the proposal, but those member states said: Let's have a vote, we will respect the outcome of the vote. And so all the member states respect the outcome." He added, "The Commission is under an obligation to enforce what was agreed." French President Francois Hollande went further, warning that there would be consequences for countries failing to live up to their obligations. He said, "The sanctions exist. So these countries will be putting themselves in a situation where what they are receiving from Europe could be suspended. You cannot ask Europe for support and refuse when Europe asks for solidarity."

Germany led the charge in arguing that the burdens of providing for people in need had to be shared by all countries of the European Union. German Chancellor Angela Merkel also reminded the people of her country and member states of the European Union that there was a moral imperative to provide aid to refugees in need.

Written by Dr. Denise Youngblood Coleman, Editor in Chief, www.countrywatch.com; see Bibliography for research sources.

National Security

External Threats

Romania does not face any immediate military threats, but is engaged in territorial disputes with neighboring Ukraine over their Black Sea boundary and the sovereignty of Zmiyinyy (Snake) Island, currently under Ukrainian dominion. This dispute was taken to the International Court of Justice for adjudication.

Crime

Romania is a regional hub of narcotics trafficking activity. It serves as an interim destination for Southwest Asian heroin and small amounts of Latin American cocaine bound for Western Europe. Also, Romania has a generally high rate of street crime, though mostly of a non-violent nature.

Insurgencies

There are no insurgent movements operating inside or outside of Romania that directly threaten its government or general population. It has enjoyed generally stable political conditions since communist dictator Nicolae Ceausescu was overthrown (and subsequently executed) in December 1989. Communist elements continued to dominate politics in Romania until 1996 local and national elections swept an overwhelming majority of opposition candidates into office.

Terrorism

There is no specific threat of a terrorist attack against targets in Romania or Romanian interests abroad. Likewise, Romania has not been a specific target of terrorist violence in the past. Since the September 11, 2001 attacks, the Romanian government has been a staunch supporter of United States counter-terrorism initiatives. It deployed approximately 730 troops to Afghanistan and Iraq. Romania has signed all twelve of the international protocols and conventions pertaining to terrorism, and ratified all but one.

Defense Forces

Military Data

Military Branches:

Land Forces, Naval Forces (Fortele Naval, FN), Romanian Air Force (Fortele Aeriene Romane, FAR)

Eligible age to enter service:

18 years of age for voluntary military service

Mandatory Service Terms:

Conscription ended in 2006; all military inductees (including women) contract for an initial 5-year term of service, with subsequent successive 3-year terms until age 36

Manpower in general population-fit for military service:

N/A

Manpower reaching eligible age annually:

N/A

Military Expenditures-Percent of GDP:

1.4%

Chapter 3

Economic Overview

Economic Overview

Overview

Romania is one of the largest countries in Central and Eastern Europe. The nation is endowed with substantial natural resources including rich agricultural lands, diverse energy resources such as coal, oil, and natural gas, and an industrial base encompassing a wide range of manufacturing activities. Romania started the transition from communism in 1990, but the transition was difficult because of 40 years of rigid central planning that took the economy to near-collapse. And, stop-go policies during the 1990s left Romania behind many other transition economies with mediocre growth, high inflation, and low foreign direct investment (FDI). Macroeconomic conditions improved after 2000 as a result of fiscal adjustment, enhanced financial performance of state-owned enterprises, and privatization. Romania joined the EU in January 2007.

Because of its strong trade and financial linkages with the EU countries, Romania's economy was hit hard by the global economic crisis with falling exports, capital inflows and remittances. As a result, following several years of rapid growth, the economy started to slow in late 2008 and turned to a large contraction in 2009. Facing the difficult economic situation, the Romanian government had limited policy options to support the economy with its large fiscal deficit and tight funding conditions. Against this backdrop, in May 2009 the IMF approved a Stand-By Arrangement (SBA) for Romania intended to cushion the effects of the sharp drop in capital inflows while addressing the country's external and fiscal imbalances and strengthening its financial sector. The government's policy performance under the SBA has remained broadly on track, with its fiscal policy geared toward restoring sound public finances over the medium term. Combine that with some improvement in the global and regional economic situation, Romania's economic growth was expected to recover at a moderate rate in 2010. However, drastic austerity measures related to its arrangement with the IMF resulted in a further contraction in 2010. But the economy returned to positive growth in 2011 largely due to strong export performance. Under pressure from the IMF to substantially cut its deficit over the next two years, the Romanian government was in 2011 looking to privatizations to meet its goal and make needed investments in infrastructure. In March 2011, Romania and the IMF/EC/World Bank signed a 24-month precautionary stand-by agreement, worth \$4.9 billion, to promote compliance with fiscal targets, progress on structural reforms, and financial sector stability. The package provides an important emergency buffer for the European Union's second-poorest economy. In March 2012, IMF mission chief Jeffrey Franks said the Romanian government had limited room to ease its austerity program by raising public sector wages or through minor tax cuts, while maintaining its fiscal deficit target.

After two years of decline, economic growth had resumed by March 2012 and inflation had fallen to historical lows. However, the economic outlook for the year was being weighed down by the declining growth prospects in the euro area. Continued commitment to the economic reform agenda would be crucial to help withstand current uncertainties and increase potential growth.

Romania's economy was almost flat in 2012 but inflation remained stubbornly high by March 2013, mainly because of higher food prices following the bad harvest. It was expected to come down in the second half of 2013 to slightly above 3.5 percent by year-end. Still, Romania's central bank was being held back from cutting rates. In May 2013, the bank kept a record low 5.25 percent main interest rate on hold for a ninth consecutive meeting. However, it did warn of plans to decrease borrowing costs as inflation eased.

In March 2013, the International Monetary Fund granted Romania a three-month extension of its Stand-by Arrangement in an effort to promote the country's fiscal discipline, encourage progress on structural reforms, and strengthen financial sector stability. Romania was trying to complete the \$6.6 billion euro IMF agreement in June and although it had not yet drawn on the funds, the deal gave the leu currency a boost and helped keep government borrowing costs in check. Looking ahead, growth was expected to pick up for the year, mainly driven by domestic demand.

In September 2013, the Romanian authorities agreed to a \$5.4 billion follow-on stand-by agreement with the IMF/EU on the condition it would continue with reforms, although Bucharest declared it would not draw funds the agreement. Overall, economic growth accelerated for the year, boosted by strong, industrial exports and a robust agricultural harvest. In the fourth quarter alone, the economy expanded by 5.4 percent compared to the 2012 fourth quarter. That marked the fastest economic growth since 2008. Inflation declined to a historical low annual rate of 1.6 percent in December 2013 and the current account deficit was substantially reduced. Still, progress on structural reforms was shaky. Growth in the first quarter of 2014 was estimated by the government to be about 3.2 percent.

In May 2014, Romania's leftist government said it planned to join the euro zone at the beginning of 2019. Also in May 2014, Romania's central bank left its key interest rate at a record low of 3.5 percent after a rate-cutting cycle that lowered borrowing costs by 175 basis points. At the same time, it predicted lower inflation of 3.3 percent for 2014 and 2015 assuming volatile capital flows in emerging markets did not create risks for its outlook. The economy appeared to be bouncing back.

In February 2015, Fitch Ratings affirmed Romania's long-term foreign and local currency issuer default ratings at BBB- and BBB, respectively, with stable outlooks. Fitch said that Romania's ratings were underpinned by its marginally better fiscal position than its 'BBB' peers, and its relatively positive economic outlook, with GDP expected to grow at close to potential over the next two years. However, Fitch warned that the rating was constrained by structural weaknesses in the economy, which continued to constrain progress towards more positive developments in the

banking sector, business environment and income convergence towards higher rated peers.

In May 2015, Reuters reported that Romania's central bank surprised markets by shaving another quarter point off its benchmark interest rate to a new record low, as a cut in value added tax to 9 percent from 24 percent as of June 2015 was expected to keep inflation near zero for another three to four quarters.

Economic Performance

As a result of the global economic crisis, real GDP growth recorded contractions from 2009 to 2011, compared with positive growth in 2008.

According to CountryWatch estimated calculations for 2014:

Real GDP growth rate was: 2.5 percent

The fiscal deficit/surplus as percent of GDP (%) was: -2.4 percent

Inflation was measured at: 5.3 percent

Updated in 2015

**Please note that the figures in our Economic Performance section are estimates or forecasts based on IMF-based data that are formulated using CountryWatch models of analysis.*

Supplementary Sources: International Monetary Fund, Bloomberg and Reuters

Special Entry

Summary of 2008 credit crisis

A financial farrago, rooted in the credit crisis, became a global phenomenon by the start of October 2008. In the United States, after failure of the passage of a controversial bailout plan in the lower chamber of Congress, an amended piece of legislation finally passed through both houses of Congress. There were hopes that its passage would calm jitters on Wall Street and restore confidence in the country's financial regime. With the situation requiring rapid and radical action, a new proposal for the government to bank stakes was gaining steam. Meanwhile, across the Atlantic in Europe, a spate of banking crises resulted in nationalization measures for the United Kingdom bank, Bradford and Bingley, joint efforts by the Netherlands, Belgium and Luxembourg to shore up Fortis, joint efforts by France, Belgium, and Luxembourg to shore up Dexia, a rescue plan for

Hypo Real Estate, and the quasi-bankruptcy of Iceland's economy. Indeed, Iceland's liabilities were in gross excess of the country's GDP. With further banks also in jeopardy of failing, and with no coordinated efforts to stem the tide by varying countries of the European Union, there were rising anxieties not only about the resolving the financial crisis, but also about the viability of the European bloc.

On Sept. 4, 2008, the leaders of key European states -- United Kingdom, France, Germany, and Italy -- met in the French capital city of Paris to discuss the financial farrago and to consider possible action. The talks, which were hosted by French President Nicolas Sarkozy, ended without consensus on what should be done to deal with the credit crisis, which was rapidly becoming a global phenomenon. The only thing that the four European countries agreed upon was that there would not be a grand rescue plan, akin to the type that was initiated in the United States. As well, they jointly called for greater regulation and a coordinated response. To that latter end, President Nicolas Sarkozy said, "Each government will operate with its own methods and means, but in a coordinated manner."

This call came after Ireland took independent action to deal with the burgeoning financial crisis. Notably, the Irish government decided days earlier to fully guarantee all deposits in the country's major banks for a period of two years. The Greek government soon followed suit with a similar action. These actions by Ireland and Greece raised the ire of other European countries, and evoked questions of whether Ireland and Greece had violated any European Union charters.

Nevertheless, as anxieties about the safety of bank deposits rose across Europe, Ireland and Greece saw an influx of new banking customers from across the continent, presumably seeking the security of knowing their money would be safe amidst a financial meltdown. And even with questions rising about the decisions of the Irish and Greek government, the government of Germany decided to go down a similar path by guaranteeing all private bank accounts. For his part, British Prime Minister Gordon Brown said that his government would increase the limit on guaranteed bank deposits from £35,000 to £50,000.

In these various ways, it was clear that there was no concurrence among some of Europe's most important economies. In fact, despite the meeting in France, which called for coordination among the countries of the European bloc, there was no unified response to the global financial crisis. Instead, that meeting laid bare the divisions within the countries of the European Union, and called into question the very viability of the European bloc. Perhaps that question of viability would be answered at a forthcoming G8 summit, as recommended by those participating in the Paris talks.

A week later, another meeting of European leaders in Paris ended with concurrence that no large institution would be allowed to fail. The meeting, which was attended by leaders of euro zone countries, resulted in an agreement to guarantee loans between banks until the end of 2009, with an eye on easing the credit crunch. The proposal, which would apply in 15 countries, also included

a plan for capital infusions by means of purchasing preference shares from banks. The United Kingdom, which is outside the euro zone, had already announced a similar strategy.

French President Nicolas Sarkozy argued that these unprecedented measures were of vital importance. The French leader said, "The crisis has over the past few days entered into a phase that makes it intolerable to opt for procrastination and a go-it-alone approach."

Europe facing financial crisis as banking bail-out looms large

In early 2009, according to the European Commission, European banks may be in need of as much as several trillion in bailout funding. Impaired or toxic assets factor highly on the European Union bank balance sheets. Economist Nouriel Roubini warned that the economies of Ukraine, Belarus, Hungary, Latvia and Lithuania appeared to be on the brink of disaster. Overall, Eastern European countries borrowed heavily from Western European banks. Thus, even if the currencies on the eastern part of the continent collapse, effects will be felt in the western part of Europe as well. For example, Swiss banks that gave billions of credit to Eastern Europe cannot look forward to repayment anytime soon. As well, Austrian banks have had extensive exposure to Eastern Europe, and can anticipate a highly increased cost of insuring its debt. German Finance Minister Peer Steinbrueck has warned that as many as 16 European Union countries would require assistance. Indeed, his statements suggested the need for a regional rescue effort.

European Union backs financial regulation overhaul

With the global financial crisis intensifying, leaders of European Union countries backed sweeping financial regulations. Included in the package of market reforms were sanctions on tax havens, caps on bonus payments to management, greater hedge fund regulation, and increased influence by the International Monetary Fund. European leaders also backed a charter of sustainable economic activity, that would subject all global financial activities to both regulation and accountability by credit rating agencies.

These moves were made ahead of the Group of 20 summit scheduled for April 2, 2009, in London. It was not known whether other countries outside Europe, such as the United States, Japan, India and China, would support the new and aggressive regime of market regulation. That said, German Chancellor Angela Merkel said in Berlin that Europe had a responsibility to chart this track. She said, "Europe will own up to its responsibility in the world."

Leaders forge \$1 trillion deal at G-20 summit in London

Leaders of the world's largest economies, known as the "G-20," met in London to explore possible responses to the global financial crisis. To that end, they forged a deal valued at more than US\$1 trillion.

Central to the agreement was an infusion of \$750 billion to the International Monetary Fund (IMF), which was aimed at helping troubled economies. Up to \$100 billion of that amount was earmarked to assist the world's very poorest countries -- an amount far greater than had been expected. In many senses, the infusion of funding to the IMF marked a strengthening of that body unseen since the 1980s.

In addition, the G-20 leaders settled on a \$250 billion increase in global trade. The world's poorest countries would also benefit from the availability of \$250 billion of trade credit.

After some debate, the G-20 leaders decided to levy sanctions against clandestine tax havens and to institute strict financial regulations. Such regulations included tougher controls on banking professionals' salaries and bonuses, and increased oversight of hedge funds and credit rating agencies. A Financial Stability Board was to be established that would work in concert with the IMF to facilitate cross-border cooperation, and also to provide early warnings regarding the financial system.

Aside from these measures, the G-20 countries were already implementing their own economic stimulus measures at home, aimed at reversing the global recession. Together, these economic stimulus packages would inject approximately \$5 trillion by the end of 2010.

United Kingdom Prime Minister Gordon Brown played host at the meeting, which most concurred went off successfully, despite the presence of anti-globalization and anarchist protestors. Prime Minister Brown warned that there was "no quick fix" for the economic woes facing the international community, but he drew attention to the consensus that had been forged in the interest of the common good. He said, "This is the day that the world came together to fight back against the global recession, not with words, but with a plan for global recovery and for reform and with a clear timetable for its delivery."

All eyes were on United States President Barack Obama, who characterized the G-20 summit as "a turning point" in the effort towards global economic recovery. He also hailed the advances agreed upon to reform the failed regulatory regime that contributed to the financial crisis that has gripped many of the economies across the globe. Thusly, President Obama declared the London summit to be historic saying, "It was historic because of the size and the scope of the challenges that we face and because of the timeliness and the magnitude of our response."

Ahead of the summit, there were reports of a growing rift between the respective duos of France and Germany and the United States and the United Kingdom. While France and Germany were emphasizing stricter financial regulations, the United States and the United Kingdom were advocating public spending to deal with the economic crisis. Indeed, French President Nicolas Sarkozy had threatened to bolt the meeting if his priority issues were not addressed. But such an end did not occur, although tensions were existent.

To that end, President Obama was hailed for his diplomatic skills after he brokered an agreement between France and China on tax havens. The American president played the role of peacemaker between French President Sarkozy and Chinese Premier Hu Jintao, paving the way for a meeting of the minds on the matter of tax havens.

French President Nicolas Sarkozy said the concurrence reached at the G-20 summit were "more than we could have hoped for." President Sarkozy also credited President Obama for the American president's leadership at the summit, effusively stating: "President Obama really found the consensus. He didn't focus exclusively on stimulus ... In fact it was he who managed to help me persuade [Chinese] President Hu Jintao to agree to the reference to the ... publication of a list of tax havens, and I wish to thank him for that."

Meanwhile, German Chancellor Angela Merkel also expressed positive feedback about the success of the summit noting that the new measures would give the international arena a "clearer financial market architecture." She noted the agreement reached was "a very, very good, almost historic compromise." Finally, Chancellor Merkel had warm words of praise for President Obama. "The American president also put his hand into this," said Merkel.

Note: The G-20 leaders agreed to meet again in September 2009 in New York to assess the progress of their agenda.

Nominal GDP and Components

Nominal GDP and Components					
	2011	2012	2013	2014	2015
Nominal GDP (LCU billions)	556.708	587.499	631.100	666.637	698.854
Nominal GDP Growth Rate (%)	6.304	5.531	7.421	5.631	4.833
Consumption (LCU billions)	401.337	420.301	451.399	418.090	434.927
Government Expenditure (LCU billions)	35.148	38.711	39.160	94.492	98.297

	2011	2012	2013	2014	2015
Gross Capital Formation (LCU billions)	149.909	158.780	144.083	153.472	168.948
Exports of Goods & Services (LCU billions)	222.873	234.975	264.949	274.184	295.506
Imports of Goods & Services (LCU billions)	252.559	265.268	268.491	273.600	298.825

Population and GDP Per Capita

Population and GDP Per Capita					
	2011	2012	2013	2014	2015
Population, total (million)	20.199	20.096	20.020	19.947	19.861
Population growth (%)	-0.4730	-0.5099	-0.3782	-0.3646	-0.4311
Nominal GDP per Capita (LCU 1000s)	27,561.19	29,234.64	31,523.48	33,420.41	35,187.25

Real GDP and Inflation

Real GDP and Inflation					
	2011	2012	2013	2014	2015
Real Gross Domestic Product (LCU billions 2005 base)	531.510	534.625	555.678	577.105	596.526
Real GDP Growth Rate (%)	1.493	0.5862	3.938	3.856	3.365
GDP Deflator (2005=100.0)	104.741	109.890	113.573	115.514	117.154
Inflation, GDP Deflator (%)	4.741	4.916	3.352	1.709	1.420

Government Spending and Taxation

Government Spending and Taxation					
	2011	2012	2013	2014	2015
Government Fiscal Budget (billions)	205.277	207.921	215.810	226.327	235.967
Fiscal Budget Growth Rate (percentage)	1.494	1.288	3.794	4.873	4.259
National Tax Rate Net of Transfers (%)	32.614	32.876	31.697	32.077	31.996
Government Revenues Net of Transfers (LCU billions)	181.567	193.148	200.038	213.834	223.604
Government Surplus(-) Deficit(+) (LCU billions)	-23.7100	-14.7730	-15.7720	-12.4930	-12.3630
Government Surplus(+) Deficit(-) (%GDP)	-4.2590	-2.5146	-2.4991	-1.8740	-1.7690

Money Supply, Interest Rates and Unemployment

Money Supply, Interest Rates and Unemployment					
	2011	2012	2013	2014	2015
Money and Quasi-Money (M2) (LCU billions)	215.866	222.002	241.487	261.672	274.318
Money Supply Growth Rate (%)	6.467	2.842	8.777	8.359	4.833
Lending Interest Rate (%)	12.128	11.329	10.522	8.466	11.718
Unemployment Rate (%)	7.136	6.794	7.096	6.802	6.900

Foreign Trade and the Exchange Rate

Foreign Trade and the Exchange Rate					
	2011	2012	2013	2014	2015
Official Exchange Rate (LCU/\$US)	2.991	3.415	3.294	3.348	3.995
Trade Balance NIPA (\$US billions)	-9.9243	-8.8709	-1.0753	0.1744	-0.8307
Trade Balance % of GDP	-5.3324	-5.1563	-0.5612	0.0876	-0.4749
Total Foreign Exchange Reserves (\$US billions)	48.044	46.711	48.828	43.186	43.841

Data in US Dollars

Data in US Dollars					
	2011	2012	2013	2014	2015
Nominal GDP (\$US billions)	186.113	172.041	191.598	199.093	174.922
Exports (\$US billions)	74.509	68.809	80.437	81.886	73.965
Imports (\$US billions)	84.433	77.680	81.512	81.711	74.795

Energy Consumption and Production Standard Units

Energy Consumption and Production Standard Units					
	2011	2012	2013	2014	2015
Petroleum Consumption (TBPD)	191.748	193.411	191.359	185.065	188.044
Petroleum Production (TBPD)	105.553	100.912	103.314	100.851	102.137
Petroleum Net Exports (TBPD)	-86.1945	-92.4992	-88.0445	-84.2142	-85.9075
Natural Gas Consumption (bcf)	486.288	475.905	453.197	445.046	472.560
Natural Gas Production (bcf)	375.058	376.479	386.184	398.254	429.869
Natural Gas Net Exports (bcf)	-111.2300	-99.4256	-67.0130	-46.7916	-42.6912
Coal Consumption (1000s st)	42,958.18	39,581.80	29,959.39	29,505.08	30,095.52
Coal Production	38,397.78	35,339.98	25,969.84	26,064.42	24,653.78

	2011	2012	2013	2014	2015
(1000s st)					
Coal Net Exports (1000s st)	-4560.3966	-4241.8197	-3989.5556	-3440.6665	-5441.7331
Nuclear Production (bil kwh)	10.811	10.564	10.704	10.757	10.739
Hydroelectric Production (bil kwh)	14.581	11.945	14.994	18.899	19.844
Renewables Production (bil kwh)	1.483	2.860	5.192	6.359	6.994

Energy Consumption and Production QUADS

Energy Consumption and Production QUADS					
	2011	2012	2013	2014	2015
Petroleum Consumption (Quads)	0.4094	0.4130	0.4086	0.3952	0.4015
Petroleum Production (Quads)	0.2254	0.2169	0.2213	0.2203	0.1743
Petroleum Net Exports (Quads)	-0.1841	-0.1960	-0.1873	-0.1749	-0.2272
Natural Gas Consumption (Quads)	0.4960	0.4854	0.4623	0.4539	0.4820
Natural Gas Production (Quads)	0.3822	0.3828	0.3931	0.4120	0.3753
Natural Gas Net Exports (Quads)	-0.1138	-0.1027	-0.0692	-0.0419	-0.1067
Coal Consumption (Quads)	0.8592	0.7916	0.5992	0.5901	0.6019
Coal Production (Quads)	0.7829	0.7503	0.5460	0.5213	0.4446
Coal Net Exports (Quads)	-0.0763	-0.0414	-0.0532	-0.0688	-0.1573
Nuclear Production (Quads)	0.1081	0.1056	0.1070	0.1076	0.1074
Hydroelectric Production (Quads)	0.1458	0.1194	0.1499	0.1890	0.1984
Renewables Production (Quads)	0.0148	0.0286	0.0519	0.0636	0.0699

World Energy Price Summary

World Energy Price Summary					
	2011	2012	2013	2014	2015
Petroleum-WTI (\$/bbl)	95.054	94.159	97.943	93.112	48.709
Natural Gas-Henry Hub (\$/mmbtu)	3.999	2.752	3.729	4.369	2.614
Coal Thermal-Australian (\$/mt)	121.448	96.364	84.562	70.130	57.511

CO2 Emissions

CO2 Emissions					
	2011	2012	2013	2014	2015
Petroleum Based (mm mt C)	9.147	9.226	9.128	8.828	8.970
Natural Gas Based (mm mt C)	7.890	7.721	7.353	7.220	7.667
Coal Based (mm mt C)	24.619	22.684	17.170	16.909	17.248
Total CO2 Emissions (mm mt C)	41.656	39.632	33.651	32.958	33.885

Agriculture Consumption and Production

Agriculture Consumption and Production					
	2011	2012	2013	2014	2015
Corn Total Consumption (1000 metric tons)	9,780.81	4,378.19	8,355.91	8,474.97	7,707.77
Corn Production (1000 metric tons)	11,695.87	5,935.25	11,259.04	12,171.95	11,344.34
Corn Net Exports (1000 metric tons)	1,915.07	1,557.06	2,903.13	3,696.98	3,636.57
Soybeans Total Consumption (1000 metric tons)	104.308	78.145	228.354	280.656	248.667
Soybeans Production (1000 metric tons)	142.823	104.141	149.022	199.610	188.055
Soybeans Net Exports (1000 metric tons)	38.515	25.996	-79.3322	-81.0463	-60.6121

	2011	2012	2013	2014	2015
Rice Total Consumption (1000 metric tons)	116.830	39.468	44.924	44.462	39.381
Rice Production (1000 metric tons)	65.305	50.861	54.622	45.141	42.156
Rice Net Exports (1000 metric tons)	-51.5248	11.393	9.698	0.6792	2.775
Coffee Total Consumption (metric tons)	20,209.00	21,319.00	21,087.00	21,007.27	19,587.03
Coffee Production (metric tons)	0.0000	0.0000	0.0000	0.0000	0.0000
Coffee Net Exports (metric tons)	-20209.0000	-21319.0000	-21087.0000	-21007.2679	-19587.0314
Cocoa Beans Total Consumption (metric tons)	3.000	2.000	4.000	6.350	6.518
Cocoa Beans Production (metric tons)	0.0000	0.0000	0.0000	0.0000	0.0000
Cocoa Beans Net Exports	-3.0000	-2.0000	-4.0000	-6.3496	-6.5179

	2011	2012	2013	2014	2015
(metric tons)					
Wheat Total Consumption (1000 metric tons)	6,121.99	3,514.74	3,202.91	2,314.34	1,930.98
Wheat Production (1000 metric tons)	7,115.75	5,325.79	7,284.94	7,609.82	6,607.41
Wheat Net Exports (1000 metric tons)	993.753	1,811.06	4,082.04	5,295.49	4,676.42

World Agriculture Pricing Summary

World Agriculture Pricing Summary					
	2011	2012	2013	2014	2015
Corn Pricing Summary (\$/metric ton)	291.684	298.417	259.389	192.881	169.750
Soybeans Pricing Summary (\$/metric ton)	540.667	591.417	538.417	491.771	390.417
Rice Pricing Summary (\$/metric ton)	458.558	525.071	473.989	425.148	386.033
Coffee Pricing Summary (\$/kilogram)	5.976	4.111	3.076	4.424	3.526
Cocoa Beans Pricing Summary (\$/kilogram)	2.980	2.392	2.439	3.062	3.135
Wheat Pricing Summary (\$/metric ton)	316.264	313.242	312.248	284.895	203.177

Metals Consumption and Production

Metals Consumption and Production					
	2011	2012	2013	2014	2015
Copper Consumption (1000 mt)	2,628.74	368.688	1,829.61	2,030.80	1,756.19
Copper Production (1000 mt)	0.0000	0.0000	0.0000	0.0000	0.0000
Copper Net Exports (1000 mt)	-2628.7450	-368.6880	-1829.6060	-2030.7960	-1756.1886
Zinc Consumption (1000 mt)	16,231.01	16,429.08	18,147.53	17,759.09	15,859.16
Zinc Production (1000 mt)	0.0000	0.0000	0.0000	0.0000	0.0000
Zinc Exports (1000 mt)	-16231.0070	-16429.0840	-18147.5260	-17759.0910	-15859.1563
Lead Consumption (1000 mt)	3,096.99	3,096.99	3,096.99	3,096.99	3,096.99
Lead Production (1000 mt)	13,892.14	9,410.42	4,326.06	3,198.57	2,960.05

	2011	2012	2013	2014	2015
Lead Exports (1000 mt)	10,795.15	6,313.44	1,229.08	101.584	-136.9326
Tin Consumption (1000 mt)	49.076	23.781	11.106	84.008	77.411
Tin Production (1000 mt)	0.0000	0.0000	0.0000	0.0000	0.0000
Tin Exports (1000 mt)	-49.0764	-23.7810	-11.1060	-84.0078	-77.4109
Nickel Consumption (1000 mt)	158.387	147.701	212.961	151.711	121.175
Nickel Production (1000 mt)	0.0000	0.0000	0.0000	0.0000	0.0000
Nickel Exports (1000 mt)	-158.3869	-147.7010	-212.9610	-151.7110	-121.1746
Gold Consumption (kg)	4,732.67	4,867.34	5,014.15	5,323.65	4,653.61
Gold Production (kg)	2,585.16	2,652.49	2,728.20	2,885.60	2,790.92
Gold Exports (kg)	-2147.5121	-2214.8575	-2285.9490	-2438.0529	-1862.6853

	2011	2012	2013	2014	2015
Silver Consumption (mt)	22,500.00	22,500.00	22,500.00	22,500.00	18,444.29
Silver Production (mt)	30,002.63	30,569.75	30,846.38	31,206.09	28,658.76
Silver Exports (mt)	7,502.63	8,069.75	8,346.38	8,706.09	10,214.48

World Metals Pricing Summary

World Metals Pricing Summary					
	2011	2012	2013	2014	2015
Copper (\$/mt)	8,828.19	7,962.35	7,332.10	6,863.40	5,510.46
Zinc (\$/mt)	2,193.90	1,950.41	1,910.26	2,160.97	1,931.68
Tin (\$/mt)	26,053.68	21,125.99	22,282.80	21,898.87	16,066.63
Lead (\$/mt)	2,400.81	2,064.64	2,139.79	2,095.46	1,787.82
Nickel (\$/mt)	22,910.36	17,547.55	15,031.80	16,893.38	11,862.64
Gold (\$/oz)	1,569.21	1,669.52	1,411.46	1,265.58	1,160.66
Silver (\$/oz)	35.224	31.137	23.850	19.071	15.721

Economic Performance Index

Economic Performance Index

The Economic Performance rankings are calculated by CountryWatch's editorial team, and are based on criteria including sustained economic growth, monetary stability, current account deficits, budget surplus, unemployment and structural imbalances. Scores are assessed from 0 to 100 using this aforementioned criteria as well as CountryWatch's proprietary economic research data and models.

	Bank stability risk	Monetary/ Currency stability	Government Finances	Empl./ Unempl.	Econ.GNP growth or decline/ forecast
	0 - 100	0 - 100	0 - 100	0 - 100	%
North Americas					
Canada	92	69	35	38	3.14%
United States	94	76	4	29	3.01%
Western Europe					
Austria	90	27	30	63	1.33%
Belgium	88	27	19	23	1.15%
Cyprus	81	91	16	80	-0.69%
Denmark	97	70	45	78	1.20%
Finland	89	27	41	33	1.25%

France	87	27	18	27	1.52%
Germany	86	27	22	21	1.25%
Greece	79	27	5	24	-2.00%
Iceland	90	17	2	34	-3.04%
Italy	85	27	37	24	0.84%
Ireland	92	27	11	10	-1.55%
Luxembourg	99	27	28	66	2.08%
Malta	77	27	41	51	0.54%
Netherlands	91	27	26	74	1.30%
Norway	98	44	10	76	1.08%
Portugal	77	27	13	20	0.29%
Spain	83	27	9	3	-0.41%
Sweden	94	72	54	32	1.23%
Switzerland	97	86	55	77	1.53%
United Kingdom	85	12	9	37	1.34%
Central and Eastern Europe					
Albania	44	60	33	6	2.30%
Armenia	45	59	49	30	1.80%

Azerbaijan	56	4	84	99	2.68%
Belarus	59	21	83	98	2.41%
Bosnia and Herzegovina	34	68	69	N/A	0.50%
Bulgaria	58	75	88	49	0.20%
Croatia	69	68	94	9	0.18%
Czech Republic	80	89	29	70	1.67%
Estonia	72	90	66	92	0.80%
Georgia	36	60	53	56	2.00%
Hungary	70	66	26	54	-0.16%
Latvia	67	100	65	44	-3.97%
Lithuania	65	91	87	79	-1.65%
Macedonia (FYR)	53	69	56	2	2.03%
Moldova	23	36	81	67	2.50%
Poland	74	74	38	12	2.72%
Romania	62	56	70	62	0.75%
Russia	73	18	90	8	4.00%
Serbia	48	49	52	5	1.97%

Montenegro	39	27	73	1	-1.70%
Slovak Republic	80	62	30	14	4.06%
Slovenia	81	27	36	65	1.12%
Ukraine	41	11	57	N/A	3.68%
Africa					
Algeria	57	18	96	7	4.55%
Angola	49	1	97	N/A	7.05%
Benin	19	91	20	N/A	3.22%
Botswana	68	58	76	N/A	6.33%
Burkina Faso	16	91	13	N/A	4.41%
Burundi	2	91	6	N/A	3.85%
Cameroon	26	91	91	N/A	2.58%
Cape Verde	52	87	4	N/A	4.96%
Central African Republic	9	91	32	N/A	3.18%
Chad	22	91	89	N/A	4.42%
Congo	52	87	87	N/A	12.13%
Côte d'Ivoire	25	91	82	28	2.98%
Dem. Republic					

Congo	4	91	47	N/A	5.44%
Djibouti	31	76	50	N/A	4.47%
Egypt	37	20	24	69	5.01%
Equatorial Guinea	82	91	85	N/A	0.94%
Eritrea	1	3	1	18	1.81%
Ethiopia	6	45	8	N/A	6.96%
Gabon	64	91	96	N/A	5.36%
Gambia	8	48	86	N/A	4.82%
Ghana	9	11	69	N/A	4.50%
Guinea	10	7	91	N/A	3.03%
Guinea-Bissau	5	91	46	N/A	3.47%
Kenya	20	41	59	N/A	4.11%
Lesotho	13	40	12	N/A	2.98%
Liberia	12	73	74	N/A	5.92%
Libya	73	2	94	N/A	5.22%
Madagascar	4	22	24	N/A	-1.02%
Malawi	7	25	55	N/A	5.96%
Mali	20	91	82	N/A	5.12%

Mauritania	15	13	93	N/A	4.58%
Mauritius	65	52	56	55	4.10%
Morocco	37	72	48	26	3.23%
Mozambique	12	23	71	N/A	6.45%
Namibia	40	39	62	N/A	1.70%
Niger	10	91	21	N/A	4.41%
Nigeria	30	6	61	N/A	6.98%
Rwanda	21	40	68	N/A	5.39%
Sao Tome & Principe	1	61	100	N/A	3.40%
Senegal	24	91	63	N/A	3.44%
Seychelles	60	67	97	N/A	4.01%
Sierra Leone	5	10	39	N/A	4.77%
Somalia	2	38	59	N/A	3.19%
South Africa	61	37	70	N/A	2.59%
Sudan	16	5	73	N/A	5.52%
Swaziland	32	44	79	N/A	1.09%
Tanzania	15	45	32	N/A	6.17%
Togo	8	91	92	N/A	2.56%

Tunisia	50	61	44	39	4.00%
Uganda	11	17	54	N/A	5.59%
Zambia	29	20	49	N/A	5.84%
Zimbabwe	0	8	16	N/A	2.24%
South and Central America					
Argentina	66	3	80	36	3.50%
Belize	47	76	80	N/A	1.00%
Bolivia	32	51	61	81	3.99%
Brazil	71	47	78	11	5.50%
Chile	78	25	92	73	4.72%
Columbia	47	52	34	47	2.25%
Costa Rica	60	42	39	57	3.45%
Ecuador	43	76	75	64	2.51%
El Salvador	35	76	67	N/A	1.04%
Guatemala	46	59	58	N/A	2.52%
Honduras	27	47	58	N/A	2.00%
Mexico	69	42	52	61	4.07%
Nicaragua	23	49	42	N/A	1.75%

Panama	66	76	72	45	5.00%
Paraguay	35	46	66	16	5.27%
Peru	59	66	75	22	6.33%
Suriname	58	26	81	59	4.02%
Uruguay	70	26	27	N/A	5.71%
Venezuela	55	1	28	13	-2.63%
Caribbean					
Antigua & Barbuda	72	76	15	N/A	-2.01%
Bahamas	74	76	45	87	-0.50%
Barbados	67	76	33	15	-0.50%
Bermuda	N/A	N/A	N/A	N/A	N/A
Cuba	45	76	18	95	0.25%
Dominica	53	76	65	N/A	1.40%
Dominican Republic	54	39	43	4	3.50%
Grenada	63	76	48	N/A	0.80%
Guyana	28	56	17	N/A	4.36%
Haiti	11	27	89	N/A	-8.50%
Jamaica	42	9	85	19	-0.28%

St Lucia	55	76	67	N/A	1.14%
St Vincent & Grenadines	49	76	95	N/A	0.50%
Trinidad & Tobago	82	37	77	72	2.13%
Middle East					
Bahrain	84	76	62	91	3.48%
Iran	51	19	40	58	3.01%
Iraq	48	9	8	N/A	7.27%
Israel	87	62	12	48	3.20%
Jordan	41	51	3	N/A	4.10%
Kuwait	96	4	99	N/A	3.10%
Lebanon	63	54	2	N/A	6.00%
Oman	76	16	88	N/A	4.71%
Qatar	99	16	83	N/A	18.54%
Saudi Arabia	76	8	98	N/A	3.70%
Syria	61	24	40	N/A	5.00%
Turkey	75	23	27	60	5.20%
United Arab Emirates	96	24	98	94	1.29%

Yemen	28	2	78	N/A	7.78%
Asia					
Afghanistan	17	70	74	N/A	8.64%
Bangladesh	13	43	25	N/A	5.38%
Bhutan	24	55	5	N/A	6.85%
Brunei	78	19	99	75	0.48%
Cambodia	18	67	42	N/A	4.77%
China	54	90	19	68	11.03%
Hong Kong	89	76	14	82	5.02%
India	31	38	34	35	8.78%
Indonesia	42	46	37	31	6.00%
Japan	88	89	6	71	1.90%
Kazakhstan	62	13	76	42	2.40%
Korea North	18	65	23	N/A	1.50%
Korea South	83	63	22	85	4.44%
Kyrgyz Republic	24	15	84	88	4.61%
Laos	17	54	7	N/A	7.22%
Macao	91	76	14	82	3.00%

Malaysia	68	65	44	90	4.72%
Maldives	44	55	17	N/A	3.45%
Mongolia	33	5	77	93	7.22%
Myanmar	3	41	72	N/A	5.26%
Nepal	3	14	25	N/A	2.97%
Pakistan	19	15	31	41	3.00%
Papua New Guinea	75	50	11	N/A	7.96%
Philippines	30	48	53	43	3.63%
Singapore	93	75	63	40	5.68%
Sri Lanka	38	22	10	N/A	5.50%
Taiwan	84	88	35	89	6.50%
Tajikistan	6	6	60	97	4.00%
Thailand	56	64	90	96	5.46%
Turkmenistan	51	53	68	N/A	12.00%
Uzbekistan	40	10	60	100	8.00%
Vietnam	25	12	20	N/A	6.04%
Pacific					
Australia	96	63	31	46	2.96%

Fiji	46	53	3	N/A	2.06%
Marshall Islands	27	76	46	N/A	1.08%
Micronesia (Fed. States)	N/A	N/A	N/A	N/A	N/A
New Caledonia	96	73	51	52	2.00%
New Zealand	98	73	51	52	2.00%
Samoa	34	88	64	N/A	-2.77%
Solomon Islands	14	71	1	N/A	3.36%
Tonga	26	57	38	N/A	0.60%
Vanuatu	33	58	47	N/A	3.80%

Source:

CountryWatch Inc. www.countrywatch.com

Updated:

This material was produced in 2010; it is subject to updating in 2012.

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Chapter 4

Investment Overview

Foreign Investment Climate

Background

Romania began the transition from Communism in 1989 with a largely obsolete industrial base and a pattern of output unsuited to the country's needs. Romania joined the European Union on 1 January 2007. The country hopes to adopt the euro by 2014.

Foreign Investment Assessment

Although Romania's expressed policy has been one which encourages foreign direct investment, nationalist politics have often functioned as an impediment to that end. Even within factions which support foreign investment, there are differences about the path toward a market economy. Another obstacle has come in the form of the unpredictable regulatory system. Tax laws change frequently and are not consistently unevenly enforced while legal cases tend to be laborious. Because of this, there have been efforts made at reforming the system so that it is more hospitable to investment, more transparent and certainly more efficient. Despite these efforts, however, the level of foreign investment has not always been at the level expected.

Agriculture and Industry

Agriculture - products: wheat, corn, barley, sugar beets, sunflower seed, potatoes, grapes; eggs, sheep

Industries: textiles and footwear, light machinery and auto assembly, mining, timber, construction materials, metallurgy, chemicals, food processing, petroleum refining

Import Commodities and Import Partners

Imports - commodities: machinery and equipment, fuels and minerals, chemicals, textile and products, basic metals, agricultural products

Imports - partners: Italy 19.6%, Germany 14.9%, Russia 8.3%, France 7.3%

Export Commodities and Export Partners

Exports - commodities: textiles and footwear, metals and metal products, machinery and equipment, minerals and fuels, chemicals, agricultural products

Exports - partners: Italy 24.3%, Germany 15.7%, France 7.4%, UK 6.7%, Turkey 5.1%

Railways, Airports, Ports and Harbors

Railways: total: 11,385 km (3,888 km electrified)

Airports: 62

Ports and harbors: Braila, Constanta, Galati, Mangalia, Sulina, Tulcea

Telephone System

general assessment: poor domestic service, but improving

domestic: 90% of telephone network is automatic; trunk network is mostly microwave radio relay, with some fiber-optic cable; about one-third of exchange capacity is digital; roughly 3,300 villages have no service

international: country code - 40

satellite earth station - 1 Intelsat; new digital, international, direct-dial exchanges operate in Bucharest

note - Romania is an active participant in several international telecommunication network projects

Internet Users

Extensive at 4 million; on the increase

Labor Force

Labor force: 9.28 million

Labor force - by occupation: agriculture 41.4%, industry 27.3%, services 31.3%

Legal System and Considerations

Former mixture of civil law system and communist legal theory. In the commercial realm, property and contractual rights are recognized, but enforcement through Romanian courts is quite difficult. Indeed, judges seem to have little experience with commercial issues in a market economy, international business issues, and their familiarity with new Romanian commercial laws is scant. Moreover, there have been claims that the regulatory system is bureaucratic, lack transparency and is subject to corruption.

Corruption Perception Ranking

Romania is ranked in the middle range of Transparency International's Corruption Perception Index (from least to most corrupt countries).

Cultural Considerations

Western norms, such as punctuality, dominate Romanian culture. Interpersonal interactions tend to be marked by friendliness and engagement, such as the practice of frequent greetings.

Country Website (s)

N/A

Foreign Investment Index

Foreign Investment Index

The Foreign Investment Index is a proprietary index measuring attractiveness to international investment flows. The Foreign Investment Index is calculated using an established methodology by CountryWatch's Editor-in-Chief and is based on a given country's economic stability (sustained economic growth, monetary stability, current account deficits, budget surplus), economic risk (risk of non-servicing of payments for goods or services, loans and trade-related finance, risk of sovereign default), business and investment climate (property rights, labor force and laws, regulatory transparency, openness to foreign investment, market conditions, and stability of government). Scores are assigned from 0-10 using the aforementioned criteria. A score of 0 marks the lowest level of foreign investment viability, while a score of 10 marks the highest level of foreign investment viability, according to this proprietary index.

Country	Assessment
Afghanistan	2
Albania	4.5
Algeria	6
Andorra	9
Angola	4.5-5
Antigua	8.5
Argentina	5
Armenia	5
Australia	9.5
Austria	9-9.5
Azerbaijan	5
Bahamas	9
Bahrain	7.5
Bangladesh	4.5
Barbados	9

Belarus	4
Belgium	9
Belize	7.5
Benin	5.5
Bhutan	4.5
Bolivia	4.5
Bosnia-Herzegovina	5
Botswana	7.5-8
Brazil	8
Brunei	7
Bulgaria	5.5
Burkina Faso	4
Burma (Myanmar)	4.5
Burundi	4
Cambodia	4.5
Cameroon	5
Canada	9.5
Cape Verde	6

Central African Republic	3
Chad	4
Chile	9
China	7.5
China: Hong Kong	8.5
China: Taiwan	8.5
Colombia	7
Comoros	4
Congo DRC	4
Congo RC	5
Costa Rica	8
Cote d'Ivoire	4.5
Croatia	7
Cuba	4.5
Cyprus	7
Czech Republic	8.5
Denmark	9.5
Djibouti	4.5

Dominica	6
Dominican Republic	6.5
East Timor	4.5
Ecuador	5.5
Egypt	4.5-5
El Salvador	6
Equatorial Guinea	4.5
Eritrea	3.5
Estonia	8
Ethiopia	4.5
Fiji	5
Finland	9
Former Yugoslav Rep. of Macedonia	5
France	9-9.5
Gabon	5.5
Gambia	5
Georgia	5
Germany	9-9.5

Ghana	5.5
Greece	5
Grenada	7.5
Guatemala	5.5
Guinea	3.5
Guinea-Bissau	3.5
Guyana	4.5
Haiti	4
Holy See (Vatican)	n/a
Hong Kong (China)	8.5
Honduras	5.5
Hungary	8
Iceland	8-8.5
India	8
Indonesia	5.5
Iran	4
Iraq	3
Ireland	8

Israel	8.5
Italy	8
Jamaica	5.5
Japan	9.5
Jordan	6
Kazakhstan	6
Kenya	5
Kiribati	5.5
Korea, North	1
Korea, South	9
Kosovo	4.5
Kuwait	8.5
Kyrgyzstan	4.5
Laos	4
Latvia	7
Lebanon	5
Lesotho	5.5
Liberia	3.5

Libya	3
Liechtenstein	9
Lithuania	7.5
Luxembourg	9-9.5
Madagascar	4.5
Malawi	4.5
Malaysia	8.5
Maldives	6.5
Mali	5
Malta	9
Marshall Islands	5
Mauritania	4.5
Mauritius	7.5-8
Mexico	6.5-7
Micronesia	5
Moldova	4.5-5
Monaco	9
Mongolia	5

Montenegro	5.5
Morocco	7.5
Mozambique	5
Namibia	7.5
Nauru	4.5
Nepal	4
Netherlands	9-9.5
New Zealand	9.5
Nicaragua	5
Niger	4.5
Nigeria	4.5
Norway	9-9.5
Oman	8
Pakistan	4
Palau	4.5-5
Panama	7
Papua New Guinea	5
Paraguay	6

Peru	6
Philippines	6
Poland	8
Portugal	7.5-8
Qatar	9
Romania	6-6.5
Russia	6
Rwanda	4
Saint Kitts and Nevis	8
Saint Lucia	8
Saint Vincent and Grenadines	7
Samoa	7
San Marino	8.5
Sao Tome and Principe	4.5-5
Saudi Arabia	7
Senegal	6
Serbia	6
Seychelles	5

Sierra Leone	4
Singapore	9.5
Slovak Republic (Slovakia)	8.5
Slovenia	8.5-9
Solomon Islands	5
Somalia	2
South Africa	8
Spain	7.5-8
Sri Lanka	5.5
Sudan	4
Suriname	5
Swaziland	4.5
Sweden	9.5
Switzerland	9.5
Syria	2.5
Tajikistan	4
Taiwan (China)	8.5
Tanzania	5

Thailand	7.5-8
Togo	4.5-5
Tonga	5.5-6
Trinidad and Tobago	8-8.5
Tunisia	6
Turkey	6.5-7
Turkmenistan	4
Tuvalu	7
Uganda	5
Ukraine	4.5-5
United Arab Emirates	8.5
United Kingdom	9
United States	9
Uruguay	6.5-7
Uzbekistan	4
Vanuatu	6
Venezuela	5
Vietnam	5.5

Yemen	3
Zambia	4.5-5
Zimbabwe	3.5

Editor's Note:

As of 2015, the global economic crisis (emerging in 2008) had affected many countries across the world, resulting in changes to their rankings. Among those countries affected were top tier economies, such as the [United Kingdom](#), [Iceland](#), [Switzerland](#) and [Austria](#). However, in all these cases, their rankings have moved back upward in the last couple of years as anxieties have eased. Other top tier countries, such as [Spain](#), [Portugal](#), [Ireland](#), and [Italy](#), suffered some effects due to debt woes and the concomitant effect on the euro zone. Greece, another euro zone nation, was also downgraded due to its sovereign debt crisis; however, Greece's position on the precipice of default incurred a sharper downgrade than the other four euro zone countries mentioned above. Cyprus' exposure to Greek bank yielded a downgrade in its case. Slovenia and [Latvia](#) have been slightly downgraded due to a mix of economic and political concerns but could easily be upgraded in a future assessment, should these concerns abate. Meanwhile, the crisis in eastern [Ukraine](#) fueled downgrades in that country and neighboring [Russia](#).

Despite the "trifecta of tragedy" in [Japan](#) in 2011 -- the earthquake, the ensuing tsunami, and the resulting nuclear crisis -- and the appreciable destabilization of the economic and political terrain therein, this country has only slightly been downgraded. Japan's challenges have been assessed to be transient, the government remains accountable, and there is little risk of default. Both [India](#) and China retain their rankings; [India](#) holds a slightly higher ranking than [China](#) due to its record of democratic representation and accountability.

There were shifts in opposite directions for [Mali](#) and [Nigeria](#) versus the [Central African Republic](#), [Burkina Faso](#), and [Burundi](#). [Mali](#) was slightly upgraded due to its efforts to return to constitutional order following the 2012 coup and to neutralize the threat of separatists and Islamists. Likewise, a new government in [Nigeria](#) generated a slight upgrade as the country attempts to confront corruption, crime, and terrorism. But the [Central African Republic](#) was downgraded due to the takeover of the government by Seleka rebels and the continued decline into lawlessness in that country. Likewise, the attempts by the leaders of [Burundi](#) and [Burkina Faso](#) to hold onto power by by-passing the constitution raised eyebrows and resulted in downgrades.

Political unrest in [Libya](#) and [Algeria](#) have contributed to a decision to marginally downgrade these

countries as well. [Syria](#) incurred a sharper downgrade due to the devolution into de facto civil war and the dire security threat posed by Islamist terrorists. [Iraq](#) saw a similar downgrade as a result of the takeover of wide swaths of territory and the threat of genocide at the hands of Islamist terrorists. [Yemen](#), likewise, has been downgraded due to political instability at the hands of secessionists, terrorists, Houthi rebels, and the intervention of external parties. Conversely, [Egypt](#) and [Tunisia](#) saw slight upgrades as their political environments stabilize.

At the low end of the spectrum, devolving security conditions and/or economic crisis have resulted in countries like [Pakistan](#), [Afghanistan](#), [Somalia](#), and [Zimbabwe](#) maintaining their low ratings.

The [United States](#) continues to retain its previous slight downgrade due to the enduring threat of default surrounding the debt ceiling in that country, matched by a conflict-ridden political climate. In the case of [Mexico](#), there is limited concern about default, but increasing alarm over the security situation in that country and the government's ability to contain it. In [Argentina](#), a default to bond holders resulted in a downgrade to that country. Finally, a small but significant upgrade was attributed to [Cuba](#) due to its recent pro-business reforms and its normalization of ties with the United States.

Source:

CountryWatch Inc. www.countrywatch.com

Updated:

2015

Corruption Perceptions Index

Corruption Perceptions Index

Transparency International: [Corruption Perceptions Index](#)

Editor's Note:

Transparency International's [Corruption Perceptions Index](#) is a composite index which ranks countries in terms of the degree to which corruption is perceived to exist among public officials. This index indicates the views of national and international business people and analysts about the levels of corruption in each country. The highest (and best) level of transparency is indicated by

the number, 10. The lower (and worse) levels of transparency are indicated by lower numbers.

Rank	Country/Territory	CPI 2009 Score	Surveys Used	Confidence Range
1	New Zealand	9.4	6	9.1 - 9.5
2	Denmark	9.3	6	9.1 - 9.5
3	Singapore	9.2	9	9.0 - 9.4
3	Sweden	9.2	6	9.0 - 9.3
5	Switzerland	9.0	6	8.9 - 9.1
6	Finland	8.9	6	8.4 - 9.4
6	Netherlands	8.9	6	8.7 - 9.0
8	Australia	8.7	8	8.3 - 9.0
8	Canada	8.7	6	8.5 - 9.0
8	Iceland	8.7	4	7.5 - 9.4
11	Norway	8.6	6	8.2 - 9.1
12	Hong Kong	8.2	8	7.9 - 8.5
12	Luxembourg	8.2	6	7.6 - 8.8
14	Germany	8.0	6	7.7 - 8.3
14	Ireland	8.0	6	7.8 - 8.4

16	Austria	7.9	6	7.4 - 8.3
17	Japan	7.7	8	7.4 - 8.0
17	United Kingdom	7.7	6	7.3 - 8.2
19	United States	7.5	8	6.9 - 8.0
20	Barbados	7.4	4	6.6 - 8.2
21	Belgium	7.1	6	6.9 - 7.3
22	Qatar	7.0	6	5.8 - 8.1
22	Saint Lucia	7.0	3	6.7 - 7.5
24	France	6.9	6	6.5 - 7.3
25	Chile	6.7	7	6.5 - 6.9
25	Uruguay	6.7	5	6.4 - 7.1
27	Cyprus	6.6	4	6.1 - 7.1
27	Estonia	6.6	8	6.1 - 6.9
27	Slovenia	6.6	8	6.3 - 6.9
30	United Arab Emirates	6.5	5	5.5 - 7.5
31	Saint Vincent and the Grenadines	6.4	3	4.9 - 7.5
32	Israel	6.1	6	5.4 - 6.7
32	Spain	6.1	6	5.5 - 6.6

34	Dominica	5.9	3	4.9 - 6.7
35	Portugal	5.8	6	5.5 - 6.2
35	Puerto Rico	5.8	4	5.2 - 6.3
37	Botswana	5.6	6	5.1 - 6.3
37	Taiwan	5.6	9	5.4 - 5.9
39	Brunei Darussalam	5.5	4	4.7 - 6.4
39	Oman	5.5	5	4.4 - 6.5
39	Korea (South)	5.5	9	5.3 - 5.7
42	Mauritius	5.4	6	5.0 - 5.9
43	Costa Rica	5.3	5	4.7 - 5.9
43	Macau	5.3	3	3.3 - 6.9
45	Malta	5.2	4	4.0 - 6.2
46	Bahrain	5.1	5	4.2 - 5.8
46	Cape Verde	5.1	3	3.3 - 7.0
46	Hungary	5.1	8	4.6 - 5.7
49	Bhutan	5.0	4	4.3 - 5.6
49	Jordan	5.0	7	3.9 - 6.1
49	Poland	5.0	8	4.5 - 5.5

52	Czech Republic	4.9	8	4.3 - 5.6
52	Lithuania	4.9	8	4.4 - 5.4
54	Seychelles	4.8	3	3.0 - 6.7
55	South Africa	4.7	8	4.3 - 4.9
56	Latvia	4.5	6	4.1 - 4.9
56	Malaysia	4.5	9	4.0 - 5.1
56	Namibia	4.5	6	3.9 - 5.1
56	Samoa	4.5	3	3.3 - 5.3
56	Slovakia	4.5	8	4.1 - 4.9
61	Cuba	4.4	3	3.5 - 5.1
61	Turkey	4.4	7	3.9 - 4.9
63	Italy	4.3	6	3.8 - 4.9
63	Saudi Arabia	4.3	5	3.1 - 5.3
65	Tunisia	4.2	6	3.0 - 5.5
66	Croatia	4.1	8	3.7 - 4.5
66	Georgia	4.1	7	3.4 - 4.7
66	Kuwait	4.1	5	3.2 - 5.1
69	Ghana	3.9	7	3.2 - 4.6

69	Montenegro	3.9	5	3.5 - 4.4
71	Bulgaria	3.8	8	3.2 - 4.5
71	FYR Macedonia	3.8	6	3.4 - 4.2
71	Greece	3.8	6	3.2 - 4.3
71	Romania	3.8	8	3.2 - 4.3
75	Brazil	3.7	7	3.3 - 4.3
75	Colombia	3.7	7	3.1 - 4.3
75	Peru	3.7	7	3.4 - 4.1
75	Suriname	3.7	3	3.0 - 4.7
79	Burkina Faso	3.6	7	2.8 - 4.4
79	China	3.6	9	3.0 - 4.2
79	Swaziland	3.6	3	3.0 - 4.7
79	Trinidad and Tobago	3.6	4	3.0 - 4.3
83	Serbia	3.5	6	3.3 - 3.9
84	El Salvador	3.4	5	3.0 - 3.8
84	Guatemala	3.4	5	3.0 - 3.9
84	India	3.4	10	3.2 - 3.6
84	Panama	3.4	5	3.1 - 3.7

84	Thailand	3.4	9	3.0 - 3.8
89	Lesotho	3.3	6	2.8 - 3.8
89	Malawi	3.3	7	2.7 - 3.9
89	Mexico	3.3	7	3.2 - 3.5
89	Moldova	3.3	6	2.7 - 4.0
89	Morocco	3.3	6	2.8 - 3.9
89	Rwanda	3.3	4	2.9 - 3.7
95	Albania	3.2	6	3.0 - 3.3
95	Vanuatu	3.2	3	2.3 - 4.7
97	Liberia	3.1	3	1.9 - 3.8
97	Sri Lanka	3.1	7	2.8 - 3.4
99	Bosnia and Herzegovina	3.0	7	2.6 - 3.4
99	Dominican Republic	3.0	5	2.9 - 3.2
99	Jamaica	3.0	5	2.8 - 3.3
99	Madagascar	3.0	7	2.8 - 3.2
99	Senegal	3.0	7	2.5 - 3.6
99	Tonga	3.0	3	2.6 - 3.3
99	Zambia	3.0	7	2.8 - 3.2

106	Argentina	2.9	7	2.6 - 3.1
106	Benin	2.9	6	2.3 - 3.4
106	Gabon	2.9	3	2.6 - 3.1
106	Gambia	2.9	5	1.6 - 4.0
106	Niger	2.9	5	2.7 - 3.0
111	Algeria	2.8	6	2.5 - 3.1
111	Djibouti	2.8	4	2.3 - 3.2
111	Egypt	2.8	6	2.6 - 3.1
111	Indonesia	2.8	9	2.4 - 3.2
111	Kiribati	2.8	3	2.3 - 3.3
111	Mali	2.8	6	2.4 - 3.2
111	Sao Tome and Principe	2.8	3	2.4 - 3.3
111	Solomon Islands	2.8	3	2.3 - 3.3
111	Togo	2.8	5	1.9 - 3.9
120	Armenia	2.7	7	2.6 - 2.8
120	Bolivia	2.7	6	2.4 - 3.1
120	Ethiopia	2.7	7	2.4 - 2.9
120	Kazakhstan	2.7	7	2.1 - 3.3

120	Mongolia	2.7	7	2.4 - 3.0
120	Vietnam	2.7	9	2.4 - 3.1
126	Eritrea	2.6	4	1.6 - 3.8
126	Guyana	2.6	4	2.5 - 2.7
126	Syria	2.6	5	2.2 - 2.9
126	Tanzania	2.6	7	2.4 - 2.9
130	Honduras	2.5	6	2.2 - 2.8
130	Lebanon	2.5	3	1.9 - 3.1
130	Libya	2.5	6	2.2 - 2.8
130	Maldives	2.5	4	1.8 - 3.2
130	Mauritania	2.5	7	2.0 - 3.3
130	Mozambique	2.5	7	2.3 - 2.8
130	Nicaragua	2.5	6	2.3 - 2.7
130	Nigeria	2.5	7	2.2 - 2.7
130	Uganda	2.5	7	2.1 - 2.8
139	Bangladesh	2.4	7	2.0 - 2.8
139	Belarus	2.4	4	2.0 - 2.8
139	Pakistan	2.4	7	2.1 - 2.7

139	Philippines	2.4	9	2.1 - 2.7
143	Azerbaijan	2.3	7	2.0 - 2.6
143	Comoros	2.3	3	1.6 - 3.3
143	Nepal	2.3	6	2.0 - 2.6
146	Cameroon	2.2	7	1.9 - 2.6
146	Ecuador	2.2	5	2.0 - 2.5
146	Kenya	2.2	7	1.9 - 2.5
146	Russia	2.2	8	1.9 - 2.4
146	Sierra Leone	2.2	5	1.9 - 2.4
146	Timor-Leste	2.2	5	1.8 - 2.6
146	Ukraine	2.2	8	2.0 - 2.6
146	Zimbabwe	2.2	7	1.7 - 2.8
154	Côte d'Ivoire	2.1	7	1.8 - 2.4
154	Papua New Guinea	2.1	5	1.7 - 2.5
154	Paraguay	2.1	5	1.7 - 2.5
154	Yemen	2.1	4	1.6 - 2.5
158	Cambodia	2.0	8	1.8 - 2.2
158	Central African Republic	2.0	4	1.9 - 2.2

158	Laos	2.0	4	1.6 - 2.6
158	Tajikistan	2.0	8	1.6 - 2.5
162	Angola	1.9	5	1.8 - 1.9
162	Congo Brazzaville	1.9	5	1.6 - 2.1
162	Democratic Republic of Congo	1.9	5	1.7 - 2.1
162	Guinea-Bissau	1.9	3	1.8 - 2.0
162	Kyrgyzstan	1.9	7	1.8 - 2.1
162	Venezuela	1.9	7	1.8 - 2.0
168	Burundi	1.8	6	1.6 - 2.0
168	Equatorial Guinea	1.8	3	1.6 - 1.9
168	Guinea	1.8	5	1.7 - 1.8
168	Haiti	1.8	3	1.4 - 2.3
168	Iran	1.8	3	1.7 - 1.9
168	Turkmenistan	1.8	4	1.7 - 1.9
174	Uzbekistan	1.7	6	1.5 - 1.8
175	Chad	1.6	6	1.5 - 1.7
176	Iraq	1.5	3	1.2 - 1.8
176	Sudan	1.5	5	1.4 - 1.7

178	Myanmar	1.4	3	0.9 - 1.8
179	Afghanistan	1.3	4	1.0 - 1.5
180	Somalia	1.1	3	0.9 - 1.4

Methodology:

As noted above, the highest (and best) level of transparency with the least perceived corruption is indicated by the number, 10. The lower (and worse) levels of transparency are indicated by lower numbers.

According to Transparency International, the [Corruption Perceptions Index](#) (CPI) table shows a country's ranking and score, the number of surveys used to determine the score, and the confidence range of the scoring.

The rank shows how one country compares to others included in the index. The CPI score indicates the perceived level of public-sector corruption in a country/territory.

The CPI is based on 13 independent surveys. However, not all surveys include all countries. The surveys used column indicates how many surveys were relied upon to determine the score for that country.

The confidence range indicates the reliability of the CPI scores and tells us that allowing for a margin of error, we can be 90% confident that the true score for this country lies within this range.

Note:

Kosovo, which separated from the Yugoslav successor state of [Serbia](#), is not listed above. No calculation is available for [Kosovo](#) at this time, however, a future corruption index by Transparency International may include the world's newest country in its tally. Taiwan has been listed above despite its contested status; while Taiwan claims sovereign status, [China](#) claims ultimate jurisdiction over Taiwan. Hong Kong, which is also under the rubric of Chinese sovereignty, is listed above. Note as well that Puerto Rico, which is a [United States](#) domain, is also included in the list above. These inclusions likely have to do with the size and fairly autonomous status of their economies.

Source:

Transparency International's Corruption Perception Index; available at URL: <http://www.transparency.org>

Updated:

Uploaded in 2011 using most recent ranking available; reviewed in 2015.

Competitiveness Ranking

Competitiveness Ranking

Editor's Note:

The Global Competitiveness Report's competitiveness ranking is based on the Global Competitiveness Index (GCI), which was developed for the World Economic Forum. The GCI is based on a number of competitiveness considerations, and provides a comprehensive picture of the competitiveness landscape in countries around the world. The competitiveness considerations are: institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation. The rankings are calculated from both publicly available data and the Executive Opinion Survey.

Country/Economy	GCI 2010 Rank	GCI 2010 Score	GCI 2009 Rank	Change 2009-2010
Switzerland	1	5.63	1	0
Sweden	2	5.56	4	2
Singapore	3	5.48	3	0
United States	4	5.43	2	-2
Germany	5	5.39	7	2

Japan	6	5.37	8	2
Finland	7	5.37	6	-1
Netherlands	8	5.33	10	2
Denmark	9	5.32	5	-4
Canada	10	5.30	9	-1
Hong Kong SAR	11	5.30	11	0
United Kingdom	12	5.25	13	1
Taiwan, China	13	5.21	12	-1
Norway	14	5.14	14	0
France	15	5.13	16	1
Australia	16	5.11	15	-1
Qatar	17	5.10	22	5
Austria	18	5.09	17	-1
Belgium	19	5.07	18	-1
Luxembourg	20	5.05	21	1
Saudi Arabia	21	4.95	28	7
Korea, Rep.	22	4.93	19	-3
New Zealand	23	4.92	20	-3

Israel	24	4.91	27	3
United Arab Emirates	25	4.89	23	-2
Malaysia	26	4.88	24	-2
China	27	4.84	29	2
Brunei Darussalam	28	4.75	32	4
Ireland	29	4.74	25	-4
Chile	30	4.69	30	0
Iceland	31	4.68	26	-5
Tunisia	32	4.65	40	8
Estonia	33	4.61	35	2
Oman	34	4.61	41	7
Kuwait	35	4.59	39	4
Czech Republic	36	4.57	31	-5
Bahrain	37	4.54	38	1
Thailand	38	4.51	36	-2
Poland	39	4.51	46	7
Cyprus	40	4.50	34	-6
Puerto Rico	41	4.49	42	1

Spain	42	4.49	33	-9
Barbados	43	4.45	44	1
Indonesia	44	4.43	54	10
Slovenia	45	4.42	37	-8
Portugal	46	4.38	43	-3
Lithuania	47	4.38	53	6
Italy	48	4.37	48	0
Montenegro	49	4.36	62	13
Malta	50	4.34	52	2
India	51	4.33	49	-2
Hungary	52	4.33	58	6
Panama	53	4.33	59	6
South Africa	54	4.32	45	-9
Mauritius	55	4.32	57	2
Costa Rica	56	4.31	55	-1
Azerbaijan	57	4.29	51	-6
Brazil	58	4.28	56	-2
Vietnam	59	4.27	75	16

Slovak Republic	60	4.25	47	-13
Turkey	61	4.25	61	0
Sri Lanka	62	4.25	79	17
Russian Federation	63	4.24	63	0
Uruguay	64	4.23	65	1
Jordan	65	4.21	50	-15
Mexico	66	4.19	60	-6
Romania	67	4.16	64	-3
Colombia	68	4.14	69	1
Iran	69	4.14	n/a	n/a
Latvia	70	4.14	68	-2
Bulgaria	71	4.13	76	5
Kazakhstan	72	4.12	67	-5
Peru	73	4.11	78	5
Namibia	74	4.09	74	0
Morocco	75	4.08	73	-2
Botswana	76	4.05	66	-10
Croatia	77	4.04	72	-5

Guatemala	78	4.04	80	2
Macedonia, FYR	79	4.02	84	5
Rwanda	80	4.00	n/a	n/a
Egypt	81	4.00	70	-11
El Salvador	82	3.99	77	-5
Greece	83	3.99	71	-12
Trinidad and Tobago	84	3.97	86	2
Philippines	85	3.96	87	2
Algeria	86	3.96	83	-3
Argentina	87	3.95	85	-2
Albania	88	3.94	96	8
Ukraine	89	3.90	82	-7
Gambia, The	90	3.90	81	-9
Honduras	91	3.89	89	-2
Lebanon	92	3.89	n/a	n/a
Georgia	93	3.86	90	-3
Moldova	94	3.86	n/a	n/a
Jamaica	95	3.85	91	-4

Serbia	96	3.84	93	-3
Syria	97	3.79	94	-3
Armenia	98	3.76	97	-1
Mongolia	99	3.75	117	18
Libya	100	3.74	88	-12
Dominican Republic	101	3.72	95	-6
Bosnia and Herzegovina	102	3.70	109	7
Benin	103	3.69	103	0
Senegal	104	3.67	92	-12
Ecuador	105	3.65	105	0
Kenya	106	3.65	98	-8
Bangladesh	107	3.64	106	-1
Bolivia	108	3.64	120	12
Cambodia	109	3.63	110	1
Guyana	110	3.62	104	-6
Cameroon	111	3.58	111	0
Nicaragua	112	3.57	115	3
Tanzania	113	3.56	100	-13

Ghana	114	3.56	114	0
Zambia	115	3.55	112	-3
Tajikistan	116	3.53	122	6
Cape Verde	117	3.51	n/a	n/a
Uganda	118	3.51	108	-10
Ethiopia	119	3.51	118	-1
Paraguay	120	3.49	124	4
Kyrgyz Republic	121	3.49	123	2
Venezuela	122	3.48	113	-9
Pakistan	123	3.48	101	-22
Madagascar	124	3.46	121	-3
Malawi	125	3.45	119	-6
Swaziland	126	3.40	n/a	n/a
Nigeria	127	3.38	99	-28
Lesotho	128	3.36	107	-21
Côte d'Ivoire	129	3.35	116	-13
Nepal	130	3.34	125	-5
Mozambique	131	3.32	129	-2

Mali	132	3.28	130	-2
Timor-Leste	133	3.23	126	-7
Burkina Faso	134	3.20	128	-6
Mauritania	135	3.14	127	-8
Zimbabwe	136	3.03	132	-4
Burundi	137	2.96	133	-4
Angola	138	2.93	n/a	n/a
Chad	139	2.73	131	-8

Methodology:

The competitiveness rankings are calculated from both publicly available data and the Executive Opinion Survey, a comprehensive annual survey conducted by the World Economic Forum together with its network of Partner Institutes (leading research institutes and business organizations) in the countries covered by the Report.

Highlights according to WEF --

- The [United States](#) falls two places to fourth position, overtaken by [Sweden](#) and [Singapore](#) in the rankings of the World Economic Forum's Global Competitiveness Report 2010-2011
- The People's Republic of [China](#) continues to move up the rankings, with marked improvements in several other Asian countries
- [Germany](#) moves up two places to fifth place, leading the Eurozone countries
- [Switzerland](#) tops the rankings

Source:

World Economic Forum; available at URL: <http://www.weforum.org>

Updated:

2011 using most recent ranking available; reviewed in 2015.

Taxation

Corporate tax

The corporate tax rate is 16 percent, although small companies (typically those with one to nine employees and with modest turnover) are taxed at a rate of 3 percent rate on income. A 10 percent withholding tax applies to dividends paid to corporate shareholders.

Individual tax

Individual income tax is 16 percent. A 10 percent withholding tax applies to dividends and interest paid to individuals.

Capital gains

Capital gains are typically treated as income.

Indirect tax

A value-added tax (VAT) applies to most transactions at a standard rate of 19 percent. While exports are zero-rated, there is a 9 percent rate that applies to publications, medicine and some hotel services. Medical, educational, financial and banking services enjoy exempt status.

Note. As of 2007, VAT in Romania was harmonized with the European Union VAT Directive.

Stock Market

Romania's market capitalization at the end of the 1990s was \$US 873 million with 5,825 listed companies.

For more information on the Bucharest Stock Exchange, see URL: <http://www.bvb.ro/>.

Partner Links

Partner Links

Chapter 5

Social Overview

People

Cultural Heritage

Today, ethnic Romanians comprise almost 90 percent of Romania's total population of over 21 million. In contrast to their Slav or Hungarian neighbors, ethnic Romanians trace themselves to Latin-speaking Romans who in the 2nd and 3rd centuries C.E. (Common Era) conquered and settled among the ancient Dacians, a Thracian people.

Language

As a result of this heritage, the Romanian language -- although containing elements of Slavic, Turkish and other languages -- is a Romance language related to French and Italian. Primarily a rural, agricultural population, the medieval Wallachians and Moldavians maintained their language and culture despite centuries of rule by foreign princes. Once independent, the unified Romanian state took its modern name to emphasize its connection to the ancient Romans. Today, in addition to Romanian, Hungarian and German are some of the main languages also spoken in Romania.

Ethnicity

Ethnic Romanians aside, other resident ethnic groups include Hungarians, Roma, Germans, Ukrainians, Serbs, Croats, Russians, Turks, Armenians and Greeks. Minority populations are greatest in Transylvania and the Banat, areas in the north and west that belonged to the Austro-Hungarian Empire until World War I. Ethnic Romanians comprised the overall majority in Transylvania, even before union with Romania, but ethnic Hungarians and Germans were the dominant urban population there until relatively recently, and still are the majority in a few districts. In recent years, more than two-thirds of ethnic Germans in Romania have emigrated to the Federal Republic of Germany.

Before World War II, minorities represented more than 28 percent of the total population. During the war, however, that percentage was halved, largely by the loss of the border areas of Bessarabia and northern Bukovina (to the former Soviet Union - now Moldova and Ukraine) and southern

Dobrudja (to Bulgaria), as well as by the postwar flight or deportation of ethnic Germans.

Although Romanian troops participated in the destruction of the Jewish communities of Bessarabia and Bukovina, most Jews from Romania proper survived the Holocaust. Mass emigration, mostly to Israel, has reduced the surviving Jewish community from over 300,000 to less than 15,000.

Religious Affiliation

Religious affiliation tends to follow ethnic lines, with most ethnic Romanians identifying with the Romanian Orthodox Church. The Greek Catholic or Uniate church, reunified with the Orthodox Church by fiat in 1948, was restored after the 1989 revolution. The 1992 census indicated that one percent of the population was Greek Catholic, as opposed to about 10 percent prior to 1948. Roman Catholics, largely ethnic Hungarians and Germans, constitute about six percent of the population; Calvinists, Baptists, Pentecostals, and Lutherans make up another six percent. There are smaller numbers of Unitarians, Muslims, Jews and members of other religions.

Health and Welfare

In terms of health and welfare, Romanians have an average life expectancy at birth of 70 years (66 years for males, 74 years for females), according to recent estimates. The infant mortality rate is 18.4 deaths per 1,000 live births. Regarding literacy, an estimated 97 percent of the population, age 15 and older, can read and write (98 percent of males, 95 percent of females). About 4.3 percent of GDP is spent in the country on educational expenditures. About 5.4 percent of GDP is spent on health expenditures. Access to sanitation, water, and health care is considered to be generally good, although lower than average for European countries.

Human Development

One notable measure used to determine a country's quality of life is the Human Development Index (HDI), which has been compiled annually since 1990 by the United Nations Development Programme (UNDP). The HDI is a composite of several indicators, which measure a country's achievements in three main arenas of human development: longevity, knowledge and education, as well as economic standard of living. In a recent ranking of 169 countries, the HDI placed Romania in the high human development category, at 50th place. Although the concept of human development is complicated and cannot be properly captured by values and indices, the HDI, which is calculated and updated annually, offers a wide-ranging assessment of human development in certain countries, not based solely upon traditional economic and financial indicators.

Written by Dr. Denise Youngblood Coleman, Editor in Chief, www.countrywatch.com; see Bibliography for research sources.

Human Development Index

Human Development Index

Human Development Index (Ranked Numerically)

The [Human Development Index](#) (HDI) is used to measure quality of life in countries across the world. The HDI has been compiled since 1990 by the United Nations Development Programme (UNDP) on a regular basis. The HDI is a composite of several indicators, which measure a country's achievements in three main arenas of human development: longevity, education, and economic standard of living. Although the concept of human development is complicated and cannot be properly captured by values and indices, the HDI offers a wide-ranging assessment of human development in certain countries, not based solely upon traditional economic and financial indicators. For more information about the methodology used to calculate the HDI, please see the "Source Materials" in the appendices of this review.

Very High Human Development	High Human Development	Medium Human Development	Low Human Development
1. Norway	43. Bahamas	86. Fiji	128. Kenya
2. Australia	44. Lithuania	87. Turkmenistan	129. Bangladesh
3. New Zealand	45. Chile	88. Dominican Republic	130. Ghana

4. United States	46. Argentina	89. China	131. Cameroon
5. Ireland	47. Kuwait	90. El Salvador	132. Myanmar (Burma)
6. Liechtenstein	48. Latvia	91. Sri Lanka	133. Yemen
7. Netherlands	49. Montenegro	92. Thailand	134. Benin
8. Canada	50. Romania	93. Gabon	135. Madagascar
9. Sweden	51. Croatia	94. Suriname	136. Mauritania
10. Germany	52. Uruguay	95. Bolivia	137. Papua New Guinea
11. Japan	53. Libya	96. Paraguay	138. Nepal
12. South Korea	54. Panama	97. Philippines	139. Togo
13. Switzerland	55. Saudi Arabia	98. Botswana	140. Comoros
14. France	56. Mexico	99. Moldova	141. Lesotho
15. Israel	57. Malaysia	100. Mongolia	142. Nigeria
16. Finland	58. Bulgaria	101. Egypt	143. Uganda
17. Iceland	59. Trinidad and Tobago	102. Uzbekistan	144. Senegal
18. Belgium	60. Serbia	103. Micronesia	145. Haiti
19. Denmark	61. Belarus	104. Guyana	146. Angola
20. Spain	62. Costa Rica	105. Namibia	147. Djibouti

21. Hong King	63. Peru	106. Honduras	148. Tanzania
22. Greece	64. Albania	107. Maldives	149. Cote d'Ivoire
23. Italy	65. Russian Federation	108. Indonesia	150. Zambia
24. Luxembourg	66. Kazakhstan	109. Kyrgyzstan	151. Gambia
25. Austria	67. Azerbaijan	110. South Africa	152. Rwanda
26. United Kingdom	68. Bosnia and Herzegovina	111. Syria	153. Malawi
27. Singapore	69. Ukraine	112. Tajikistan	154. Sudan
28. Czech Republic	70. Iran	113. Vietnam	155. Afghanistan
29. Slovenia	71. The former Yugoslav Republic of Macedonia	114. Morocco	156. Guinea
30. Andorra	72. Mauritius	115. Nicaragua	157. Ethiopia
31. Slovakia	73. Brazil	116. Guatemala	158. Sierra Leone
32. United Arab Emirates	74. Georgia	117. Equatorial Guinea	159. Central African Republic
33. Malta	75. Venezuela	118. Cape Verde	160. Mali
34. Estonia	76. Armenia	119. India	161. Burkina Faso
35. Cyprus	77. Ecuador	120. East Timor	162. Liberia

36. Hungary	78. Belize	121. Swaziland	163. Chad
37. Brunei	79. Colombia	122. Laos	164. Guinea-Bissau
38. Qatar	80. Jamaica	123. Solomon Islands	165. Mozambique
39. Bahrain	81. Tunisia	124. Cambodia	166. Burundi
40. Portugal	82. Jordan	125. Pakistan	167. Niger
41. Poland	83. Turkey	126. Congo RC	168. Congo DRC
42. Barbados	84. Algeria	127. Sao Tome and Principe	169. Zimbabwe
	85. Tonga		

Methodology:

For more information about the methodology used to calculate the HDI, please see the "Source Materials" in the appendices of this Country Review.

Reference:

As published in United Nations Development Programme's Human Development Report 2010.

Source:

United Nations Development Programme's [Human Development Index](http://hdr.undp.org/en/statistics/) available at URL: <http://hdr.undp.org/en/statistics/>

Updated:

Uploaded in 2011 using ranking available; reviewed in 2015

Life Satisfaction Index

Life Satisfaction Index

Life Satisfaction Index

Created by Adrian G. White, an Analytic Social Psychologist at the University of Leicester, the "Satisfaction with Life Index" measures subjective life satisfaction across various countries. The data was taken from a metastudy (see below for source) and associates the notion of subjective happiness or life satisfaction with qualitative parameters such as health, wealth, and access to basic education. This assessment serves as an alternative to other measures of happiness that tend to rely on traditional and quantitative measures of policy on quality of life, such as GNP and GDP. The methodology involved the responses of 80,000 people across the globe.

Rank	Country	Score
1	Denmark	273.4
2	Switzerland	273.33
3	Austria	260
4	Iceland	260
5	The Bahamas	256.67
6	Finland	256.67
7	Sweden	256.67
8	Iran	253.33

9	Brunei	253.33
10	Canada	253.33
11	Ireland	253.33
12	Luxembourg	253.33
13	Costa Rica	250
14	Malta	250
15	Netherlands	250
16	Antiguaand Barbuda	246.67
17	Malaysia	246.67
18	New Zealand	246.67
19	Norway	246.67
20	Seychelles	246.67
21	Saint Kitts and Nevis	246.67
22	United Arab Emirates	246.67
23	United States	246.67
24	Vanuatu	246.67
25	Venezuela	246.67
26	Australia	243.33

27	Barbados	243.33
28	Belgium	243.33
29	Dominica	243.33
30	Oman	243.33
31	Saudi Arabia	243.33
32	Suriname	243.33
33	Bahrain	240
34	Colombia	240
35	Germany	240
36	Guyana	240
37	Honduras	240
38	Kuwait	240
39	Panama	240
40	Saint Vincent and the Grenadines	240
41	United Kingdom	236.67
42	Dominican Republic	233.33
43	Guatemala	233.33
44	Jamaica	233.33

45	Qatar	233.33
46	Spain	233.33
47	Saint Lucia	233.33
48	Belize	230
49	Cyprus	230
50	Italy	230
51	Mexico	230
52	Samoa	230
53	Singapore	230
54	Solomon Islands	230
55	Trinidad and Tobago	230
56	Argentina	226.67
57	Fiji	223.33
58	Israel	223.33
59	Mongolia	223.33
60	São Tomé and Príncipe	223.33
61	El Salvador	220
62	France	220

63	Hong Kong	220
64	Indonesia	220
65	Kyrgyzstan	220
66	Maldives	220
67	Slovenia	220
68	Taiwan	220
69	East Timor	220
70	Tonga	220
71	Chile	216.67
72	Grenada	216.67
73	Mauritius	216.67
74	Namibia	216.67
75	Paraguay	216.67
76	Thailand	216.67
77	Czech Republic	213.33
78	Philippines	213.33
79	Tunisia	213.33
80	Uzbekistan	213.33

81	Brazil	210
82	China	210
83	Cuba	210
84	Greece	210
85	Nicaragua	210
86	Papua New Guinea	210
87	Uruguay	210
88	Gabon	206.67
89	Ghana	206.67
90	Japan	206.67
91	Yemen	206.67
92	Portugal	203.33
93	Sri Lanka	203.33
94	Tajikistan	203.33
95	Vietnam	203.33
96	Bhutan	200
97	Comoros	196.67
98	Croatia	196.67

99	Poland	196.67
100	Cape Verde	193.33
101	Kazakhstan	193.33
102	South Korea	193.33
103	Madagascar	193.33
104	Bangladesh	190
105	Republic of the Congo	190
106	The Gambia	190
107	Hungary	190
108	Libya	190
109	South Africa	190
110	Cambodia	186.67
111	Ecuador	186.67
112	Kenya	186.67
113	Lebanon	186.67
114	Morocco	186.67
115	Peru	186.67
116	Senegal	186.67

117	Bolivia	183.33
118	Haiti	183.33
119	Nepal	183.33
120	Nigeria	183.33
121	Tanzania	183.33
122	Benin	180
123	Botswana	180
124	Guinea-Bissau	180
125	India	180
126	Laos	180
127	Mozambique	180
128	Palestinian Authority	180
129	Slovakia	180
130	Myanmar	176.67
131	Mali	176.67
132	Mauritania	176.67
133	Turkey	176.67
134	Algeria	173.33

135	Equatorial Guinea	173.33
136	Romania	173.33
137	Bosnia and Herzegovina	170
138	Cameroon	170
139	Estonia	170
140	Guinea	170
141	Jordan	170
142	Syria	170
143	Sierra Leone	166.67
144	Azerbaijan	163.33
145	Central African Republic	163.33
146	Republic of Macedonia	163.33
147	Togo	163.33
148	Zambia	163.33
149	Angola	160
150	Djibouti	160
151	Egypt	160
152	Burkina Faso	156.67

153	Ethiopia	156.67
154	Latvia	156.67
155	Lithuania	156.67
156	Uganda	156.67
157	Albania	153.33
158	Malawi	153.33
159	Chad	150
160	Côte d'Ivoire	150
161	Niger	150
162	Eritrea	146.67
163	Rwanda	146.67
164	Bulgaria	143.33
165	Lesotho	143.33
166	Pakistan	143.33
167	Russia	143.33
168	Swaziland	140
169	Georgia	136.67
170	Belarus	133.33

171	Turkmenistan	133.33
172	Armenia	123.33
173	Sudan	120
174	Ukraine	120
175	Moldova	116.67
176	Democratic Republic of the Congo	110
177	Zimbabwe	110
178	Burundi	100

Commentary:

European countries, such as [Denmark](#), [Iceland](#), [Finland](#), [Sweden](#), [Switzerland](#), [Austria](#) resided at the top of the ranking with highest levels of self-reported life satisfaction. Conversely, European countries such as [Latvia](#), [Lithuania](#), [Moldova](#), [Belarus](#) and [Ukraine](#) ranked low on the index. African countries such as Democratic Republic of Congo, [Zimbabwe](#) and [Burundi](#) found themselves at the very bottom of the ranking, and indeed, very few African countries could be found in the top 100. [Japan](#) was at the mid-way point in the ranking, however, other Asian countries such as [Brunei](#) and [Malaysia](#) were in the top tier, while [Pakistan](#) was close to the bottom with a low level of self-identified life satisfaction. As a region, the Middle East presented a mixed bag with Saudi Arabians reporting healthy levels of life satisfaction and Egyptians near the bottom of the ranking. As a region, Caribbean countries were ranked highly, consistently demonstrating high levels of life satisfaction. The findings showed that health was the most crucial determining factor in life satisfaction, followed by prosperity and education.

Source:

White, A. (2007). A Global Projection of Subjective Well-being: A Challenge To Positive Psychology? *Psychtalk* 56, 17-20. The data was extracted from a meta-analysis by Marks, Abdallah, Simms & Thompson (2006).

Uploaded:

Based on study noted above in "Source" ; reviewed in 2015

Happy Planet Index

Happy Planet Index

The Happy Planet Index (HPI) is used to measure human well-being in conjunction with environmental impact. The HPI has been compiled since 2006 by the New Economics Foundation. The index is a composite of several indicators including subjective life satisfaction, life expectancy at birth, and ecological footprint per capita.

As noted by NEFA, the HPI "reveals the ecological efficiency with which human well-being is delivered." Indeed, the index combines environmental impact with human well-being to measure the environmental efficiency with which, country by country, people live long and happy lives. The countries ranked highest by the HPI are not necessarily the ones with the happiest people overall, but the ones that allow their citizens to live long and fulfilling lives, without negatively impacting this opportunity for either future generations or citizens of other countries. Accordingly, a country like the [United States](#) will rank low on this list due to its large per capital ecological footprint, which uses more than its fair share of resources, and will likely cause planetary damage.

It should be noted that the HPI was designed to be a counterpoint to other well-established indices of countries' development, such as Gross Domestic Product (GDP), which measures overall national wealth and economic development, but often obfuscates the realities of countries with stark variances between the rich and the poor. Moreover, the objective of most of the world's people is not to be wealthy but to be happy. The HPI also differs from the [Human Development Index](#) (HDI), which measures quality of life but not ecology, since it [HPI] also includes sustainability as a key indicator.

Rank	Country	HPI
1	Costa Rica	76.1

2	Dominican Republic	71.8
3	Jamaica	70.1
4	Guatemala	68.4
5	Vietnam	66.5
6	Colombia	66.1
7	Cuba	65.7
8	El Salvador	61.5
9	Brazil	61.0
10	Honduras	61.0
11	Nicaragua	60.5
12	Egypt	60.3
13	Saudi Arabia	59.7
14	Philippines	59.0
15	Argentina	59.0
16	Indonesia	58.9
17	Bhutan	58.5
18	Panama	57.4
19	Laos	57.3

20	China	57.1
21	Morocco	56.8
22	Sri Lanka	56.5
23	Mexico	55.6
24	Pakistan	55.6
25	Ecuador	55.5
26	Jordan	54.6
27	Belize	54.5
28	Peru	54.4
29	Tunisia	54.3
30	Trinidad and Tobago	54.2
31	Bangladesh	54.1
32	Moldova	54.1
33	Malaysia	54.0
34	Tajikistan	53.5
35	India	53.0
36	Venezuela	52.5
37	Nepal	51.9

38	Syria	51.3
39	Burma	51.2
40	Algeria	51.2
41	Thailand	50.9
42	Haiti	50.8
43	Netherlands	50.6
44	Malta	50.4
45	Uzbekistan	50.1
46	Chile	49.7
47	Bolivia	49.3
48	Armenia	48.3
49	Singapore	48.2
50	Yemen	48.1
51	Germany	48.1
52	Switzerland	48.1
53	Sweden	48.0
54	Albania	47.9
55	Paraguay	47.8

56	Palestinian Authority	47.7
57	Austria	47.7
58	Serbia	47.6
59	Finland	47.2
60	Croatia	47.2
61	Kyrgyzstan	47.1
62	Cyprus	46.2
63	Guyana	45.6
64	Belgium	45.4
65	Bosnia and Herzegovina	45.0
66	Slovenia	44.5
67	Israel	44.5
68	South Korea	44.4
69	Italy	44.0
70	Romania	43.9
71	France	43.9
72	Georgia	43.6
73	Slovakia	43.5

74	United Kingdom	43.3
75	Japan	43.3
76	Spain	43.2
77	Poland	42.8
78	Ireland	42.6
79	Iraq	42.6
80	Cambodia	42.3
81	Iran	42.1
82	Bulgaria	42.0
83	Turkey	41.7
84	Hong Kong	41.6
85	Azerbaijan	41.2
86	Lithuania	40.9
87	Djibouti	40.4
88	Norway	40.4
89	Canada	39.4
90	Hungary	38.9
91	Kazakhstan	38.5

92	Czech Republic	38.3
93	Mauritania	38.2
94	Iceland	38.1
95	Ukraine	38.1
96	Senegal	38.0
97	Greece	37.6
98	Portugal	37.5
99	Uruguay	37.2
100	Ghana	37.1
101	Latvia	36.7
102	Australia	36.6
103	New Zealand	36.2
104	Belarus	35.7
105	Denmark	35.5
106	Mongolia	35.0
107	Malawi	34.5
108	Russia	34.5
109	Chad	34.3

110	Lebanon	33.6
111	Macedonia	32.7
112	Republic of the Congo	32.4
113	Madagascar	31.5
114	United States	30.7
115	Nigeria	30.3
116	Guinea	30.3
117	Uganda	30.2
118	South Africa	29.7
119	Rwanda	29.6
120	Democratic Republic of the Congo	29.0
121	Sudan	28.5
122	Luxembourg	28.5
123	United Arab Emirates	28.2
124	Ethiopia	28.1
125	Kenya	27.8
126	Cameroon	27.2
127	Zambia	27.2

128	Kuwait	27.0
129	Niger	26.9
130	Angola	26.8
131	Estonia	26.4
132	Mali	25.8
133	Mozambique	24.6
134	Benin	24.6
135	Togo	23.3
136	Sierra Leone	23.1
137	Central African Republic	22.9
138	Burkina Faso	22.4
139	Burundi	21.8
140	Namibia	21.1
141	Botswana	20.9
142	Tanzania	17.8
143	Zimbabwe	16.6

Source: This material is derived from the Happy Planet Index issued by the New Economics Foundation (NEF).

Methodology: The methodology for the calculations can be found at URL: <http://www.happyplanetindex.org/>

Status of Women

Gender Related Development Index (GDI) Rank:

51st out of 140

Gender Empowerment Measure (GEM) Rank:

56th out of 80

Female Population:

11.4 million

Female Life Expectancy at birth:

74.0 years

Total Fertility Rate:

1.2

Maternal Mortality Ratio (2000):

49

Total Number of Women Living with HIV/AIDS:

N/A

Ever Married Women, Ages 15-19 (%):

6%

Mean Age at Time of Marriage:

24

Contraceptive Use Among Married Women, Any Method (%):

64%

Female Adult Literacy Rate:

95%

Combined Female Gross enrollment ratio for Primary, Secondary and Tertiary schools:

73%

Female-Headed Households (%):

27%

Economically Active Females (%):

50.3%

Female Contributing Family Workers (%):

71%

Female Estimated Earned Income:

\$5,391

Seats in Parliament held by women (%):

Lower or Single House: 11.1%

Upper House or Senate: 9.5%

Year Women Received the Right to Vote:

1929 (partial recognition)

1946 (full recognition)

Year Women Received the Right to Stand for Election:

1929 (partial recognition)

1946 (full recognition)

*The Gender Development Index (GDI) is a composite index which measures the average achievement in a country. While very similar to the Human Development Index in its use of the same variables, the GDI adjusts the average achievement of each country in terms of life expectancy, enrollment in schools, income, and literacy in accordance to the disparities between males and females.

*The Gender Empowerment Measure (GEM) is a composite index measuring gender inequality in three of the basic dimensions of empowerment; economic participation and decision-making, political participation and decision-making, and power over economic resources.

*Total Fertility Rate (TFR) is defined as the average number of babies born to women during their reproductive years. A TFR of 2.1 is considered the replacement rate; once a TFR of a population reaches 2.1 the population will remain stable assuming no immigration or emigration takes place. When the TFR is greater than 2.1 a population will increase and when it is less than 2.1 a population will eventually decrease, although due to the age structure of a population it will take years before a low TFR is translated into lower population.

*Maternal Mortality Rate is the number of deaths to women per 100,000 live births that resulted from conditions related to pregnancy and or delivery related complications.

*Economically Active Females are the share of the female population, ages 15 and above, whom supply, or are able to supply, labor for the production of goods and services.

*Female Contributing Family Workers are those females who work without pay in an economic enterprise operated by a relative living in the same household.

*Estimated Earned Income is measured according to Purchasing Power Parity (PPP) in US dollars.

Global Gender Gap Index

Global Gender Gap Index

Editor's Note:

The Global Gender Gap Index by the World Economic Forum ranks most of the world's countries in terms of the division of resources and opportunities among males and females. Specifically, the ranking assesses the gender inequality gap in these four arenas:

1. Economic participation and opportunity (salaries and high skilled employment participation levels)
2. Educational attainment (access to basic and higher level education)
3. Political empowerment (representation in decision-making structures)
4. Health and survival (life expectancy and sex ratio)

	2010 rank	2010 score	2010 rank among 2009 countries	2009 rank	2009 score	2008 rank	2008 score	2007 rank
Country								
Iceland	1	0.8496	1	1	0.8276	4	0.7999	4
Norway	2	0.8404	2	3	0.8227	1	0.8239	2
Finland	3	0.8260	3	2	0.8252	2	0.8195	3
Sweden	4	0.8024	4	4	0.8139	3	0.8139	1
New Zealand	5	0.7808	5	5	0.7880	5	0.7859	5
Ireland	6	0.7773	6	8	0.7597	8	0.7518	9

Denmark	7	0.7719	7	7	0.7628	7	0.7538	8
Lesotho	8	0.7678	8	10	0.7495	16	0.7320	26
Philippines	9	0.7654	9	9	0.7579	6	0.7568	6
Switzerland	10	0.7562	10	13	0.7426	14	0.7360	40
Spain	11	0.7554	11	17	0.7345	17	0.7281	10
South Africa	12	0.7535	12	6	0.7709	22	0.7232	20
Germany	13	0.7530	13	12	0.7449	11	0.7394	7
Belgium	14	0.7509	14	33	0.7165	28	0.7163	19
United Kingdom	15	0.7460	15	15	0.7402	13	0.7366	11
Sri Lanka	16	0.7458	16	16	0.7402	12	0.7371	15
Netherlands	17	0.7444	17	11	0.7490	9	0.7399	12
Latvia	18	0.7429	18	14	0.7416	10	0.7397	13
United States	19	0.7411	19	31	0.7173	27	0.7179	31
Canada	20	0.7372	20	25	0.7196	31	0.7136	18
Trinidad and Tobago	21	0.7353	21	19	0.7298	19	0.7245	46
Mozambique	22	0.7329	22	26	0.7195	18	0.7266	43
Australia	23	0.7271	23	20	0.7282	21	0.7241	17

Cuba	24	0.7253	24	29	0.7176	25	0.7195	22
Namibia	25	0.7238	25	32	0.7167	30	0.7141	29
Luxembourg	26	0.7231	26	63	0.6889	66	0.6802	58
Mongolia	27	0.7194	27	22	0.7221	40	0.7049	62
Costa Rica	28	0.7194	28	27	0.7180	32	0.7111	28
Argentina	29	0.7187	29	24	0.7211	24	0.7209	33
Nicaragua	30	0.7176	30	49	0.7002	71	0.6747	90
Barbados	31	0.7176	31	21	0.7236	26	0.7188	n/a
Portugal	32	0.7171	32	46	0.7013	39	0.7051	37
Uganda	33	0.7169	33	40	0.7067	43	0.6981	50
Moldova	34	0.7160	34	36	0.7104	20	0.7244	21
Lithuania	35	0.7132	35	30	0.7175	23	0.7222	14
Bahamas	36	0.7128	36	28	0.7179	n/a	n/a	n/a
Austria	37	0.7091	37	42	0.7031	29	0.7153	27
Guyana	38	0.7090	38	35	0.7108	n/a	n/a	n/a
Panama	39	0.7072	39	43	0.7024	34	0.7095	38
Ecuador	40	0.7072	40	23	0.7220	35	0.7091	44
Kazakhstan	41	0.7055	41	47	0.7013	45	0.6976	32

Slovenia	42	0.7047	42	52	0.6982	51	0.6937	49
Poland	43	0.7037	43	50	0.6998	49	0.6951	60
Jamaica	44	0.7037	44	48	0.7013	44	0.6980	39
Russian Federation	45	0.7036	45	51	0.6987	42	0.6994	45
France	46	0.7025	46	18	0.7331	15	0.7341	51
Estonia	47	0.7018	47	37	0.7094	37	0.7076	30
Chile	48	0.7013	48	64	0.6884	65	0.6818	86
Macedonia, FYR	49	0.6996	49	53	0.6950	53	0.6914	35
Bulgaria	50	0.6983	50	38	0.7072	36	0.7077	25
Kyrgyz Republic	51	0.6973	51	41	0.7058	41	0.7045	70
Israel	52	0.6957	52	45	0.7019	56	0.6900	36
Croatia	53	0.6939	53	54	0.6944	46	0.6967	16
Honduras	54	0.6927	54	62	0.6893	47	0.6960	68
Colombia	55	0.6927	55	56	0.6939	50	0.6944	24
Singapore	56	0.6914	56	84	0.6664	84	0.6625	77
Thailand	57	0.6910	57	59	0.6907	52	0.6917	52
Greece	58	0.6908	58	85	0.6662	75	0.6727	72

Uruguay	59	0.6897	59	57	0.6936	54	0.6907	78
Peru	60	0.6895	60	44	0.7024	48	0.6959	75
China	61	0.6881	61	60	0.6907	57	0.6878	73
Botswana	62	0.6876	62	39	0.7071	63	0.6839	53
Ukraine	63	0.6869	63	61	0.6896	62	0.6856	57
Venezuela	64	0.6863	64	69	0.6839	59	0.6875	55
Czech Republic	65	0.6850	65	74	0.6789	69	0.6770	64
Tanzania	66	0.6829	66	73	0.6797	38	0.7068	34
Romania	67	0.6826	67	70	0.6805	70	0.6763	47
Malawi	68	0.6824	68	76	0.6738	81	0.6664	87
Paraguay	69	0.6804	69	66	0.6868	100	0.6379	69
Ghana	70	0.6782	70	80	0.6704	77	0.6679	63
Slovak Republic	71	0.6778	71	68	0.6845	64	0.6824	54
Vietnam	72	0.6776	72	71	0.6802	68	0.6778	42
Dominican Republic	73	0.6774	73	67	0.6859	72	0.6744	65
Italy	74	0.6765	74	72	0.6798	67	0.6788	84

Gambia, The	75	0.6762	75	75	0.6752	85	0.6622	95
Bolivia	76	0.6751	76	82	0.6693	80	0.6667	80
Brueni Darussalem	77	0.6748	77	94	0.6524	99	0.6392	n/a
Albania	78	0.6726	78	91	0.6601	87	0.6591	66
Hungary	79	0.6720	79	65	0.6879	60	0.6867	61
Madagascar	80	0.6713	80	77	0.6732	74	0.6736	89
Angola	81	0.6712	81	106	0.6353	114	0.6032	110
Bangladesh	82	0.6702	82	93	0.6526	90	0.6531	100
Malta	83	0.6695	83	88	0.6635	83	0.6634	76
Armenia	84	0.6669	84	90	0.6619	78	0.6677	71
Brazil	85	0.6655	85	81	0.6695	73	0.6737	74
Cyprus	86	0.6642	86	79	0.6706	76	0.6694	82
Indonesia	87	0.6615	87	92	0.6580	93	0.6473	81
Georgia	88	0.6598	88	83	0.6680	82	0.6654	67
Tajikistan	89	0.6598	89	86	0.6661	89	0.6541	79
El Salvador	90	0.6596	90	55	0.6939	58	0.6875	48
Mexico	91	0.6577	91	98	0.6503	97	0.6441	93

Zimbabwe	92	0.6574	92	95	0.6518	92	0.6485	88
Belize	93	0.6536	93	87	0.6636	86	0.6610	94
Japan	94	0.6524	94	101	0.6447	98	0.6434	91
Mauritius	95	0.6520	95	96	0.6513	95	0.6466	85
Kenya	96	0.6499	96	97	0.6512	88	0.6547	83
Cambodia	97	0.6482	97	104	0.6410	94	0.6469	98
Malaysia	98	0.6479	98	100	0.6467	96	0.6442	92
Maldives	99	0.6452	99	99	0.6482	91	0.6501	99
Azerbaijan	100	0.6446	100	89	0.6626	61	0.6856	59
Senegal	101	0.6414	101	102	0.6427	n/a	n/a	n/a
Suriname	102	0.6407	102	78	0.6726	79	0.6674	56
United Arab Emirates	103	0.6397	103	112	0.6198	105	0.6220	105
Korea, Rep.	104	0.6342	104	115	0.6146	108	0.6154	97
Kuwait	105	0.6318	105	105	0.6356	101	0.6358	96
Zambia	106	0.6293	106	107	0.6310	106	0.6205	101
Tunisia	107	0.6266	107	109	0.6233	103	0.6295	102
Fiji	108	0.6256	108	103	0.6414	n/a	n/a	n/a
Guatemala	109	0.6238	109	111	0.6209	112	0.6072	106

Bahrain	110	0.6217	110	116	0.6136	121	0.5927	115
Burkina Faso	111	0.6162	111	120	0.6081	115	0.6029	117
India	112	0.6155	112	114	0.6151	113	0.6060	114
Mauritania	113	0.6152	113	119	0.6103	110	0.6117	111
Cameroon	114	0.6110	114	118	0.6108	117	0.6017	116
Nepal	115	0.6084	115	110	0.6213	120	0.5942	125
Lebanon*	116	0.6084	n/a	n/a	n/a	n/a	n/a	n/a
Qatar	117	0.6059	116	125	0.5907	119	0.5948	109
Nigeria	118	0.6055	117	108	0.6280	102	0.6339	107
Algeria	119	0.6052	118	117	0.6119	111	0.6111	108
Jordan	120	0.6048	119	113	0.6182	104	0.6275	104
Ethiopia	121	0.6019	120	122	0.5948	122	0.5867	113
Oman	122	0.5950	121	123	0.5938	118	0.5960	119
Iran	123	0.5933	122	128	0.5839	116	0.6021	118
Syria	124	0.5926	123	121	0.6072	107	0.6181	103
Egypt	125	0.5899	124	126	0.5862	124	0.5832	120
Turkey	126	0.5876	125	129	0.5828	123	0.5853	121
Morocco	127	0.5767	126	124	0.5926	125	0.5757	122

Benin	128	0.5719	127	131	0.5643	126	0.5582	123
Saudi Arabia	129	0.5713	128	130	0.5651	128	0.5537	124
Côte d'Ivoire*	130	0.5691	n/a	n/a	n/a	n/a	n/a	n/a
Mali	131	0.5680	129	127	0.5860	109	0.6117	112
Pakistan	132	0.5465	130	132	0.5458	127	0.5549	126
Chad	133	0.5330	131	133	0.5417	129	0.5290	127
Yemen	134	0.4603	132	134	0.4609	130	0.4664	128
Belarus	n/a	n/a	n/a	34	0.7141	33	0.7099	23
Uzbekistan	n/a	n/a	n/a	58	0.6913	55	0.6906	41

*new country 2010

Commentary:

According to the report's index, Nordic countries, such as [Iceland](#), [Norway](#), [Finland](#), and [Sweden](#) have continued to dominate at the top of the ranking for gender equality. Meanwhile, [France](#) has seen a notable decline in the ranking, largely as a result of decreased number of women holding ministerial portfolios in that country. In the Americas, the [United States](#) has risen in the ranking to top the region, predominantly as a result of a decreasing wage gap, as well as higher number of women holding key positions in the current Obama administration. [Canada](#) has continued to remain as one of the top ranking countries of the Americas, followed by the small Caribbean island nation of Trinidad and Tobago, which has the distinction of being among the top three countries of the Americans in the realm of gender equality. [Lesotho](#) and South African ranked highly in the

index, leading not only among African countries but also in global context. Despite [Lesotho](#) still lagging in the area of life expectancy, its high ranking was attributed to high levels of female participation in the labor force and female literacy. The [Philippines](#) and [Sri Lanka](#) were the top ranking countries for gender equality for Asia, ranking highly also in global context. The [Philippines](#) has continued to show strong performance in all strong performance on all four dimensions (detailed above) of the index. Finally, in the Arab world, the [United Arab Emirates](#) held the highest-rank within that region of the world; however, its placement near the bottom of the global list highlights the fact that Arab countries are generally poor performers when it comes to the matter of gender equality in global scope.

Source:

This data is derived from the latest edition of The Global Gender Gap Report by the World Economic Forum.

Available at URL:

<http://www.weforum.org/en/Communities/Women%20Leaders%20and%20Gender%20Parity/Gende>

Updated:

Based on latest available data as set forth in chart; reviewed in 2014

Culture and Arts

Content coming soon.

Etiquette

Cultural Dos and Taboos

1. Romanians shake hands constantly. No matter how many times they might encounter each other during the day, they will shake hands each time. As a foreigner, you should shake hands, firmly but briefly, with everyone (including children) when introduced and again upon each encounter including departures. Men should wait to see if women extend their hands in inter-gender meetings. Close friends may embrace, and cheek to cheek contact on the left cheek followed by the right cheek may also ensue between locals. Some older Romanians will kiss a woman's hand. Good friends will greet each other expansively. Men may kiss each other on the both cheeks.

2. Only close friends and relatives address each other by their first names. Adults address the young by their first names. The decision to address each other by first names may be decided by mutual consent, although the best practice is to err on the side of formality and use titles and surnames when first meeting.

3. Waving or beckoning should be avoided, as well as placing feet upon any furniture other than a footstool. Generally, Romanian gestures tend to be expansive, reflecting both Italian and Slavic influences.

4. Punctuality is expected for both business meetings and social occasions.

5. Western business practices are quickly becoming the norm across Europe, including such things as business lunches. One should not, however, enter into business discussions without substantial attention to social conversation, politesse and other such niceties. In this regard, it is acceptable to ask about your counterpart's family. If the lunch or dinner meeting is your idea, you should insist on payment being your responsibility.

6. If you are invited to dinner at a Romanian home, bring a bouquet of flowers for your hostess. Other gifts include coffee, special soaps, candy (especially chocolate), perfume, and cigarettes. Even if you don't smoke, bringing your duty-free limit of two hundred American cigarettes may be well appreciated. A pack of cigarettes as a tip can improve service everywhere from taxis to restaurants.

7. Politics and other complicated issues, such as religion and culture, are acceptable topics of discussion in most European countries, although in Romania, relations with surrounding nation states or amidst the Roma (sometimed called "Gypsy") population is apt to be controversial. Suggested topics of conversation include food, wine, sports, travel and sightseeing are good topics to discuss.

8. Generally, Romanians dress in a casual but conservative manner in business, and with more fashionable attire at dinners or other more formal engagements. Conservative suits (dark in color

with ties and white shirts) are usually worn by businessmen, while women's business attire consists of dark skirts and dresses. Discretion is advised in the realm of business, while trendy fashions may be more acceptable in other less formal domains of life. Women should wear conservative skirts or dresses in Orthodox churches. Shorts are appropriate only for the country or the shore, not in the cities. Many businessmen in Romania wear hats. It is considered polite to remove one's hat when indoors, even in the lobby of a large building.

Travel Information

Please Note

This is a generalized travel guide and it is intended to coalesce several resources, which a traveler might find useful, regardless of a particular destination. As such, it does not include travel warnings for specific "hot spot" destinations.

For travel alerts and warnings, please see the United States Department of State's listings available at URL:

<http://travel.state.gov/content/passports/english/alertswarnings.html>

Please note that travel to the following countries, based on these warnings, is ill-advised, or should be undertaken with the utmost precaution:

Afghanistan, Algeria, Burundi, Cameroon, Central African Republic, Chad, Colombia, Democratic Republic of Congo, Djibouti, El Salvador, Eritrea, Ethiopia, Guinea, Honduras, Iraq, Iran, Lebanon, Liberia, Libya, Mali, Mauritania, Mexico, Nepal, Niger, Nigeria, North Korea, Pakistan, Palestinian Territories of West Bank and Gaza, Philippines areas of Sulu Archipelago, Mindanao, and southern Sulu Sea, Saudi Arabia, Sierra Leone, Somalia, South Sudan, Sudan, Syria, Ukraine, Venezuela, and Yemen.

International Travel Guide

Checklist for Travelers

1. Take out travel insurance to cover hospital treatment or medical evacuation. Overseas medical costs are expensive to most international travelers, where one's domestic, nationalized or even

private health insurance plans will not provide coverage outside one's home country. Learn about "reciprocal insurance plans" that some international health care companies might offer.

- 2.** Make sure that one's travel insurance is appropriate. If one intends to indulge in adventurous activities, such as parasailing, one should be sure that one is fully insured in such cases. Many traditional insurance policies do not provide coverage in cases of extreme circumstances.
- 3.** Take time to learn about one's destination country and culture. Read and learn about the place one is traveling. Also check political, economic and socio-cultural developments at the destination by reading country-specific travel reports and fact sheets noted below.
- 4.** Get the necessary visas for the country (or countries) one intends to visit - but be aware that a visa does not guarantee entry. A number of useful sites regarding visa and other entry requirements are noted below.
- 5.** Keep in regular contact with friends and relatives back at home by phone or email, and be sure to leave a travel itinerary.
- 6.** Protect one's personal information by making copies of one's passport details, insurance policy, travelers checks and credit card numbers. Taking copies of such documents with you, while leaving another collection copies with someone at home is also good practice for travelers. Taking copies of one's passport photograph is also recommended.
- 7.** Stay healthy by taking all possible precautions against illness. Also, be sure to take extra supplies of prescription drugs along for the trip, while also taking time to pack general pharmaceutical supplies, such as aspirin and other such painkillers, bandages, stomach ailment medication, anti-inflammatory medication and anti-bacterial medication.
- 8.** Do not carry illicit drugs. Understand that the punishment for possession or use of illegal drugs in some countries may be capital punishment. Make sure your prescription drugs are legal in the countries you plan to visit.
- 9.** Know the laws of one's destination country and culture; be sure to understand the repercussions of breaking those laws and regulations. Often the transparency and freedoms of the juridical system at home is not consistent with that of one's destination country. Become aware of these complexities and subtleties before you travel.
- 10.** For longer stays in a country, or where the security situation is volatile, one should register one's self and traveling companions at the local embassy or consulate of one's country of citizenship.
- 11.** Women should take care to be prepared both culturally and practically for traveling in a different country and culture. One should be sure to take sufficient supplies of personal feminine products and prescription drugs. One should also learn about local cultural standards for women, including norms of dressing. Be aware that it is simply inappropriate and unsafe for women to travel alone in some countries, and take the necessary precautions to avoid risk-filled situations.
- 12.** If one is traveling with small children, one should pack extra supplies, make arrangements with the travel carrier for proper seating that would adequately accommodate children, infants or toddlers. Note also that whether one is male or female, traveling with children means that one's hands are thus not free to carry luggage and bags. Be especially aware that this makes one vulnerable to pickpockets, thieves and other sorts of crime.

13. Make proper arrangements for accommodations, well in advance of one's arrival at a destination. Some countries have limited accommodation, while others may have culturally distinctive facilities. Learning about these practicalities before one travels will greatly aid the enjoyment of one's trip.

14. Travel with different forms of currency and money (cash, traveler's checks and credit cards) in anticipation that venues may not accept one or another form of money. Also, ensuring that one's financial resources are not contained in one location, or by one person (if one is traveling with others) can be a useful measure, in the event that one loses a wallet or purse.

15. Find out about transportation in the destination country. In some places, it might be advisable to hire a local driver or taxi guide for safety reasons, while in other countries, enjoying one's travel experience may well be enhanced by renting a vehicle and seeing the local sights and culture independently. Costs may also be prohibitive for either of these choices, so again, prior planning is suggested.

Tips for Travelers

A passport is required. Tourist visas for stays up to thirty days are not required. An exit visa must be obtained only in cases when the original passport used to enter the country was lost or stolen and a replacement passport has been issued by the appropriate embassy. For stays longer than thirty days, visas should be obtained from a Romanian embassy or consulate abroad. These should be extended at passport offices in Romania in the area of residence. Travelers can obtain visas and other information regarding entry requirements from the Romanian Embassy.

In an effort to prevent international child abduction, many governments have initiated procedures at entry/exit points. These often include requiring documentary evidence of relationship and permission for the child's travel from the parent(s) or legal guardian not present. Having such documentation on hand, even if not required, may facilitate entry/departure.

In addition to being subject to all Romanian laws affecting foreign citizens, dual nationals may also be subject to other laws that impose special obligations on Romanian citizens.

While most crimes in Romania are non-violent and non-confrontational, there has been an increase in the number of crimes in which the victim suffers personal harm. Crimes against tourists (robbery, mugging, pick-pocketing and confidence scams) are a growing problem in Romania. Organized groups of thieves and pickpockets operate in the train stations and on trains, subways, and buses in major cities. A number of thefts and assaults have occurred on overnight trains, including thefts from passengers in closed compartments. Money exchange schemes targeting travelers have become increasingly common in Romania. Some of these scams have become rather sophisticated, involving individuals posing as plainclothes policemen, who approach the potential victim, flash a badge and ask for his/her passport and wallet. In many of these cases, the thieves

succeed in obtaining passports, credit cards, and other personal documents.

The loss or theft abroad of a passport should be reported immediately to the local police and the nearest appropriate embassy or consulate.

Medical care in Romania is not up to Western standards, and basic medical supplies are limited, especially outside major cities.

When making a decision regarding health insurance, you should consider that many foreign doctors and hospitals require payment in cash prior to providing service and that a medical evacuation back to your country may cost be very expensive. Uninsured travelers who require medical care overseas often face extreme difficulties.

When consulting with your insurer prior to your trip, please ascertain whether payment will be made to the overseas healthcare provider or if you will be reimbursed later for expenses that you incur. Some insurance policies also include coverage for psychiatric treatment and for disposition of remains in the event of death.

While in a foreign country, you may encounter road conditions that differ significantly from those in your country. The information below concerning Romania is provided for general reference only, and may not be totally accurate in a particular location or circumstance.

Safety of Public Transportation: Good
Urban Road Conditions/Maintenance: Fair
Rural Road Conditions/Maintenance: Poor
Availability of Roadside Assistance: Fair

Road conditions vary widely throughout Romania. While major streets in larger cities and major inter-city roads are in fair to good condition, most other roads are in poor repair, badly lit, narrow, and often do not have marked lanes. Many roads, particularly in rural areas, are also used by pedestrians, animals, people on bicycles, and horse drawn carts that are extremely difficult to see, especially at night. Road travel can be particularly dangerous when roads are wet or covered with snow or ice. This is especially the case concerning mountain roads.

Romanian traffic laws are very strict. Any form of driver's license or permit can be confiscated by the traffic police for one to three months and payment of fines may be requested at the time of many infractions. Some examples are: failure to yield the right of way, failure to yield to pedestrians at crossroads, or not stopping at a red light or stop sign. Romanian traffic law provides for retention of licenses and possible imprisonment from one to five years for driving under the influence (alcohol level over 0.1% limit) or for causing an accident resulting in injury or death. In spite of these strict rules, however, many drivers in Romania often do not follow traffic laws or

yield the right of way. Therefore it is strongly recommended that defensive driving be practiced while driving throughout Romania.

Wearing a seat belt is mandatory only in the front seats of a car. Children under 12 years of age cannot be transported on the front seat. Drivers must yield to pedestrians at all marked pedestrian crosswalks, but many of these are poorly marked and difficult to see. Unless otherwise marked with road signs, speed limits are as follows: inter-city traffic on highways, 120 km/hr for cars, 100 km/hr for motorcycles, 90 km/hr for vans. On all other roads: 90 km/hr for cars, 80 km/hr for motorcycles, and 70 km/hr for vans. Inner-city traffic: 50 km/hr. Speed limits for motor vehicles with trailers and for drivers with less than 1 years of driving experience are 10 km/hr slower than those listed above.

Inter-city travel is generally done via trains and buses, which are relatively safe, inexpensive, and reliable. However, travelers should be aware of pickpockets while on night trains or in train stations. Inter-city travel by taxi is much more expensive, and safety depends on the quality of the driver. Many older taxis are not equipped with seat belts. To avoid being overcharged, those using inner-city taxis should request the taxi by phone, make sure the taxi has an operational meter, or agree upon a price before entering the taxi.

Romania's customs authorities may enforce strict regulations concerning temporary importation into or export from Romania of items such as firearms, antiquities, and medications. Romanian law allows foreigners to bring up to USD \$10,000 in cash into Romania. No amount in excess of that declared upon entry may be taken out of Romania upon departure. Sums larger than \$10,000 must be transferred through banks. No more than 1,000,000 Romanian lei (rol) may be brought into or taken out of the country. Romania customs authorities encourage the use of an ATA (admission temporaire/temporary admission) carnet for the temporary admission of professional equipment, commercial samples, and/or goods for exhibitions and fair purposes.

While in a foreign country, you are subject to that country's laws and regulations. Persons violating Romanian laws, even unknowingly, may be expelled, arrested or imprisoned. Penalties for possession, use, or trafficking in illegal drugs in Romania are strict, and convicted offenders can expect jail sentences and heavy fines.

Romania is largely a "cash only" economy. While an increasing number of businesses do accept credit cards, travelers are advised to use cash for goods and services rendered due to an increase in credit card fraud. Venders have been known to misuse credit card information by making illegal purchases on individuals' accounts. There are an increasing number of ATM machines located throughout major cities. Travelers' checks are of limited use, but they may be used to exchange local currency at some exchange houses.

There is a significant population of stray dogs in and around Bucharest, and attacks on pedestrians

and joggers are not uncommon. While there have not been any reported problems with rabies, travelers are advised to avoid all stray dogs.

Persons who participate in or photograph demonstrations risk arrest.

Romania is an earthquake-prone country.

Note: This information is directly quoted from the United States Department of State Consular Information Sheet.

Sources: *United States Department of State Consular Information Sheet*

Business Culture: Information for Business Travelers

Special customs do not figure significantly in business dealings in Romania; Western business standards apply.

Romanian nationals are friendly, industrious people, and foreigners are usually made very welcome. Shaking hands is the normal form of greeting, and normal courtesies are observed when visiting people's homes. It is important to take business cards to meetings and to give a card to each person present.

Flowers are very popular in Romanian culture, and are given for almost every occasion, including name day celebrations, weddings, and visits to Romanian homes. Casual wear is the most suitable form of dress for most social occasions, but attire should be more formal when specified for entertaining in the evening or in a restaurant or theater. The Romanians use the formal addresses of "Domnul" (sir) and "Doamna" (madam) when addressing one another, although first names are used among younger people and in business with English-speaking partners. When dining, it is usual to say "pofta buna" (bon appetit) before eating, and "noroc" (cheers) before drinking.

Sources: *United States Department of State Commercial Guides*

Online Resources Regarding Entry Requirements and Visas

Foreign Entry Requirements for Americans from the United States Department of State
http://travel.state.gov/travel/cis_pa_tw/cis/cis_1765.html

Visa Services for Non-Americans from the United States Department of State

http://travel.state.gov/visa/visa_1750.html

Visa Bulletins from the United States Department of State

http://travel.state.gov/visa/frvi/bulletin/bulletin_1360.html

Visa Waivers from the United States Department of State

http://travel.state.gov/visa/temp/without/without_1990.html - new

Passport and Visa Information from the Government of the United Kingdom

<http://www.bia.homeoffice.gov.uk/>

Visa Information from the Government of Australia

<http://www.dfat.gov.au/visas/index.html>

Passport Information from the Government of Australia

<https://www.passports.gov.au/Web/index.aspx>

Passport Information from the Government of Canada

http://www.voyage.gc.ca/preparation_information/passport_passeport-eng.asp

Visa Information from the Government of Canada

http://www.voyage.gc.ca/preparation_information/visas-eng.asp

Online Visa Processing by Immigration Experts by VisaPro

<http://www.visapro.com>

Sources: United States Department of State, United Kingdom Foreign and Commonwealth Office, Government of Australia: Department of Foreign Affairs and Trade, Government of Canada Department of Foreign Affairs and International Trade

Useful Online Resources for Travelers

Country-Specific Travel Information from United States

http://travel.state.gov/travel/cis_pa_tw/cis/cis_1765.html

Travel Advice by Country from Government of United Kingdom

<http://www.fco.gov.uk/en/travelling-and-living-overseas/travel-advice-by-country/>

General Travel Advice from Government of Australia

<http://www.smartraveller.gov.au/zw-cgi/view/Advice/General>

Travel Bulletins from the Government of Australia

<http://www.smartraveller.gov.au/zw-cgi/view/TravelBulletins/>

Travel Tips from Government of Australia

<http://www.smartraveller.gov.au/tips/index.html>

Travel Checklist by Government of Canada

http://www.voyage.gc.ca/preparation_information/checklist_sommaire-eng.asp

Travel Checklist from Government of United Kingdom

<http://www.fco.gov.uk/en/travelling-and-living-overseas/staying-safe/checklist>

Your trip abroad from United States Department of State

http://travel.state.gov/travel/tips/brochures/brochures_1225.html

A safe trip abroad from United States Department of State

http://travel.state.gov/travel/tips/safety/safety_1747.html

Tips for expatriates abroad from United States Department of State

http://travel.state.gov/travel/living/residing/residing_1235.html

Tips for students from United States Department of State

http://travel.state.gov/travel/living/studying/studying_1238.html <http://travel.state.gov/travel/tips/broc>

Medical information for travelers from United States Department of State

http://travel.state.gov/travel/tips/health/health_1185.html

US Customs Travel information

<http://www.customs.gov/xp/cgov/travel/>

Sources: United States Department of State; United States Customs Department, United Kingdom Foreign and Commonwealth Office, Foreign and Commonwealth Office, Government of Australia; Government of Canada: Department of Foreign Affairs and International Trade

Other Practical Online Resources for Travelers

Foreign Language Phrases for Travelers

<http://www.travlang.com/languages/>
<http://www.omniglot.com/language/phrases/index.htm>

World Weather Forecasts
<http://www.intellicast.com/>
<http://www.wunderground.com/>
<http://www.worldweather.org/>

Worldwide Time Zones, Map, World Clock
<http://www.timeanddate.com/>
<http://www.worldtimezone.com/>

International Airport Codes
<http://www.world-airport-codes.com/>

International Dialing Codes
<http://www.kropla.com/dialcode.htm>
<http://www.countrycallingcodes.com/>

International Phone Guide
<http://www.kropla.com/phones.htm>

International Mobile Phone Guide
<http://www.kropla.com/mobilephones.htm>

International Internet Café Search Engine
<http://cybercaptive.com/>

Global Internet Roaming
<http://www.kropla.com/roaming.htm>

World Electric Power Guide
<http://www.kropla.com/electric.htm>
<http://www.kropla.com/electric2.htm>

World Television Standards and Codes
<http://www.kropla.com/tv.htm>

International Currency Exchange Rates
<http://www.xe.com/ucc/>

Banking and Financial Institutions Across the World

<http://www.123world.com/banks/index.html>

International Credit Card or Automated Teller Machine (ATM) Locator

<http://visa.via.infonow.net/locator/global/>

<http://www.mastercard.com/us/personal/en/cardholderservices/atmlocations/index.html>

International Chambers of Commerce

<http://www.123world.com/chambers/index.html>

World Tourism Websites

<http://123world.com/tourism/>

Diplomatic and Consular Information

United States Diplomatic Posts Around the World

<http://www.usembassy.gov/>

United Kingdom Diplomatic Posts Around the World

<http://www.fco.gov.uk/en/about-the-fco/embassies-and-posts/find-an-embassy-overseas/>

Australia's Diplomatic Posts Around the World

<http://www.dfat.gov.au/missions/>

<http://www.dfat.gov.au/embassies.html>

Canada's Embassies and High Commissions

<http://www.international.gc.ca/ciw-cdm/embassies-ambassades.aspx>

Resources for Finding Embassies and other Diplomatic Posts Across the World

<http://www.escapeartist.com/embassy1/embassy1.htm>

Safety and Security

Travel Warnings by Country from Government of Australia

<http://www.smarttraveller.gov.au/zw-cgi/view/Advice/>

Travel Warnings and Alerts from United States Department of State

http://travel.state.gov/travel/cis_pa_tw/tw/tw_1764.html

http://travel.state.gov/travel/cis_pa_tw/pa/pa_1766.html

Travel Reports and Warnings by Government of Canada

http://www.voyage.gc.ca/countries_pays/menu-eng.asp

http://www.voyage.gc.ca/countries_pays/updates_mise-a-jour-eng.asp

Travel Warnings from Government of United Kingdom

<http://www.fco.gov.uk/en/travelling-and-living-overseas/travel-advice-by-country/>

<http://www.fco.gov.uk/en/travelling-and-living-overseas/travel-advice-by-country/?action=noTravelAll#noTravelAll>

Sources: United Kingdom Foreign and Commonwealth Office, the United States Department of State, the Government of Canada: Department of Foreign Affairs and International Trade, Government of Australia: Department of Foreign Affairs and Trade

Other Safety and Security Online Resources for Travelers

United States Department of State Information on Terrorism

<http://www.state.gov/s/ct/>

Government of the United Kingdom Resource on the Risk of Terrorism

<http://www.fco.gov.uk/servlet/Front?>

[pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1044011304926](http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1044011304926)

Government of Canada Terrorism Guide

<http://www.international.gc.ca/crime/terrorism-terrorisme.aspx?lang=eng>

Information on Terrorism by Government of Australia

<http://www.dfat.gov.au/icat/index.html>

FAA Resource on Aviation Safety

<http://www.faasafety.gov/>

In-Flight Safety Information for Air Travel (by British Airways crew trainer, Anna Warman)

<http://www.warman.demon.co.uk/anna/inflight.html>

Hot Spots: Travel Safety and Risk Information

<http://www.airsecurity.com/hotspots/HotSpots.asp>

Information on Human Rights

<http://www.state.gov/g/drl/hr/>

Sources: The United States Department of State, the United States Customs Department, the

Government of Canada, the Government of United Kingdom, the Government of Australia, the Federal Aviation Authority, Anna Warman's In-flight Website, Hot Spots Travel and Risk Information

Diseases/Health Data

Please Note: Most of the entry below constitutes a generalized health advisory, which a traveler might find useful, regardless of a particular destination.

As a supplement, however, the reader will also find below a list of countries flagged with current health notices and alerts issued by the Centers for Disease Control and Prevention (CDC). Please note that travel to the following countries, based on these 3 levels of warnings, is ill-advised, or should be undertaken with the utmost precaution:

Level 3 (highest level of concern; avoid non-essential travel) --

Guinea - Ebola

Liberia - Ebola

Nepal - Earthquake zone

Sierra Leone - Ebola

Level 2 (intermediate level of concern; use utmost caution during travel) --

Cameroon - Polio

Somalia - Polio

Vanuatu - Tropical Cyclone zone

Throughout Middle East and Arabia Peninsula - MERS ((Middle East Respiratory Syndrome)

Level 1 (standard level of concern; use practical caution during travel) -

Australia - Ross River disease
Bosnia-Herzegovina - Measles
Brazil - Dengue Fever
Brazil - Malaria
Brazil - Zika
China - H7N9 Avian flu
Cuba - Cholera
Egypt - H5N1 Bird flu
Ethiopia - Measles
Germany - Measles
Japan - Hand, foot, and mouth disease (HFMD)
Kyrgyzstan - Measles
Malaysia -Dengue Fever
Mexico - Chikungunya
Mexico - Hepatitis A
Nigeria - Meningitis
Philippines - Measles
Scotland - Mumps
Singapore - Hand, foot, and mouth disease (HFMD)
South Korea - MERS ((Middle East Respiratory Syndrome)
Throughout Caribbean - Chikungunya
Throughout Central America - Chikungunya
Throughout South America - Chikungunya
Throughout Pacific Islands - Chikungunya

For specific information related to these health notices and alerts please see the CDC's listing available at URL:

<http://wwwnc.cdc.gov/travel/notices>

Health Information for Travelers to Romania

Food and waterborne diseases are the number one cause of illness in travelers. Travelers' diarrhea can be caused by viruses, bacteria, or parasites, which are found throughout Eastern Europe and can contaminate food or water. Infections may cause diarrhea and vomiting (*E. coli*, *Salmonella*, cholera, and parasites), fever (typhoid fever and toxoplasmosis), or liver damage (hepatitis). Make sure your food and drinking water are safe. (See below.)

Malaria is a preventable infection that can be fatal if left untreated. Prevent infection by taking prescription antimalarial drugs and protecting yourself against mosquito bites (see below). Risk for malaria exists only in small southern border areas of Azerbaijan and Tajikistan. Travelers to these areas should take chloroquine to prevent malaria. For more detailed information about malaria in this region, see Malaria Risk and Prevention in Eastern Europe and the Newly Independent States (<http://www.cdc.gov/travel/regionalmalaria/easteurp.htm>).

A certificate of yellow fever vaccination may be required for entry into certain of these countries if you are coming from a tropical South American or sub-Saharan African country. (There is no risk for yellow fever in Eastern European and NIS countries.) For detailed information, see Comprehensive Yellow Fever Vaccination Requirements (<http://www.cdc.gov/travel/yelfever.htm>).

An outbreak of diphtheria is occurring in all the states of the former Soviet Union. Travelers to these areas should be sure that their diphtheria immunization is up to date.

Tickborne encephalitis, a viral infection of the central nervous system occurs chiefly in Central and Western Europe. Travelers are at risk who visit or work in forested areas during the summer months and who consume unpasteurized dairy products. Vaccine for this disease is not available in the United States at this time. To prevent tickborne encephalitis, as well as Lyme disease, travelers should take precautions to prevent tick bites (see below).

Because motor vehicle crashes are a leading cause of injury among travelers, walk and drive defensively. Avoid nighttime travel if possible and always use seat belts.

CDC Recommends the Following Vaccines (as Appropriate for Age):

See your doctor at least 4-6 weeks before your trip to allow time for shots to take effect.

- Hepatitis A or immune globulin (IG).
- Hepatitis B, if you might be exposed to blood (for example, health-care workers), have sexual contact with the local population, stay longer than 6 months, or be exposed through medical treatment.
- Rabies, if you might be exposed to wild or domestic animals through your work or recreation.
- Typhoid, particularly if you are visiting developing countries in this region.
- As needed, booster doses for tetanus-diphtheria, measles, and a one-time dose of polio vaccine for adults. Hepatitis B vaccine is now recommended for all infants and for 11- to 12-year-olds who did not receive the series as infants.

To Stay Healthy, Do:

- Wash hands often with soap and water.
- Drink only bottled or boiled water, or carbonated (bubbly) drinks in cans or bottles. Avoid tap water, fountain drinks, and ice cubes. If this is not possible, make water safer by BOTH filtering through an "absolute 1-micron or less" filter AND adding iodine tablets to the filtered water.

"Absolute 1-micron filters" are found in camping/outdoor supply stores.

- Eat only thoroughly cooked food or fruits and vegetables you have peeled yourself. Remember: boil it, cook it, peel it, or forget it.
- If you are going to visit risk areas for malaria, take your malaria prevention medication before, during, and after travel, as directed. (See your doctor for a prescription.)
- Protect yourself from insects by remaining in well-screened areas, using repellents (applied sparingly at 4-hour intervals), and wearing long-sleeved shirts and long pants tucked into boots or socks as a deterrent to ticks.
- To prevent fungal and parasitic infections, keep feet clean and dry, and do not go barefoot.
- Always use latex condoms to reduce the risk of HIV and other sexually transmitted diseases.

To Avoid Getting Sick:

- Don't eat food purchased from street vendors.
- Don't drink beverages with ice.
- Don't eat dairy products unless you know they have been pasteurized.
- Don't share needles with anyone.
- Don't handle animals (especially monkeys, dogs, and cats), to avoid bites and serious diseases (including rabies and plague).

What You Need To Bring with You:

- Long-sleeved shirt and long pants to wear while outside whenever possible, to prevent illnesses carried by insects.
- Insect repellent containing DEET (diethylmethyltoluamide), in 30%-35% strength for adults and 6%-10% for children. The insecticide permethrin applied to clothing is an effective deterrent to ticks.
- Over-the-counter antidiarrheal medicine to take if you have diarrhea.
- Iodine tablets and water filters to purify water if bottled water is not available. See above for more information about water filters.
- Sunblock, sunglasses, hat.
- Prescription medications: make sure you have enough to last during your trip, as well as a copy of the prescription(s).

After You Return Home:

If you have visited an area where there is risk for malaria, continue taking your malaria medication weekly for 4 weeks after you leave the area.

If you become ill after your trip-even as long as a year after you return-tell your doctor where you have traveled.

For More Information:

Ask your doctor or check the CDC web sites for more information about how to protect yourself against diseases that occur in Eastern Europe and the Newly Independent States (NIS).

For information about diseases-

Carried by Insects

Lyme disease, Malaria

Carried in Food or Water

Bovine spongiform encephalopathy ("mad cow disease"), Cholera, *Escherichia coli*, diarrhea, Hepatitis A, Typhoid Fever

Person-to-Person Contact

Hepatitis B, HIV/AIDS

For more information about these and other diseases, also check the Diseases (<http://www.cdc.gov/travel/diseases.htm>) section and the Health Topics A-Z (<http://www.cdc.gov/health/diseases.htm>).

Note:

Romania is located in the Eastern Europe and Newly Independent States (NIS) health region.

Sources:

The Center for Disease Control Destinations Website:

<http://www.cdc.gov/travel/destinat.htm>

Chapter 6

Environmental Overview

Environmental Issues

General Overview:

As is the case for most East European countries, Romania has a history of heavy industry. Its environmental challenges are directly related to the ecologically unsound practices of its metallurgical, oil refining and petrochemical sectors.

Current Issues:

- soil erosion and degradation
- water pollution
- air pollution in the south from industrial effluents
- contamination of Danube delta wetlands

Total Greenhouse Gas Emissions (Mtc):

34.0

Country Rank (GHG output):

41st

Natural Hazards:

- landslides
- earthquakes

Environmental Policy

Regulation and Jurisdiction:

The regulation and protection of the environment in Romania is under the jurisdiction of the following:

- Ministry of Waters, Forests, and Environmental Protection
- Ministry of Agriculture and Food
- Administration of Biosphere Preservation of the Danube Delta
- Agency of Environmental Protection and Surveillance

Major Non-Governmental Organizations:

- There are no major non-governmental environmental organizations in Romania

International Environmental Accords:

Party to:

- Air Pollution
- Air Pollution-Persistent Organic Pollutants
- Antarctic Treaty
- Biodiversity
- Climate Change
- Climate Change-Kyoto Protocol
- Desertification
- Endangered Species
- Environmental Modification
- Hazardous Wastes
- Law of the Sea
- Nuclear Test Ban
- Ozone Layer Protection
- Ship Pollution
- Wetlands

Signed but not ratified:

- None

Kyoto Protocol Status (year ratified):

2001

Greenhouse Gas Ranking

Greenhouse Gas Ranking

GHG Emissions Rankings

Country Rank	Country
1	United States
2	China
4	Russia
5	Japan
6	India
7	Germany
8	United Kingdom

9	Canada
10	Korea, South
11	Italy
12	Mexico
13	France
14	South Africa
15	Iran
16	Indonesia
17	Australia
18	Spain
19	Brazil
20	Saudi Arabia
21	Ukraine
22	Poland
23	Taiwan
24	Turkey
25	Thailand
26	Netherlands

27	Kazakhstan
28	Malaysia
29	Egypt
30	Venezuela
31	Argentina
32	Uzbekistan
33	Czech Republic
34	Belgium
35	Pakistan
36	Romania
37	Greece
38	United Arab Emirates
39	Algeria
40	Nigeria
41	Austria
42	Iraq
43	Finland
44	Philippines

45	Vietnam
46	Korea, North
47	Israel
48	Portugal
49	Colombia
50	Belarus
51	Kuwait
52	Hungary
53	Chile
54	Denmark
55	Serbia & Montenegro
56	Sweden
57	Syria
58	Libya
59	Bulgaria
60	Singapore
61	Switzerland
62	Ireland

63	Turkmenistan
64	Slovakia
65	Bangladesh
66	Morocco
67	New Zealand
68	Oman
69	Qatar
70	Azerbaijan
71	Norway
72	Peru
73	Cuba
74	Ecuador
75	Trinidad & Tobago
76	Croatia
77	Tunisia
78	Dominican Republic
79	Lebanon
80	Estonia

81	Yemen
82	Jordan
83	Slovenia
84	Bahrain
85	Angola
86	Bosnia & Herzegovina
87	Lithuania
88	Sri Lanka
89	Zimbabwe
90	Bolivia
91	Jamaica
92	Guatemala
93	Luxembourg
94	Myanmar
95	Sudan
96	Kenya
97	Macedonia
98	Mongolia

99	Ghana
100	Cyprus
101	Moldova
102	Latvia
103	El Salvador
104	Brunei
105	Honduras
106	Cameroon
107	Panama
108	Costa Rica
109	Cote d'Ivoire
110	Kyrgyzstan
111	Tajikistan
112	Ethiopia
113	Senegal
114	Uruguay
115	Gabon
116	Albania

117	Nicaragua
118	Botswana
119	Paraguay
120	Tanzania
121	Georgia
122	Armenia
123	Congo, RC
124	Mauritius
125	Nepal
126	Mauritius
127	Nepal
128	Mauritania
129	Malta
130	Papua New Guinea
131	Zambia
132	Suriname
133	Iceland
134	Togo

135	Benin
136	Uganda
137	Bahamas
138	Haiti
139	Congo, DRC
140	Guyana
141	Mozambique
142	Guinea
143	Equatorial Guinea
144	Laos
145	Barbados
146	Niger
147	Fiji
148	Burkina Faso
149	Malawi
150	Swaziland
151	Belize
152	Afghanistan

153	Sierra Leone
154	Eritrea
155	Rwanda
156	Mali
157	Seychelles
158	Cambodia
159	Liberia
160	Bhutan
161	Maldives
162	Antigua & Barbuda
163	Djibouti
164	Saint Lucia
165	Gambia
166	Guinea-Bissau
167	Central African Republic
168	Palau
169	Burundi
170	Grenada

171	Lesotho
172	Saint Vincent & the Grenadines
173	Solomon Islands
174	Samoa
175	Cape Verde
176	Nauru
177	Dominica
178	Saint Kitts & Nevis
179	Chad
180	Tonga
181	Sao Tome & Principe
182	Comoros
183	Vanuatu
185	Kiribati
Not Ranked	Andorra
Not Ranked	East Timor
Not Ranked	Holy See
Not Ranked	Hong Kong

Not Ranked	Liechtenstein
Not Ranked	Marshall Islands
Not Ranked	Micronesia
Not Ranked	Monaco
Not Ranked	San Marino
Not Ranked	Somalia
Not Ranked	Tuvalu

* European Union is ranked 3rd
 Cook Islands are ranked 184th
 Niue is ranked 186th

Global Environmental Snapshot

Introduction

The countries of the world face many environmental challenges in common. Nevertheless, the nature and intensity of problem vary from region to region, as do various countries' respective capacities, in terms of affluence and infrastructure, to remediate threats to environmental quality.

Consciousness of perils affecting the global environment came to the fore in the last third or so of the 20th century has continued to intensify well into the new millennium. According to the United Nations Environment Programme, considerable environmental progress has been made at the level of institutional developments, international cooperation accords, and public participation. Approximately two-dozen international environmental protection accords with global implications have been promulgated since the late 1970s under auspices of the United Nations and other international organizations, together with many additional regional agreements. Attempts to address and rectify environmental problems take the form of legal frameworks, economic instruments,

environmentally sound technologies and cleaner production processes as well as conservation efforts. Environmental impact assessments have increasingly been applied across the globe.

Environmental degradation affects the quality, or aesthetics, of human life, but it also displays potential to undermine conditions necessary for the sustainability of human life. Attitudes toward the importance of environmental protection measures reflect ambivalence derived from this bifurcation. On one hand, steps such as cleaning up pollution, dedicating parkland, and suchlike, are seen as embellishments undertaken by wealthy societies already assured they can successfully perform those functions deemed, ostensibly, more essential—for instance, public health and education, employment and economic development. On the other hand, in poorer countries, activities causing environmental damage—for instance the land degradation effects of unregulated logging, slash-and-burn agriculture, overgrazing, and mining—can seem justified insofar as such activities provide incomes and livelihoods.

Rapid rates of resource depletion are associated with poverty and high population growth, themselves correlated, whereas consumption per capita is much higher in the most developed countries, despite these nations' recent progress in energy efficiency and conservation. It is impossible to sequester the global environmental challenge from related economic, social and political challenges.

First-tier industrialized countries have recently achieved measurable decreases in environmental pollution and the rate of resource depletion, a success not matched in middle income and developing countries. It is believed that the discrepancy is due to the fact that industrialized countries have more developed infrastructures to accommodate changes in environmental policy, to apply environmental technologies, and to invest in public education. The advanced industrialized countries incur relatively lower costs in alleviating environmental problems, in comparison to developing countries, since in the former even extensive environmental programs represent a rather minuscule percentage of total expenditures. Conversely, budget constraints, lagged provision of basic services to the population, and other factors such as debt service and militarization may preclude institution of minimal environmental protection measures in the poorest countries.

A synopsis for the current situation facing each region of the world follows:

Regional Synopsis: Africa

The African continent, the world's second-largest landmass, encompasses many of the world's least developed countries. By global standards, urbanization is comparatively low but rising at a rapid rate. More heavily industrialized areas at the northern and southern ends of the continent experience the major share of industrial pollution. In other regions the most serious environmental problems typically stem from inefficient subsistence farming methods and other forms of land

degradation, which have affected an increasingly extensive area under pressure of a widely impoverished, fast-growing population. Africa's distribution of natural resources is very uneven. It is the continent at greatest risk of desertification, especially in the Sahel region at the edge of the Sahara but also in other dry-range areas. Yet at the same time, Africa also harbors some of the earth's richest and most diverse biological zones.

Key Points:

Up to half a billion hectares of African land are moderately to severely degraded, an occurrence reflecting short-fallow shifting cultivation and overgrazing as well as a climatic pattern of recurrent droughts.

Soil degradation is severe along the expanse directly south of the Sahara, from the west to the east coasts. Parts of southern Africa, central-eastern Africa, and the neighboring island of Madagascar suffer from serious soil degradation as well.

Africa contains about 17 percent of the world's forest cover, concentrated in the tropical belt of the continent. Many of the forests, however, are severely depleted, with an estimated 70 percent showing some degree of degradation.

Population growth has resulted in continuing loss of arable land, as inefficient subsistence farming techniques affect increasingly extensive areas. Efforts to implement settled, sustainable agriculture have met with some recent success, but much further progress in this direction is needed. Especially in previously uninhabited forestlands, concern over deforestation is intensifying.

By contrast, the African savanna remains the richest grassland in the world, supporting a substantial concentration of animal and plant life. Wildlife parks are sub-Saharan Africa's greatest tourist attraction, and with proper management-giving local people a stake in conservation and controlling the pace of development-could greatly enhance African economies.

Significant numbers of mammal species in parts of northern, southern and eastern Africa are currently threatened, while the biological diversity in Mauritania and Madagascar is even further compromised with over 20 percent of the mammal species in these two countries currently under threat.

With marine catch trends increasing from 500,000 metric tons in the 1950s to over 3,000,000 metric tons by 2000, there was increasing concern about the reduction in fisheries and marine life, should this trend continue unabated.

Water resource vulnerability is a major concern in northeastern Africa, and a moderate concern across the rest of the continent. An exception is central Africa, which has plentiful water supplies.

Many Africans lack adequate access to resources, not just (if at all) because the resources are unevenly distributed geographically, but also through institutional failures such as faulty land tenure systems or political upheaval. The quality of Africa's natural resources, despite their spotty distribution, is in fact extraordinarily rich. The infrastructure needed to protect and benefit from this natural legacy, however, is largely lacking.

Regional Synopsis: Asia and the Pacific

Asia-earth's largest landmass-and the many large and nearly innumerable small islands lying off its Pacific shore display extraordinarily contrasting landscapes, levels of development, and degrees of environmental stress. In the classification used here, the world's smallest continent, Australia, is also included in the Asia-Pacific region.

The Asia-Pacific region is home to 9 of the world's 14 largest urban areas, and as energy use for utilities, industry and transport increases in developing economies, urban centers are subject to worsening air quality. Intense population density in places such as Bangladesh or Hong Kong is the quintessential image many people have of Asia, yet vast desert areas such as the Gobi and the world's highest mountain range, the Himalayas, span the continent as well. Forested areas in Southeast Asia and the islands of Indonesia and the Philippines were historically prized for their tropical hardwood, but in many places this resource is now severely depleted. Low-lying small island states are extremely vulnerable to the effects of global warming, both rising sea levels and an anticipated increase in cyclones.

Key Points:

Asian timber reserves are forecast to be depleted in the next 40 years. Loss of natural forest is irreversible in some areas, but plantation programs to restore tree cover may ameliorate a portion of the resulting land degradation.

Increased usage of fossil fuels in China and other parts of southern Asia is projected to result in a marked increase in emissions, especially in regard to carbon dioxide. The increased usage of energy has led to a marked upsurge in air pollution across the region.

Acidification is an emerging problem regionally, with sulfur dioxide emissions expected to triple by 2010 if the current growth rate is sustained. China, Thailand, India, and Korea seem to be suffering from particularly high rates of acid deposition. By contrast, Asia's most highly developed economy, Japan, has effected substantial improvements in its environmental indicators.

Water pollution in the Pacific is an urgent concern since up to 70 percent of the water discharged

into the region's waters receives no treatment. Additionally, the disposal of solid wastes, in like manner, poses a major threat in a region with many areas of high population density.

The Asia-Pacific region is the largest expanse of the world's land that is adversely affected by soil degradation.

The region around Australia reportedly suffers the largest degree of ozone depletion.

The microstates of the Pacific suffer land loss due to global warming, and the consequent rise in the levels of ocean waters. A high-emissions scenario and anthropogenic climate impact at the upper end of the currently predicted range would probably force complete evacuation of the lowest-elevation islands sometime in this century.

The species-rich reefs surrounding Southeast Asia are highly vulnerable to the deleterious effects of coastal development, land-based pollution, over-fishing and exploitative fishing methods, as well as marine pollution from oil spills and other activities.

With marine catch trends increasing from 5,000,000 metric tons in the 1950s to over 20,000,000 metric tons by 2000, there was increasing concern about the reduction in fisheries and marine life, should this trend continue unabated.

Significant numbers of mammal species in parts of China and south-east Asia are currently threatened, while the biological diversity in India, Japan, Australia, the Philippines, Indonesia and parts of Malaysia is even further compromised with over 20 percent of the mammal species in these countries currently under threat.

Water resource vulnerability is a serious concern in areas surrounding the Indian subcontinent.

Regional Synopsis: Central Asia

The Central Asian republics, formerly in the Soviet Union, experience a range of environmental problems as the result of poorly executed agricultural, industrial, and nuclear programs during the Soviet era. Relatively low population densities are the norm, especially since upon the breakup of the U.S.S.R. many ethnic Russians migrated back to European Russia. In this largely semi-arid region, drought, water shortages, and soil salinization pose major challenges.

Key Points:

The use of agricultural pesticides, such as DDT and other chemicals, has contributed to the contamination of soil and groundwater throughout the region.

Land and soil degradation, and in particular, increased salinization, is mostly attributable to faulty irrigation practices.

Significant desertification is also a problem in the region.

Air pollution is prevalent, mostly due to use of low octane automobile fuel.

Industrial pollution of the Caspian Sea and the Aral Sea, as a result of industrial effluents as well as mining and metal production, presents a challenge to the countries bordering these bodies of water.

One of the most severe environmental problems in the region is attributable to the several billion tons of hazardous materials stored in landfills across Central Asia.

Uzbekistan's particular problem involves the contraction of the Aral Sea, which has decreased in size by a third, as a consequence of river diversions and poor irrigation practices. The effect has been the near-total biological destruction of that body of water.

Kazakhstan, as a consequence of being the heartland of the former Soviet Union's nuclear program, has incurred a high of cancerous malignancies, biogenetic abnormalities and radioactive contamination.

While part of the Soviet Union, the republics in the region experienced very high levels of greenhouse gas emissions, as a consequence of rapid industrialization using cheap but dirty energy sources, especially coal.

By contrast, however, there have recently been substantial reductions in the level of greenhouse gas emissions, especially those attributable to coal burning, with further decreases anticipated over the next decade. These changes are partially due to the use of cleaner energy technologies, such as natural gas, augmented by governmental commitment to improving environmental standards.

Regional Synopsis: Europe

Western Europe underwent dramatic transformation of its landscape, virtually eliminating large-scale natural areas, during an era of rapid industrialization, which intensified upon its recovery from World War II. In Eastern Europe and European Russia, intensive land development has been less prevalent, so that some native forests and other natural areas remain. Air and water pollution from use of dirty fuels and industrial effluents, however, are more serious environmental problems in Eastern than in Western Europe, though recent trends show improvement in many indicators. Acid rain has inflicted heavy environmental damage across much of Europe, particularly on forests.

Europe and North America are the only regions in which water usage for industry exceeds that for agriculture, although in Mediterranean nations agriculture is the largest water consumer.

Key Points:

Europe contributes 36 percent of the world's chlorofluorocarbon emissions, 30 percent of carbon dioxide emissions, and 25 percent of sulfur dioxide emissions.

Sulfur and nitrogen oxide emissions are the cause of 30 to 50 percent of Central and Eastern Europe's deforestation.

Acid rain has been an environmental concern for decades and continues to be a challenge in parts of Western Europe.

Overexploitation of up to 60 percent of Europe's groundwater presents a problem in industrial and urban areas.

With marine catch trends increasing from 5,000,000 metric tons in the 1950s to over 20,000,000 metric tons by 2000, there was increasing concern about the reduction in fisheries and marine life, should this trend continue unabated.

Significant numbers of mammal species in parts of western Europe, Eastern Europe and Russia are currently threatened, while the biological diversity on the Iberian Peninsula is even further compromised with over 40 percent of the mammal species in this region currently under threat. As a result, there has been a 10 percent increase in protected areas of Europe.

A major environmental issue for Europe involves the depletion of various already endangered or threatened species, and most significantly, the decline of fish stocks. Some estimates suggest that up to 50 percent of the continent's fish species may be considered endangered species. Coastal fisheries have been over-harvested, resulting in catch limits or moratoriums on many commercially important fish species.

Fortunately, in the last few years, these policies have started to yield measurable results with decreasing trends in marine fish catch.

Recently, most European countries have adopted cleaner production technologies, and alternative methods of waste disposal, including recycling.

The countries of Eastern Europe have made air quality a major environmental priority. This is exemplified by the Russian Federation's addition to the 1995 "Berlin Mandate" (transnational legislation based on resolutions of the Rio Earth Summit) compelling nations to promote "carbon

sinks" to absorb greenhouse gases.

On a relative basis, when compared with the degree of industrial emissions emitted by many Eastern European countries until the late 1980s, there has been some marked increase in air quality in the region, as obsolete plants are closed and a transition to cleaner fuels and more efficient energy use takes place.

Regional Synopsis: The Middle and Near East

Quite possibly, the Middle East will exemplify the adage that, as the 20th century was a century fixated on oil, the 21st century will be devoted to critical decisions about water. Many (though far from all) nations in the Middle East rank among those countries with the largest oil and gas reserves, but water resources are relatively scarce throughout this predominantly dry region. Effects of global warming may cause moderately high elevation areas that now typically receive winter "snowpack" to experience mainly rain instead, which would further constrain dry-season water availability. The antiquities and religious shrines of the region render it a great magnet for tourism, which entails considerable economic growth potential but also intensifies stresses on the environment.

Key Points:

Water resource vulnerability is a serious concern across the entire region. The increased usage of, and further demand for water, has exacerbated long-standing water scarcity in the region. For instance, river diversions and industrial salt works have caused the Dead Sea to shrink by one-third from its original surface area, with further declines expected.

The oil industry in the region contributes to water pollution in the Persian Gulf, as a result of oil spills, which have averaged 1.2 million barrels of oil spilt per year (some sources suggest that this figure is understated). The consequences are severe because even after oil spills have been cleaned up, environmental damage to the food webs and ecosystems of marine life will persist for a prolonged period.

The region's coastal zone is considered one of the most fragile and endangered ecosystems of the world. Land reclamation, shoreline construction, discharge of industrial effluents, and tourism (such as diving in the Red Sea) contribute to widespread coastal damage.

Significant numbers of mammal species in parts of the Middle East are currently threatened.

Since the 1980s, 11 percent of the region's natural forest has been depleted.

Regional Synopsis: Latin America and the Caribbean

The Latin American and Caribbean region is characterized by exceedingly diverse landforms that have generally seen high rates of population growth and economic development in recent decades. The percentage of inhabitants residing in urban areas is quite high at 73.4 percent; the region includes the megacities of Mexico City, Sao Paulo, and Rio de Janeiro. The region also includes the world's second-highest mountain range, the Andes; significant expanses of desert and grassland; the coral reefs of the Caribbean Sea; and the world's largest contiguous tropical forest in the Amazon basin. Threats to the latter from subsistence and commercial farming, mineral exploitation and timbering are well publicized. Nevertheless, of eight countries worldwide that still retain at least 70 percent of their original forest cover, six are in Latin America. The region accounts for nearly half (48.3 percent) of the world's greenhouse gas emissions derived from land clearing, but as yet a comparatively minuscule share (4.3 percent) of such gases from industrial sources.

Key Points:

Although Latin America is one of the most biologically diverse regions of the world, this biodiversity is highly threatened, as exemplified by the projected extinction of up to 100,000 species in the next few decades. Much of this loss will be concentrated in the Amazon area, although the western coastline of South America will also suffer significant depletion of biological diversity. The inventory of rainforest species with potentially useful commercial or medical applications is incomplete, but presumed to include significant numbers of such species that may become extinct before they are discovered and identified.

Up to 50 percent of the region's grazing land has lost its soil fertility as a result of soil erosion, salinization, alkalinization and overgrazing.

The Caribbean Sea, the Atlantic Ocean, and the Pacific Ocean have all been contaminated by agricultural wastes, which are discharged into streams that flow into these major waters. Water pollution derived from phosphorous, nitrates and pesticides adversely affects fish stocks, contributes to oxygen depletion and fosters overgrowth of aquatic vegetation. Marine life will continue to be severely compromised as a result of these conditions.

Due to industrial development in the region, many beaches of eastern Latin America and the Caribbean suffer from tar deposits.

Most cities in the region lack adequate sewage treatment facilities, and rapid migration of the rural poor into the cities is widening the gap between current infrastructure capacity and the much greater level needed to provide satisfactory basic services.

The rainforest region of the Amazon Basin suffers from dangerously high levels of deforestation, which may be a significant contributory factor to global warming or "the greenhouse effect." In the late 1990s and into the new millennium, the rate of deforestation was around 20 million acres of rainforest being destroyed annually.

Deforestation on the steep rainforest slopes of Caribbean islands contributes to soil erosion and landslides, both of which then result in heavy sedimentation of nearby river systems. When these sedimented rivers drain into the sea and coral reefs, they poison the coral tissues, which are vital to the maintenance of the reef ecosystem. The result is marine degradation and nutrient depletion. Jamaica's coral reefs have never quite recovered from the effects of marine degradation.

The Southern Cone of Latin America (Argentina, Brazil, Chile, Paraguay, and Uruguay) suffers the effects of greatly increased ultraviolet-B radiation, as a consequence of more intense ozone depletion in the southern hemisphere.

Water resource vulnerability is an increasingly major concern in the northwestern portion of South America.

Regional Synopsis: North America

North American nations, in particular the United States and Canada, rank among the world's most highly developed industrial economies—a fact which has generated significant pollution problems, but also financial resources and skills that have enabled many problems to be corrected. Although efforts to promote energy efficiency, recycling, and suchlike have helped ease strains on the environment in a part of the world where per capita consumption levels are high, sprawling land development patterns and recent preferences many households have demonstrated for larger vehicles have offset these advances.

Meanwhile, a large portion of North America's original forest cover has been lost, though in many cases replaced by productive second-growth woodland. In recent years, attitudes toward best use of the region's remaining natural or scenic areas seem to be shifting toward recreation and preservation and away from resource extraction. With increasing attention on the energy scarcity in the United States, however, there is speculation that this shift may be short-lived. Indeed, the energy shortage on the west coast of the United States and associated calls for energy exploration, indicate a possible retrenchment toward resource extraction. At the same time, however, it has also served to highlight the need for energy conservation as well as alternative energy sources.

Despite generally successful anti-pollution efforts, various parts of the region continue to suffer significant air, water and land degradation from industrial, vehicular, and agricultural emissions and

runoff. Mexico, as a middle-income country, displays environmental problems characteristic of a developing economy, including forest depletion, pollution from inefficient industrial processes and dirty fuels, and lack of sufficient waste-treatment infrastructure.

Key Points:

Because of significantly greater motor vehicle usage in the United States (U.S.) than in the rest of the world, the U.S. contribution of urban air pollution and greenhouse gas emissions, especially carbon dioxide, is disproportionately high in relation to its population.

Acid rain is an enduring issue of contention in the northeastern part of the United States, on the border with Canada.

Mexico's urban areas suffer extreme air pollution from carbon monoxide, nitrogen oxides, sulfur dioxide, and other toxic air pollutants. Emissions controls on vehicles are in their infancy, compared to analogous regulations in the U.S.

The cities of Mexico, including those on the U.S. border, also discharge large quantities of untreated or poorly treated sewage, though officials are currently planning infrastructure upgrades.

Deforestation is noteworthy in various regions of the U.S., especially along the northwest coastline. Old growth forests have been largely removed, but in the northeastern and upper midwestern sections of the United States, evidence suggests that the current extent of tree cover probably surpasses the figure for the beginning of the 20th century.

Extreme weather conditions in the last few years have resulted in a high level of soil erosion along the north coast of California; in addition, the coastline itself has shifted substantially due to soil erosion and concomitant landslides.

Agricultural pollution-including nitrate contamination of well water, nutrient runoff to waterways, and pesticide exposure-is significant in various areas. Noteworthy among affected places are California's Central Valley, extensive stretches of the Midwest, and land in the Chesapeake Bay watershed.

Inland waterways, especially around the Great Lakes, have substantially improved their water quality, due to concentrated efforts at reducing water pollution by governmental, commercial and community representatives. Strict curbs on industrial effluents and near-universal implementation of sewage treatment are the chief factors responsible for this improvement.

A major environmental issue for Canada and the United States involves the depletion of various

already endangered or threatened species, and most significantly, the decline of fish stocks. Coastal fisheries have been over-harvested, resulting in catch limits or moratoriums on many commercially important fish species. In the last few years, these policies have started to yield measurable results with decreasing trends in marine fish catch.

Due to the decay of neighboring ecosystems in Central America and the Caribbean, the sea surrounding Florida has become increasingly sedimented, contributing to marine degradation, nutrient depletion of the ecosystem, depletion of fish stocks, and diseases to coral species in particular.

Polar Regions

Key Points:

The significant rise in sea level, amounting 10 to 25 centimeters in the last 100 years, is due to the melting of the Arctic ice sheets, and is attributed to global warming.

The Antarctic suffers from a significant ozone hole, first detected in 1976. By 1985, a British scientific team reported a 40 percent decrease in usual regeneration rates of the ozone. Because a sustained increase in the amount of ultraviolet-B radiation would have adverse consequences upon all planetary life, recent environmental measures have been put into effect, aimed at reversing ozone depletion. These measures are projected to garner significant results by 2050.

Due to air and ocean currents, the Arctic is a sink for toxic releases originally discharged thousands of miles away. Arctic wildlife and Canada's Inuit population have higher bodily levels of contaminants such as PCB and dioxin than those found in people and animals in much of the rest of the world.

Global Environmental Concepts

1. Global Warming and Greenhouse Gases

The Greenhouse Effect:

In the early 19th century, the French physicist, Jean Fourier, contended that the earth's atmosphere functions in much the same way as the glass of a greenhouse, thus describing what is now understood as the "greenhouse effect." Put simply, the "greenhouse effect" confines some of the sun's energy to the earth, preserving some of the planet's warmth, rather than allowing it to flow back into space. In so doing, all kinds of life forms can flourish on earth. Thus, the "greenhouse effect" is necessary to sustain and preserve life forms and ecosystems on earth.

In the late 19th century, a Swedish chemist, Svante Arrhenius, noticed that human activities, such as the burning of coal and other fossil fuels for heat, and the removal of forested lands for urban development, led to higher concentrations of greenhouse gases, like carbon dioxide and methane, in the atmosphere. This increase in the levels of greenhouse gases was believed to advance the "greenhouse effect" exponentially, and might be related to the trend in global warming.

In the wake of the Industrial Revolution, after industrial development took place on a large scale and the total human population burgeoned simultaneously with industrialization, the resulting increase in greenhouse gas emissions could, many scientists believe, be significant enough to have some bearing on climate. Indeed, many studies in recent years support the idea that there is a linkage between human activities and global warming, although there is less consensus on the extent to which this linkage may be relevant to environmental concerns.

That said, some scientists have argued that temperature fluctuations have existed throughout the evolution of the planet. Indeed, Dr. S. Fred Singer, the president of the Science and Environment Policy Project has noted that 3,000-year-old geological records of ocean sediment reveal changes in the surface temperature of the ocean. Hence, it is possible that climate variability is merely a normal fact of the planet's evolution. Yet even skeptics as to anthropogenic factors concur that any substantial changes in global temperatures would likely have an effect upon the earth's ecosystems, as well as the life forms that inhabit them.

The Relationship Between Global Warming and Greenhouse Gases:

A large number of climatologists believe that the increase in atmospheric concentrations of "greenhouse gas emissions," mostly a consequence of human activities such as the burning of fossil fuels, are contributing to global warming. The cause notwithstanding, the planet has reportedly warmed 0.3°C to 0.6°C over the last century. Indeed, each year during the 1990s was one of the very warmest in the 20th century, with the mean surface temperature for 1999 being the fifth warmest on record since 1880.

In early 2000, a panel of atmospheric scientists for the National Research Council concluded in a report that global warming was, indeed, a reality. While the panel, headed by Chairman John Wallace, a professor of atmospheric sciences at the University of Washington, stated that it

remained unclear whether human activities have contributed to the earth's increasing temperatures, it was apparent that global warming exists.

In 2001, following a request for further study by the incoming Bush administration in the [United States](#), the National Academy of Sciences again confirmed that global warming had been in existence for the last 20 years. The study also projected an increase in temperature between 2.5 degrees and 10.4 degrees Fahrenheit by the year 2100. Furthermore, the study found the leading cause of global warming to be emissions of carbon dioxide from the burning of fossil fuels, and it noted that greenhouse gas accumulations in the earth's atmosphere was a result of human activities.

Within the scientific community, the controversy regarding has centered on the difference between surface air and upper air temperatures. Information collected since 1979 suggests that while the earth's surface temperature has increased by about a degree in the past century, the atmospheric temperature five miles above the earth's surface has indicated very little increase. Nevertheless, the panel stated that this discrepancy in temperature between surface and upper air does not invalidate the conclusion that global warming is taking place. Further, the panel noted that natural events, such as volcanic eruptions, can decrease the temperature in the upper atmosphere.

The major consequences of global warming potentially include the melting of the polar ice caps, which, in turn, contribute to the rise in sea levels. Many islands across the globe have already experienced a measurable loss of land as a result. Because global warming may increase the rate of evaporation, increased precipitation, in the form of stronger and more frequent storm systems, is another potential outcome. Other consequences of global warming may include the introduction and proliferation of new infectious diseases, loss of arable land (referred to as "desertification"), destructive changes to existing ecosystems, loss of biodiversity and the isolation of species, and concomitant adverse changes in the quality of human life.

International Policy Development in Regard to Global Warming:

Regardless of what the precise nature of the relationship between greenhouse gas emissions and global warming may be, it seems that there is some degree of a connection between the phenomena. Any substantial reductions in greenhouse gas emissions and global warming trends will likely involve systematic changes in industrial operations, the use of advanced energy sources and technologies, as well as global cooperation in implementing and regulating these transformations.

In this regard, the United Nations Framework Convention on Climate Change (UNFCCC) stipulated the following objectives:

1. To stabilize "greenhouse gas" concentrations within the atmosphere, in such a manner that would preclude hazardous anthropogenic intervention into the existing biosphere and ecosystems of the world. This stabilization process would facilitate the natural adaptation of ecosystems to

changes in climate.

2. To ensure and enable sustainable development and food production on a global scale.

*** See section on "International Environmental Agreements and Associations" for information related to international policies related to limiting greenhouse gases and controlling climate change emanating from historic summits at Kyoto, Copenhagen, Doha, and Paris. ***

2. Air Pollution

Long before global warming reared its head as a significant issue, those concerned about the environment and public health noted the deleterious effects of human-initiated combustion upon the atmosphere. Killer smogs from coal burning triggered acute health emergencies in London and other places. At a lower level of intensity motor vehicle, power plant, and industrial emissions impaired long-range visibility and probably had some chronic adverse consequences on the respiratory systems of persons breathing such air.

In time, scientists began associating the sulfur dioxide and nitrogen oxides released from coal burning with significant acid deposition in the atmosphere, eventually falling as "acid rain." This phenomenon has severely degraded forestlands, especially in Europe and a few parts of the [United States](#). It has also impaired some aquatic ecosystems and eaten away the surface of some human artifacts, such as marble monuments. Scrubber technology and conversion to cleaner fuels have enabled the level of industrial production to remain at least constant while significantly reducing acid deposition. Technologies aimed at cleaning the air and curtailing acid rain, soot, and smog may, nonetheless, boomerang as the perils of global warming become increasingly serious. In brief, these particulates act as sort of a sun shade -- comparable to the effect of volcanic eruptions on the upper atmosphere whereby periods of active volcanism correlate with temporarily cooler weather conditions. Thus, while the carbon dioxide releases that are an inevitable byproduct of combustion continue, by scrubbing the atmosphere of pollutants, an industrial society opens itself to greater insolation (penetration of the sun's rays and consequent heating), and consequently, it is likely to experience a correspondingly greater rise in ambient temperatures.

The health benefits of removing the sources of acid rain and smog are indisputable, and no one would recommend a return to previous conditions. Nevertheless, the problematic climatic effects of continually increasing emissions of carbon dioxide and other greenhouse gases pose a major global environmental challenge, not as yet addressed adequately.

3. Ozone Depletion

The stratospheric ozone layer functions to prevent ultraviolet radiation from reaching the earth. Normally, stratospheric ozone is systematically disintegrated and regenerated through natural photochemical processes. The stratospheric ozone layer, however, has been depleted unnaturally as a result of anthropogenic (man-made) chemicals, most especially chlorine and bromide compounds such as chlorofluorocarbons (CFCs), halons, and various industrial chemicals in the form of solvents, refrigerants, foaming agents, aerosol propellants, fire retardants, and fumigants. Ozone depletion is of concern because it permits a greater degree of ultraviolet-B radiation to reach the earth, which then increases the incidences of cancerous malignancies, cataracts, and human immune deficiencies. In addition, even in small doses, ozone depletion affects the ecosystem by disturbing food chains, agriculture, fisheries and other forms of biological diversity.

Transnational policies enacted to respond to the dangers of ozone depletion include the 1985 Vienna Convention on the Protection of the Ozone Layer and the 1987 Montreal Protocol on Substances that Deplete the Ozone Layer. The Montreal Protocol was subsequently amended in London in 1990, Copenhagen in 1992 and Vienna in 1995. By 1996, 155 countries had ratified the Montreal Protocol, which sets out a time schedule for the reduction (and eventual elimination) of ozone depleting substances (OPS), and bans exports and imports of ODS from and to non-participant countries.

In general, the Protocol stipulates that developed countries must eliminate halon consumption by 1994 and CFC consumption by 1996, while developing countries must eliminate these substances by 2010. Consumption of methyl bromide, which is used as a fumigant, was to be frozen at the 1995 in developed countries, and fully eliminated in 2010, while developing countries are to freeze consumption by 2002, based on average 1995-1998 consumption levels. Methyl chloroform is to be phased out by 2005. Under the Montreal Protocol, most ODS will be completely eliminated from use by 2010.

4. Land Degradation

In recent decades, land degradation in more arid regions of the world has become a serious concern. The problem, manifest as both "desertification" and "devegetation," is caused primarily by climate variability and human activities, such as "deforestation," excessive cultivation, overgrazing, and other forms of land resource exploitation. It is also exacerbated by inadequate irrigation practices. Although the effects of droughts on drylands have been temporary in the past, today, the productivity and sustainability of these lands have been severely compromised for the long term. Indeed, in every region of the world, land degradation has become an acute issue.

Desertification and Devegetation:

"Desertification" is a process of land degradation causing the soil to deteriorate, thus losing its nutrients and fertility, and eventually resulting in the loss of vegetation, known as "devegetation." As aforementioned, "desertification" and "devegetation" are caused by human activities, yet human beings are also the greatest casualties. Because these forms of land degradation affect the ability of the soil to produce crops, they concomitantly contribute to poverty. As population increases and demographic concentrations shift, the extent of land subject to stresses by those seeking to wrest subsistence from it has inexorably risen.

In response, the United Nations has formed the Convention to Combat Desertification-aimed at implementing programs to address the underlying causes of desertification, as well as measures to prevent and minimize its effects. Of particular significance is the formulation of policies on transboundary resources, such as areas around lakes and rivers. At a broader level, the Convention has established a Conference of Parties (COP), which includes all ratifying governments, for directing and advancing international action.

To ensure more efficacious use of funding, the Convention intends to reconfigure international aid to utilize a consultative and coordinated approach in the disbursement and expenditure of donor funds. In this way, local communities that are affected by desertification will be active participants in the solution-generation process. In-depth community education projects are envisioned as part of this new international aid program, and private donor financing is encouraged. Meanwhile, as new technologies are developed to deal with the problem of desertification, they need to be distributed for application across the world. Hence, the Convention calls for international cooperation in scientific research in this regard.

Desertification is a problem of sustainable development. It is directly connected to human challenges such as poverty, social and economic well-being and environmental protection as well. Broader environmental issues, such as climate change, biological diversity, and freshwater supplies, are indirectly related, so any effort to resolve this environmental challenge must entail coordinated research efforts and joint action.

Deforestation:

Deforestation is not a recent phenomenon. For centuries, human beings have cut down trees to clear space for land cultivation, or in order to use the wood for fuel. Over the last 200 years, and most especially after World War II, deforestation increased because the logging industry became a globally profitable endeavor, and so the clearing of forested areas was accelerated for the purposes of industrial development. In the long term, this intensified level of deforestation is considered problematic because the forest is unable to regenerate itself quickly. The deforestation that has

occurred in tropical rainforests is seen as an especially serious concern, due to the perceived adverse effects of this process upon the entire global ecosystem.

The most immediate consequence of deforestation is soil degradation. Soil, which is necessary for the growth of vegetation, can be a fragile and vital property. Organically, an extensive evolution process must take place before soil can produce vegetation, yet at the same time, the effects of natural elements, such as wind and rain, can easily and quickly degrade this resource. This phenomenon is known as soil erosion. In addition, natural elements like wind and rain reduce the amount of fertile soil on the ground, making soil scarcity a genuine problem. When fertile topsoil that already exists is removed from the landscape in the process of deforestation, soil scarcity is further exacerbated. Equally significant is the fact that once land has been cleared so that the topsoil can be cultivated for crop production, not only are the nutrient reserves in the soil depleted, thus producing crops of inferior quality, but the soil structure itself becomes stressed and deteriorates further.

Another direct result of deforestation is flooding. When forests are cleared, removing the cover of vegetation, and rainfall occurs, the flow of water increases across the surface of land. When extensive water runoff takes place, the frequency and intensity of flooding increases. Other adverse effects of deforestation include the loss of wildlife and biodiversity within the ecosystem that supports such life forms.

At a broader level, tropical rainforests play a vital role in maintaining the global environmental system. Specifically, destruction of tropical rainforests affects the carbon dioxide cycle. When forests are destroyed by burning (or rotting), carbon dioxide is released into the air, thus contributing to an intensified "greenhouse effect." The increase in greenhouse gas emissions like carbon dioxide is a major contributor to global warming, according to many environmental scientists. Indeed, trees themselves absorb carbon dioxide in the process of photosynthesis, so their loss also reduces the absorption of greenhouse gases.

Tropical rainforest destruction also adversely affects the nitrogen cycle. Nitrogen is a key nutrient for both plants and animals. Plants derive nitrogen from soil, while animals obtain it via nitrogen-enriched vegetation. This element is essential for the formation of amino acids, and thereby for proteins and biochemicals that all living things need for metabolism and growth. In the nitrogen cycle, vegetation acquires these essential proteins and biochemicals, and then cyclically returns them to the atmosphere and global ecosystem. Accordingly, when tropical rainforest ecosystems are compromised, not only is vegetation removed; the atmosphere is also affected and climates are altered. At a more immediate level, the biodiversity within tropical rainforests, including wildlife and insect species and a wealth of plant varieties, is depleted. Loss of rare plants is of particular concern because certain species as yet unknown and unused could likely yield many practical benefits, for instance as medicines.

As a result of the many challenges associated with deforestation, many environmental groups and agencies have argued for government policies on the sustainable development of forests by governments across the globe. While many countries have instituted national policies and programs aimed at reducing deforestation, and substantial research has been advanced in regard to sustainable and regenerative forestry development, there has been very little progress on an international level. Generally speaking, most tropical rainforests are located in developing and less developed countries, where economic growth is often dependent upon the exploitation of tropical rainforests. Timber resources as well as wildlife hunting tend to be particularly lucrative arenas.

In places such as the Amazon, where deforestation takes place for the construction of energy plants aimed at industrialization and economic development, there is an exacerbated effect on the environment. After forests are cleared in order to construct such projects, massive flooding usually ensues. The remaining trees then rot and decay in the wake of the flooding. As the trees deteriorate, their biochemical makeup becomes more acidic, producing poisonous substances such as hydrogen sulphide and methane gases. Acidified water subsequently corrodes the mechanical equipment and operations of the plants, which are already clogged by rotting wood after the floodwaters rise.

Deforestation generally arises from an economically plausible short-term motivation, but nonetheless poses a serious global concern because the effects go beyond national boundaries. The United Nations has established the World Commission on Forest and Sustainable Development. This body's task is to determine the optimal means of dealing with the issue of deforestation, without unduly affecting normal economic development, while emphasizing the global significance of protecting tropical forest ecosystems.

5. Water Resources

For all terrestrial fauna, including humans, water is the most immediate necessity to sustain life. As the population has increased and altered an ever-greater portion of the landscape from its natural condition, demand on water resources has intensified, especially with the development of industrialization and large-scale irrigation. The supply of freshwater is inherently limited, and moreover distributed unevenly across the earth's landmasses. Moreover, not just demand for freshwater but activities certain to degrade it are becoming more pervasive. By contrast, the oceans form a sort of "last wilderness," still little explored and in large part not seriously affected by human activity. However, coastal environments - the biologically richest part of the marine ecosystem-are experiencing major depletion due to human encroachment and over-exploitation.

Freshwater:

In various regions, for instance the Colorado River in the western [United States](#), current withdrawals of river water for irrigation, domestic, and industrial use consume the entire streamflow so that almost no water flows into the sea at the river's mouth. Yet development is ongoing in many such places, implying continually rising demand for water. In some areas reliant on groundwater, aquifers are being depleted at a markedly faster rate than they are being replenished. An example is the San Joaquin Valley in California, where decades of high water withdrawals for agriculture have caused land subsidence of ten meters or more in some spots. Naturally, the uncertainty of future water supplies is particularly acute in arid and semi-arid regions. Speculation that the phenomenon of global warming will alter geographic and seasonal rainfall patterns adds further uncertainty.

Water conservation measures have great potential to alleviate supply shortages. Some city water systems are so old and beset with leaking pipes that they lose as much water as they meter. Broad-scale irrigation could be replaced by drip-type irrigation, actually enhancing the sustainability of agriculture. In many areas where heavy irrigation has been used for decades, the result is deposition of salts and other chemicals in the soil such that the land becomes unproductive for farming and must be abandoned.

Farming is a major source of water pollution. Whereas restrictions on industrial effluents and other "point sources" are relatively easy to implement, comparable measures to reform hydraulic practices at farms and other "nonpoint sources" pose a significantly knottier challenge. Farm-caused water pollution takes the following main forms:

- Nitrate pollution found in wells in intensive farming areas as a consequence of heavy fertilizer use is a threat to human health. The most serious danger is to infants, who by ingesting high-nitrate water can contract methemoglobinemia, sometimes called "blue baby syndrome," a potentially fatal condition.
- Fertilizer runoff into rivers and lakes imparts unwanted nutrients that cause algae growth and eventual loss of oxygen in the body of water, degrading its ability to support fish and other desirable aquatic life.
- Toxic agricultural chemicals - insecticides, herbicides, and fungicides - are detectable in some aquifers and waterways.

In general, it is much easier to get a pollutant into water than to retrieve it out. Gasoline additives, dry cleaning chemicals, other industrial toxins, and in a few areas radionuclides have all been found in water sources intended for human use. The complexity and long time scale of subterranean hydrological movements essentially assures that pollutants already deposited in aquifers will continue to turn up for decades to come. Sophisticated water treatment processes are available, albeit expensive, to reclaim degraded water and render it fit for human consumption. Yet

source protection is unquestionably a more desirable alternative.

In much of the developing world, and even some low-income rural enclaves of the developed world, the population lacks ready access to safe water. Surface water and shallow groundwater supplies are susceptible to contamination from untreated wastewater and failing septic tanks, as well as chemical hazards. The occurrence of waterborne disease is almost certainly greatly underreported.

Marine Resources:

Coastal areas have always been desirable places for human habitation, and population pressure on them continues to increase. Many types of water degradation that affect lakes and rivers also affect coastal zones: industrial effluents, untreated or partially treated sewage, nutrient load from agriculture figure prominently in both cases. Prospects for more extreme storms as a result of global warming, as well as the pervasiveness of poorly planned development in many coastal areas, forebode that catastrophic hurricanes and landslides may increase in frequency in the future. Ongoing rise in sea levels will force remedial measures and in some cases abandonment of currently valuable coastal property.

Fisheries over much of the globe have been overharvested, and immediate conservation measures are required to preserve stocks of many species. Many governments subsidized factory-scale fishing fleets in the 1970s and 1980s, and the resultant catch increase evidently surpassed a sustainable level. It is uncertain how much of the current decline in fish stocks stems from overharvesting and how much from environmental pollution. The deep ocean remains relatively unaffected by human activity, but continental shelves near coastlines are frequently seriously polluted, and these close-to-shore areas are the major biological nurseries for food fish and the smaller organisms they feed on.

6. Environmental Toxins

Toxic chemical pollution exploded on the public consciousness with disclosure of spectacularly polluted industrial areas such as Love Canal near Buffalo, New York. There is no question that pollutants such as organophosphates or radionuclides can be highly deleterious to health, but evidence to date suggests that seriously affected areas are a localized rather than universal problem.

While some explore the possibilities for a lifestyle that fully eschews use of modern industrial chemicals, the most prevalent remediative approach is to focus on more judicious use. The most efficient chemical plants are now able to contain nearly all toxic byproducts of their production processes within the premises, minimizing the release of such substances into the environment.

Techniques such as Integrated Pest Management (IPM) dictate limited rather than broadcast use of pesticides: application only when needed using the safest available chemical, supplemented as much as possible with nontoxic controls.

While heightened public awareness and growing technical sophistication suggest a hopeful outlook on limiting the damage from manmade environmental toxins, one must grant that previous incidents of their misuse and mishandling have already caused environmental damage that will have to be dealt with for many years to come. In the case of the most hazardous radioactive substances, the time scale for successful remediation actually extends beyond that of the recorded history of civilization. Moreover, in this era of high population density and rapid economic growth, quotidian activities such as the transport of chemicals will occasionally, seemingly inevitably result in accidents with adverse environmental consequences.

7. "Islandization" and Biodiversity

With increased awareness regarding the adverse effects of unregulated hunting and habitat depletion upon wildlife species and other aspects of biodiversity, large-scale efforts across the globe have been initiated to reduce and even reverse this trend.

In every region of the world, many species of wildlife and areas of biodiversity have been saved from extinction. Nationally, many countries have adopted policies aimed at preservation and conservation of species, and one of the most tangible measures has been the proliferation of protected habitats. Such habitats exist in the form of wildlife reserves, marine life reserves, and other such areas where biodiversity can be protected from external encroachment and exploitation.

Despite these advances in wildlife and biodiversity protection, further and perhaps more intractable challenges linger. Designated reserves, while intended to prevent further species decline, exist as closed territories, fragmented from other such enclaves and disconnected from the larger ecosystem. This environmental scenario is referred to as "islandization." Habitat reserves often serve as oversized zoos or game farms, with landscapes and wildlife that have effectively been "tamed" to suit. Meanwhile, the larger surrounding ecosystem continues to be seriously degraded and transformed, while within the islandized habitat, species that are the focus of conservation efforts may not have sufficient range and may not be able to maintain healthy genetic variability.

As a consequence, many conservationists and preservationists have demanded that substantially larger portions of land be withheld as habitat reserves, and a network of biological corridors to connect continental reserves be established. While such efforts to combat islandization have considerable support in the [United States](#), how precisely such a program would be instituted, especially across national boundaries, remains a matter of debate. International conservationists and preservationists say without a network of reserves a massive loss of biodiversity will result.

The concept of islandization illustrates why conservation and preservation of wildlife and biodiversity must consider and adopt new, broader strategies. In the past, conservation and preservation efforts have been aimed at specific species, such as the spotted owl and grizzly bear in North America, the Bengal tiger in Southeast Asia, the panda in [China](#), elephants in Africa. Instead, the new approach is to simultaneously protect many and varied species that inhabit the same ecosystem. This method, referred to as "bio-regional conservation," may more efficaciously generate longer-term and more far-reaching results precisely because it is aimed at preserving entire ecosystems, and all the living things within.

More About Biodiversity Issues:

This section is directly taken from the United Nations Environmental Program: "[Biodiversity Assessment](#)"

The Global Biodiversity Assessment, completed by 1500 scientists under the auspices of United Nations Environmental Program in 1995, updated what is known (or unknown) about global biological diversity at the ecosystem, species and genetic levels. The assessment was uncertain of the total number of species on Earth within an order of magnitude. Of its working figure of 13 million species, only 13 percent are scientifically described. Ecological community diversity is also poorly known, as is its relationship to biological diversity, and genetic diversity has been studied for only a small number of species. The effects of human activities on biodiversity have increased so greatly that the rate of species extinctions is rising to hundreds or thousands of times the background level. These losses are driven by increasing demands on species and their habitats, and by the failure of current market systems to value biodiversity adequately. The Assessment calls for urgent action to reverse these trends.

There has been a new recognition of the importance of protecting marine and aquatic biodiversity. The first quantitative estimates of species losses due to growing coral reef destruction predict that almost 200,000 species, or one in five presently contributing to coral reef biodiversity, could die out in the next 40 years if human pressures on reefs continue to increase.

Since Rio, many countries have improved their understanding of the status and importance of their biodiversity, particularly through biodiversity country studies such as those prepared under the auspices of UNEP/GEF. The [United Kingdom](#) identified 1250 species needing monitoring, of which 400 require action plans to ensure their survival. Protective measures for biodiversity, such as legislation to protect species, can prove effective. In the USA, almost 40 percent of the plants and animals protected under the Endangered Species Act are now stable or improving as a direct result of recovery efforts. Some African countries have joined efforts to protect threatened species through the 1994 Lusaka Agreement, and more highly migratory species are being protected by

specialized cooperative agreements among range states under the Bonn Agreement.

There is an emerging realization that a major part of conservation of biological diversity must take place outside of protected areas and involve local communities. The extensive agricultural areas occupied by small farmers contain much biodiversity that is important for sustainable food production. Indigenous agricultural practices have been and continue to be important elements in the maintenance of biodiversity, but these are being displaced and lost. There is a new focus on the interrelationship between agrobiodiversity conservation and sustainable use and development practices in smallholder agriculture, with emphasis on use of farmers' knowledge and skills as a source of information for sustainable farming.

Perhaps even more important than the loss of biodiversity is the transformation of global biogeochemical cycles, the reduction in the total world biomass, and the decrease in the biological productivity of the planet. While quantitative measurements are not available, the eventual economic and social consequences may be so significant that the issue requires further attention.

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Online resources used generally in the Environmental Overview:

Environmental Protection Agency Global Warming Site. URL: <http://www.epa.gov/globalwarming>

Food and Agriculture Organization of United Nations: Forestry. URL: <http://www.fao.org/forestry/site/sofo/en/>

Global Warming Information Page. URL: <http://globalwarming.org>

U n i t e d N a t i o n s E n v i r o n m e n t a l P r o g r a m . U R L : http://www.unep.org/GEO/GEO_Products/Assessment_Reports/

United Nations Global Environmental Outlook. URL: <http://www.unep.org/geo/geo4/media/>

Note on Edition Dates:

The edition dates for textual resources are noted above because they were used to formulate the original content. We also have used online resources (cited above) to update coverage as needed.

Information Resources

For more information about environmental concepts, CountryWatch recommends the following resources:

The United Nations Environmental Program Network (with country profiles)

[<http://www.unep.net/>](http://www.unep.net/)

The United Nations Environment Program on Climate Change

[<http://climatechange.unep.net/>](http://climatechange.unep.net/)

The United Nations Environmental Program on Waters and Oceans

[<http://www.unep.ch/earthw/Pdepwat.htm>](http://www.unep.ch/earthw/Pdepwat.htm)

The United Nations Environmental Program on Forestry: "Forests in Flux"

[<http://www.unep-wcmc.org/forest/flux/homepage.htm>](http://www.unep-wcmc.org/forest/flux/homepage.htm)

FAO "State of the World's Forests"

[<http://www.fao.org/forestry/FO/SOFO/SOFO99/sofo99-e.stm>](http://www.fao.org/forestry/FO/SOFO/SOFO99/sofo99-e.stm)

World Resources Institute.

[<http://www.wri.org/>](http://www.wri.org/)

Harvard University Center for Health and the Global Environment

[<http://www.med.harvard.edu/chge/the-review.html>](http://www.med.harvard.edu/chge/the-review.html)

The University of Wisconsin Center for Sustainability and the Global Environment

<http://sage.aos.wisc.edu/>

International Environmental Agreements and Associations

International Policy Development in Regard to Global Warming:

Introduction

Regardless of what the precise nature of the relationship between greenhouse gas emissions and global warming may be, it seems that there is some degree of a connection between the phenomena. Any substantial reductions in greenhouse gas emissions and global warming trends will likely involve systematic changes in industrial operations, the use of advanced energy sources and technologies, as well as global cooperation in implementing and regulating these transformations.

In this regard, the United Nations Framework Convention on Climate Change (UNFCCC) stipulated the following objectives:

1. To stabilize "greenhouse gas" concentrations within the atmosphere, in such a manner that would preclude hazardous anthropogenic intervention into the existing biosphere and ecosystems of the world. This stabilization process would facilitate the natural adaptation of ecosystems to changes in climate.
2. To ensure and enable sustainable development and food production on a global scale.

Following are two discussions regarding international policies on the environment, followed by listings of international accords.

Special Entry: The Kyoto Protocol

The UNFCCC was adopted at the Rio Earth Summit in 1992, and entered into force in 1994. Over 175 parties were official participants.

Meanwhile, however, many of the larger, more industrialized nations failed to reach the emissions' reduction targets, and many UNFCCC members agreed that the voluntary approach to reducing emissions had not been successful. As such, UNFCCC members reached a consensus that legally binding limits were necessitated, and agreed to discuss such a legal paradigm at a meeting in Kyoto, [Japan](#) in 1997. At that meeting, the UNFCCC forged the Kyoto Protocol. This concord is the first legally binding international agreement that places limits on emissions from industrialized countries. The major greenhouse gas emissions addressed in the Kyoto Protocol include carbon dioxide, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and methane.

The provisions of the Kyoto Protocol stipulate that economically advanced nations must reduce their combined emissions of greenhouse gases, by approximately five percent from their 1990

levels, before the 2008-2010 deadline. Countries with the highest carbon dioxide emissions, such as the [United States](#) (U.S.), many of the European Union (EU) countries, and [Japan](#), are to reduce emissions by a scale of 6 to 8 percent. All economically advanced nations must show "demonstrable progress" by 2005. In contrast, no binding limits or timetable have been set on developing countries. Presumably, this distinction is due to the fact that most developing countries - - with the obvious exceptions of [India](#) and [China](#) -- simply do not emit as many greenhouse gases as do more industrially advanced countries. Meanwhile, these countries are entrenched in the process of economic development.

Regardless of the aforementioned reasoning, there has been strong opposition against the asymmetrical treatment assigned to emissions limits among developed and developing countries. Although this distinction might be regarded as unfair in principle, associations such as the Alliance of Small Island States have been vocal in expressing how global warming -- a result of greenhouse gas emissions - has contributed to the rise in sea level, and thus deleteriously affected their very existence as island nation states. For this reason, some parties have suggested that economically advanced nations, upon returning to their 1990 levels, should be required to further reduce their greenhouse gas emissions by a deadline of 2005. In response, interested parties have observed that even if such reductions were undertaken by economically advanced nations, they would not be enough to completely control global warming. Indeed, a reduction in the rate of fossil fuel usage by developing nations would also be necessary to have substantial ameliorative effect on global warming. Indeed, a reduction in the rate of fossil fuel usage by developing nations would also be necessary to have substantial ameliorative effect on global warming.

As such, the Protocol established a "Clean Development Mechanism" which permits developed countries to invest in projects aimed at reducing emissions within developing countries in return for credit for the reductions. Ostensibly, the objective of this mechanism is to curtail emissions in developing countries without unduly penalizing them for their economic development. Under this model, the countries with more potential emissions credits could sell them to other signatories of the Kyoto Protocol, whose emissions are forecast to significantly rise in the next few years. Should this trading of emissions credits take place, it is estimated that the Kyoto Protocol's emissions targets could still be met.

In 1999, the International Energy Outlook projected that Eastern Europe, the former Soviet Union and Newly Independent States, as well as parts of Asia, are all expected to show a marked decrease in their level of energy-related carbon emissions in 2010. Nations with the highest emissions, specifically, the U.S., the EU and [Japan](#), are anticipated to reduce their emissions by up to 8 percent by 2012. By 2000, however, the emissions targets were not on schedule for achievement. Indeed, the U.S. Department of Energy estimates forecast that by 2010, there will be a 34 percent increase in carbon emissions from the 1990 levels, in the absence of major shifts in policy, economic growth, energy prices, and consumer trends. Despite this assessment in the U.S., international support for the Kyoto Protocol remained strong, especially among European countries

and island states, who view the pact as one step in the direction away from reliance on fossil fuels and other sources of greenhouse gases.

In 2001, U.S. President, George W. Bush, rejected his country's participation in the Kyoto Protocol, saying that the costs imposed on the global economic system, and especially, on the US, overshadowed the benefits of the Protocol. He also cited the unfair burden on developed nations to reduce emissions, as another primary reasons for withdrawal from the international pact, as well as insufficient evidence regarding the science of global warming. Faced with impassioned international disapproval for his position, the U.S. president stated that his administration remained interested in dealing with the matter of global warming, but would endorse alternative measures to combat the problem, such as voluntary initiatives limiting emissions. Critics of Bush's position, however, have noted that it was the failure of voluntary initiatives to reduce emissions following the Rio Summit that led to the establishment of the Kyoto Protocol in the first place.

In the wake of the Bush administration's decision, many participant countries resigned themselves to the reality that the goals of the Kyoto Protocol might not be achieved without U.S. involvement. Nevertheless, in Bonn, [Germany](#), in July 2001, the remaining participant countries struck a political compromise on some of the key issues and sticking points, and planned to move forward with the Protocol, irrespective of the absence of the U.S. The key compromise points included the provision for countries to offset their targets with carbon sinks (these are areas of forest and farmland which can absorb carbon through the process of photosynthesis). Another compromise point within the broader Bonn Agreement was the reduction of emissions cuts of six gases from over 5 percent to a more achievable 2 percent. A third key change was the provision of funding for less wealthy countries to adopt more progressive technologies.

In late October and early November 2001, the UNFCCC's 7th Conference of the Parties met in Marrakesh, [Morocco](#), to finalize the measures needed to make the Kyoto Protocol operational. Although the UNFCCC projected that ratification of the Protocol would make it legally binding within a year, many critics noted that the process had fallen short of implementing significant changes in policy that would be necessary to actually stop or even slow climate change. They also maintained that the absence of U.S. participation effectively rendered the Protocol into being a political exercise without any substance, either in terms of transnational policy or in terms of environmental concerns.

The adoption of the compromises ensconced within the Bonn Agreement had been intended to make the provisions of the Kyoto Protocol more palatable to the U.S. In this regard, it failed to achieve its objective as the Bush administration continued to eschew participation in the international accord. Still, however, the Bonn Agreement did manage to render a number of other positive outcomes. Specifically, in 2002, key countries, such as [Russia](#), [Japan](#) and [Canada](#) agreed to ratify the protocol, bringing the number of signatories to 178. The decision by key countries to

ratify the protocol was regarded as "the kiss of life" by observers.

By 2005, on the eve of a climate change conference in London, British Prime Minister Tony Blair was hoping to deal with the problems of climate change beyond the provisions set forth in the Kyoto Protocol. Acknowledging that the Kyoto Protocol could not work in its current form, Blair wanted to open the discussion for a new climate change plan.

Blair said that although most of the world had signed on to Kyoto, the protocol could not meet any of its practical goals of cutting greenhouse gas emissions without the participation of the United States, the world's largest polluter. He also noted that any new agreement would have to include India and China -- significant producers of greenhouse gas emissions, but exempt from Kyoto because they have been classified as developing countries. Still, he said that progress on dealing with climate change had been stymied by "a reluctance to face up to reality and the practical action needed to tackle problem."

Blair also touted the "huge opportunities" in technology and pointed toward the possibilities offered by wind, solar and nuclear power, along with fuel cell technology, eco-friendly biofuels, and carbon capture and storage which could generate low carbon power. Blair also asserted that his government was committed to achieving its domestic goal of reducing carbon dioxide emissions by 20 percent by 2010.

In the United States, President George W. Bush has said that global warming remained a debatable issue and despite conclusions reached by his own Environmental Protection Agency, he has not agreed with the conclusion that global warming and climate change are linked with human activities. Bush has also refused to ratify Kyoto on the basis of its economic costs.

Australia, an ally of the United States, has taken a similarly dim view of the Kyoto Protocol. Ahead of the November 2005 climate change meeting in Canada in which new goals for the protocol were to be discussed, Australia's Environment Minister, Ian Campbell, said that negotiating new greenhouse gas emission levels for the Kyoto Protocol would be a waste of time. Campbell said, "There is a consensus that the caps, targets and timetables approach is flawed. If we spend the next five years arguing about that, we'll be fiddling and negotiating while Rome burns." Campbell, like the Bush administration, has also advocated a system of voluntary action in which industry takes up new technologies rather than as a result of compelling the reduction of emissions. But the Australian Conservation Foundation (ACF) has called on its government to ratify the Kyoto Protocol, to establish a system of emissions trading, and to set binding limits on emissions. Interestingly, although it did not sign on to Kyoto, Australia was expected to meet its emissions target by 2012 (an 8 percent increase in 1990 levels in keeping with the country's reliance on coal). But this success has nothing to do with new technologies and is due to state-based regulations on land clearing.

Note: The Kyoto Protocol calls for developed nations to cut greenhouse emissions by 5.2 percent

of 1990 levels by 2012.

Special Entry: Climate Change Summit in Copenhagen (2009) --

In December 2009, the United Nations Climate Change Summit opened in the Danish capital of Copenhagen. The summit was scheduled to last from Dec. 7-18, 2009. Delegates from more than 190 countries were in attendance, and approximately 100 world leaders, including British Prime Minister Gordon Brown and [United States](#) President Barack Obama, were expected to participate. At issue was the matter of new reductions targets on greenhouse gas emissions by 2020.

Despite earlier fears that little concurrence would come from the conference, effectively pushing significant actions forward to a 2010 conference in [Mexico](#) City, negotiators were now reporting that the talks were productive and several key countries, such as [South Africa](#), had pledged to reduce greenhouse gas emissions. The two main issues that could still lead to cleavages were questions of agreement between the industrialized countries and the developing countries of the world, as well as the overall effectiveness of proposals in seriously addressing the perils of climate change.

On Dec. 9, 2009, four countries -- the [United Kingdom](#), [Australia](#), [Mexico](#) and [Norway](#) -- presented a document outlining ideas for raising and managing billions of dollars, which would be intended to help vulnerable countries dealing with the perils of climate change. Described as a "green fund," the concept could potentially help small island states at risk because of the rise in sea level. [Bangladesh](#) identified itself as a potential recipient of an assistance fund, noting that as a country plagued by devastating floods, it was particularly hard-hit by climate change. The "green fund" would fall under the rubric of the United Nations Framework Convention on Climate Change, for which developed countries have been committed to quantifying their emission reduction targets, and also to providing financial and technical support to developing countries.

The [United Kingdom](#), [Australia](#), [Mexico](#) and [Norway](#) also called for the creation of a new legal treaty that would replace the Kyoto Protocol. This new treaty, which could go into force in 2012, would focus largely on the reduction of greenhouse gas emissions by 2020. But [Australia](#) went even further in saying that the successor treaty to the Kyoto Protocol, should be one with provisions covering all countries. Such a move would be a departure from the structure of the Kyoto Protocol, which contained emissions targets for industrialized countries due to the prevailing view that developed countries had a particular historic responsibility to be accountable for climate change. More recently, it has become apparent that substantial reductions in greenhouse gas emissions demanded by scientists would only come to pass with the participation also of significant developing nation states, such as [China](#) and [India](#). Indeed, one of the most pressing critiques of the Kyoto Protocol was that it was a "paper tiger" that failed to address the impact of the actions of emerging economies like [China](#) and [India](#), with its focus on the developed economies.

Now, in 2009, [China](#) -- as the world's biggest greenhouse gas emitter -- was responding this dubious distinction by vocalizing its criticism of the current scenario and foregrounding its new commitments. Ahead of the Copenhagen summit, [China](#) had announced it would reduce the intensity of its carbon emissions per unit of its GDP in 2020 by 40 to 45 percent against 2005 levels. With that new commitment at hand, [China](#) was now accusing the [United States](#) and the European Union of shirking their own responsibilities by setting weak targets for greenhouse gas emissions cuts. Senior Chinese negotiator, Su Wei, characterized the goals of the world's second largest greenhouse gas emitter -- the [United States](#) -- as "not notable," and the European Union's target as "not enough." Su Wei also took issue with [Japan](#) for setting implausible preconditions.

On Dec. 11, 2009, [China](#) demanded that developed and wealthy countries in Copenhagen should help deliver a real agreement on climate change by delivering on their promises to reduce carbon emissions and provide financial support for developing countries to adapt to global warming. In so doing, China's Vice Foreign Minister He Yafei said his country was hoping that a "balanced outcome" would emerge from the discussions at the summit. Echoing the position of the Australian government, He Yafei spoke of a draft agreement as follows: "The final document we're going to adopt needs to be taking into account the needs and aspirations of all countries, particularly the most vulnerable ones."

China's Vice Foreign Minister emphasized the fact that climate change was "a matter of survival" for developing countries, and accordingly, such countries need wealthier and more developed countries to accentuate not only their pledges of emissions reduction targets, but also their financial commitments under the aforementioned United Nations Framework Convention on Climate Change. To that end, scientists and leaders of small island states in the Indian Ocean, the Pacific Ocean and the Caribbean Sea, have highlighted the existential threat posed by global warming and the concomitant rise in sea level.

China aside, attention was also on [India](#) -- another major player in the developing world and a country with an industrializing economy that was impacting the environment. At issue was the Indian government's decision to set a carbon intensity target, which would slow emissions growth by up to 25 percent by the 2020 deadline. This strong position was resisted by some elements in [India](#), who argued that their country should not be taking such a strong position when developed wealthy countries were yet to show accountability for their previous commitments to reduce greenhouse gas emissions. The matter grew so heated that the members of the opposition stormed out of the parliament in protest as Indian Environment Minister Jairam Ramesh defended the policy. But the political pressure at home in [India](#) was leaving the Indian delegation in Copenhagen in a state of chaos as well. In fact, India's top environmental negotiator refused to travel to Copenhagen in protest of the government's newly-announced stance.

China and [India](#) were joined by [Brazil](#) and [South Africa](#) in the crafting of a draft document calling for a new global climate treaty to be completed by June 2010. Of concern has been the realization

that there was insufficient time to find concurrence on a full legal treaty, which would leave countries only with a politically-binding text by the time the summit at Copenhagen closed. But Guyana's leader, President Bharrat Jagdeo, warned that the summit in [Denmark](#) would be classified as a failure unless a binding document was agreed upon instead of just political consensus. He urged his cohorts to act with purpose saying, "Never before have science, economics, geo-strategic self-interest and politics intersected in such a way on an issue that impacts everyone on the planet."

Likewise, [Tuvalu](#) demanded that legally binding agreements emerge from Copenhagen. Its proposal was supported by many of the vulnerable countries, from small island states and sub-Saharan Africa, all of whom warned of the catastrophic impact of climate change on their citizens. [Tuvalu](#) also called for more aggressive action, such as an amendment to the 1992 agreement, which would focus on sharp greenhouse gas emissions and the accepted rise in temperatures, due to the impact the rise in seas. The delegation from [Kiribati](#) joined the call by drawing attention to the fact that one village had to be abandoned due to waist-high water, and more such effects were likely to follow. Kiribati's Foreign Secretary, Tessie Lambourne, warned that the people of [Kiribati](#) could well be faced with no homeland in the future saying, "Nobody in this room would want to leave their homeland." But despite such impassioned pleas and irrespective of warnings from the Intergovernmental Panel on Climate Change that the rise in sea level from melting polar ice caps would deleteriously affect low-lying atolls such as such as [Tuvalu](#) and [Kiribati](#) in the Pacific, and the [Maldives](#) in the Indian Ocean, the oil-giant [Saudi Arabia](#) was able to block this move.

Meanwhile, within the developed countries, yet another power struggle was brewing. The European Union warned it would only agree to raise its target of 20 percent greenhouse gas emissions reductions to 30 percent if the [United States](#) demonstrated that it would do more to reduce its own emissions. It was unknown if such pressure would yield results. [United States](#) President Barack Obama offered a "provisional" 2020 target of 17 percent reductions, noting that he could not offer greater concessions at Copenhagen due to resistance within the [United States](#) Congress, which was already trying to pass a highly controversial "cap and trade" emissions legislation. However, should that emissions trading bill fail in the Senate, the [United States](#) Environment Protection Agency's declaration that greenhouse gases pose a danger to human health and the environment was expected to facilitate further regulations and limits on power plants and factories at the national level. These moves could potentially strengthen the Obama administration's offering at Copenhagen. As well, President Obama also signaled that he would be willing to consider the inclusion of international forestry credits.

Such moves indicated willingness by the Obama administration to play a more constructive role on the international environmental scene than its predecessor, the Bush administration. Indeed, ahead of his arrival at the Copenhagen summit, President Barack Obama's top environmental advisors promised to work on a substantial climate change agreement. To that end, [United States](#)

Environmental Protection Agency Administrator Lisa Jackson said at a press conference, "We are seeking robust engagement with all of our partners around the world." But would this pro-engagement assertion yield actual results?

By Dec. 12, 2009, details related to a draft document prepared by Michael Zammit Cutajar, the head of the Ad-hoc Working Group on Long-Term Cooperative Action, were released at the Copenhagen climate conference. Included in the document were calls for countries to make major reductions in carbon emissions over the course of the next decade. According to the Washington Post, industrialized countries were called on to make cuts of between 25 percent and 40 percent below 1990 levels -- reductions that were far more draconian than the [United States](#) was likely to accept. As discussed above, President Obama had offered a provisional reduction target of 17 percent. The wide gap between the released draft and the United States' actual stated position suggested there was much more negotiating in the offing if a binding agreement could be forged, despite the Obama administration's claims that it was seeking greater engagement on this issue.

In other developments, the aforementioned call for financial support of developing countries to deal with the perils of climate change was partly answered by the European Union on Dec. 11, 2009. The European bloc pledged an amount of 2.4 billion euros (US\$3.5 billion) annually from 2010 to 2012. Environment Minister Andreas Carlgren of [Sweden](#) -- the country that holds the rotating presidency of the European Union at the time of the summit -- put his weight behind the notion of a "legally binding deal." Meanwhile, Yvo de Boer, a top United Nations climate change official, focused less on the essence of the agreement and more on tangible action and effects saying, "Copenhagen will only be a success if it delivers significant and immediate action that begins the day the conference ends."

The division between developed and developing countries in Copenhagen reached new heights on Dec. 14, 2009, when some of the poor and less developed countries launched a boycott at the summit. The move, which was spurred by African countries but backed by [China](#) and [India](#), appeared to be geared toward redirecting attention and primary responsibility to the wealthier and more industrialized countries. The impasse was resolved after the wealthier and more industrialized countries offered assurances that they did not intend on shirking from their commitments to reducing greenhouse gases. As a result, the participating countries ceased the boycott.

Outside the actual summit, thousands of protestors had gathered to demand crucial global warming, leading to clashes between police and demonstrators elsewhere in the Danish capital city. There were reports of scattered violence across Copenhagen and more than 1,000 people were arrested.

Nevertheless, by the second week of the climate change summit, hopes of forging a strong deal were eroding as developed and developing nations remained deadlocked on sharing cuts in greenhouse gases, and particularly on the matters of financing and temperature goals. In a bid to

shore up support for a new climate change, [United States](#) President Barack Obama joined other world leaders in Copenhagen. On Dec. 14, 2009, there was a standoff brewing between the [United States](#) and [China](#). At issue was China's refusal to accept international monitoring of its expressed targets for reducing greenhouse gas emissions. The [United States](#) argued that China's opposition to verification could be a deal-breaker.

By the close of the summit, the difficult process eventually resulted in some consensus being cultivated. A draft text called for \$100 billion a year by 2020 to assist poor nations cope with climate change, while aiming to limit global warming to two degrees Celsius compared with pre-industrial levels. The deal also included specific targets for developed countries to reduce greenhouse gas emissions, and called for reductions by developing countries as a share of their economies. Also included in the agreement was a mechanism to verify compliance. The details of the agreement were supported by President Barack Obama, Chinese Premier Wen Jiabao, Indian Prime Minister Manmohan Singh and Brazilian President Luiz Inacio Lula da Silva.

This draft would stand as an interim agreement, with a legally-binding international pact unlikely to materialize until 2010. In this way, the summit in Copenhagen failed to achieve its central objective, which was to negotiate a successor to the Kyoto Protocol on greenhouse gas emissions.

Editor's Note

In the background of these developments was the growing global consciousness related to global warming and climate change. Indeed, as the Copenhagen summit was ongoing, it was clear there was enormous concurrence on the significance of the stakes with an editorial on the matter of climate change being published in 56 newspapers in 45 countries. That editorial warned that without global action, climate change would "ravage our planet." Meanwhile, a global survey taken by Globescan showed that concern over global warming had exponentially increased from 1998 -- when only 20 percent of respondents believed it to be a serious problem -- to 64 percent in 2009. Such survey data, however, was generated ahead of the accusations by climate change skeptics that some climate scientists may have overstated the case for global warming, based on emails derived in an illicit manner from a British University.

Special Entry: Climate change talks in Doha in [Qatar](#) extend life of Kyoto Protocol (2012)

December 2012 saw climate talks ensue in the Qatari city of Doha as representatives from countries across the world gathered to discuss the fate of the Kyoto Protocol, which seeks to minimize greenhouse gas emissions. The summit yielded results with decisions made (1) to extend the Kyoto Protocol until 2020, and (2) for wealthier countries to compensate poorer countries for the losses and damage incurred as a result of climate change.

In regards to the second matter, Malia Talakai of [Nauru](#), a leading negotiator for the Alliance of Small Island States, explained the necessity of the compensation package as follows: "We are trying to say that if you pollute you must help us."

This measure was being dubbed the "Loss and Damage" mechanism, and was being linked with [United States](#) President Barack Obama's request for \$60 billion from Congress to deal with the devastation caused by Hurricane Sandy months before. The sight of a hurricane bearing down on the northern Atlantic seaboard, along with the reality of the scope of reconstruction, appeared to have illustrated the economic costs of climate change -- not so much as a distant environmental issue -- but as a danger to the quotidian lives of people. Still, there was blame to be placed on the [United States](#) and European countries -- some of world's largest emitters -- for failing to do more to reduce emissions.

To that latter end, there was in fact little progress made on the central issue of reducing greenhouse gas emissions. Had those emissions been reduced, there would have been less of a need to financially deal with the devastation caused by climate change. One interpretation was that the global community was accepting the fact that industrialization was contributing to global warming, which had deleterious effects on the polar ice caps and concomitantly on the rise of sea level, with devastating effects for small island nations. Thus, wealthier countries were willing to pay around \$10 billion a year through 2020, effectively in "damages," to the poor countries that could be viewed as the "collateral damage" of industrial progress. But damages today could potentially be destruction tomorrow, leaving in place the existential challenges and burdens to be born by some of the world's smallest and least wealthy island countries.

Perhaps not surprisingly, the representative for the small island nation states at the Doha summit responded with ire, characterizing the lack of progress on reducing emissions as follows: "We see the package before us as deeply deficient in mitigation (carbon cuts) and finance. It's likely to lock us on the trajectory to a 3,4,5C rise in global temperatures, even though we agreed to keep the global average temperature rise of 1.5C to ensure survival of all islands. There is no new finance (for adapting to climate change and getting clean energy) -- only promises that something might materialize in the future. Those who are obstructive need to talk not about how their people will live, but whether our people will live."

Indeed, in most small island countries not just in the Pacific, but also the Caribbean and Indian Ocean, ecological concerns and the climate crisis have been dominant themes with dire life and death consequences looming in the background for their people. Small island nations in these region are already at risk from the rise of sea-level, tropical cyclones, floods. But their very livelihoods of fishing and subsistence farming were also at risk as a result of ecological and environmental changes. Increasingly high storm surges can wipe out entire villages and contaminate water supplies. Accordingly, the very existence of island nations, such as [Kiribati](#) and [Tuvalu](#), are at severe risk of being obliterated from the map. Yet even with the existential threat of being wiped

off the map in the offing, the international community has been either slow or restrictive in its efforts to deal with global warming, climate change, economic and ecological damage, as well as the emerging global challenge of environmental refugees.

A 2012 report from the United Nations Environment Program (UNEP) and the Pacific Regional Environment Program underlined the concerns of small island nations and their people as it concluded that the livelihoods of approximately 10 million people in Pacific island communities were increasingly vulnerable to climate change. In fact, low-lying islands in that region would likely confront losses of up to 18 percent of gross domestic product due to climate change, according to the report. The report covers 21 countries and territories, including [Fiji](#), [Kiribati](#), [Samoa](#) and [Tonga](#), and recommended environmental legislation intended to deal with the climate crisis facing the small island countries particularly. As noted by David Sheppard, the director general of the Pacific Regional Environment Program that co-sponsored this study: "The findings... emphasize the need more than ever to raise the bar through collective actions that address the region's environmental needs at all levels."

Regardless of the failures of the summit in [Qatar](#) (discussed above), the meeting did facilitate a process starting in 2015, which would bind both wealthy and poor countries together in the mission of forging a new binding treaty that would replace the Kyoto Protocol and tackle the central causes of climate change.

For more information on the threats faced in small island nations by climate change and the measures being undertaken to lobby for international action, please see the Alliance for Small Island States available online at the URL: <http://aosis.org/>

Special Report

COP 21 summit in Paris ends with historic agreement to tackle climate change; rare international consensus formed on environmental crisis facing the planet (2015) --

In mid-December 2015, the highly-anticipated United Nations climate conference of parties (COP) in Paris, [France](#), ended with a historic agreement. In fact, it would very likely be understood as the most significant international agreement signed by all the recognized countries of the world since the Cold War. Accordingly, the Paris Agreement was being distinguished as the first multilateral pact that would compel all countries across the world to cut its carbon emissions -- one of the major causes of increasing greenhouse gas emissions, which contribute to global warming, and its deleterious effects ranging from the dangerous rise in sea level to catastrophic climate change.

The accord, which was dubbed to be the "Paris Agreement," was the work of rigorous diplomacy

and fervent environmental advocacy, and it aimed to address the climate change crisis facing the planet. As many as 195 countries were represented in the negotiations that led to the landmark climate deal. Indeed, it was only after weeks of passionate debate that international concurrence was reached in addressing the environmental challenges confronting the world, with particular attention to moving beyond fossil fuels and reducing greenhouse gas emissions.

The success of the COP 21 summit in Paris and the emergence of the landmark Paris Agreement was, to some extent, attributed to the efforts of France's Foreign Minister Laurent Fabius who presided over the negotiations. The French foreign minister's experience and credentials as a seasoned diplomat and respected statesman paid dividends. He skillfully guided the delegates from almost 200 countries and interest groups along the negotiations process, with ostensibly productive results and a reasonably robust deal to show for it.

On Dec. 12, 2015, French Foreign Minister Fabius officially adopted the agreement, declaring: "I now invite the COP to adopt the decision entitled Paris Agreement outlined in the document. Looking out to the room I see that the reaction is positive, I see no objections. The Paris agreement is adopted." Once Foreign Minister Fabius' gavel was struck, symbolically inaugurating the Paris Agreement into force, the COP delegate rushed to their feet with loud and bouyant cheers as well as thunderous applause.

In general, the Paris Agreement was being hailed as a victory for enviromental activists and a triumph for international diplomats, while at the same time being understood as simply an initial -- and imperfect -- move in the direction of a sustainable future. China's chief negotiator, Xie Zhenhua, issued this message, saying that while the accord was not ideal, it should "not prevent us from marching historical steps forward."

United States President Barack Obama lauded the deal as both "ambitious" and "historic," and the work of strenuous multilateral negotiations as he declared, "Together, we've shown what's possible when the world stands as one." The [United States](#) leader acknowledged that the accord was not "perfect," but he reminded the critics that it was "the best chance to save the one planet we have."

Former [United States](#) Vice President Al Gore, one of the world's most well known environmental advocates, issued a lengthy statement on the accomplishments ensconced in the Paris Agreement. He highlighted the fact that the Paris Agreement was a first step towards a future with a reduced carbon footprint on Planet Earth as he said, "The components of this agreement -- including a strong review mechanism to enhance existing commitments and a long-term goal to eliminate global-warming pollution this century -- are essential to unlocking the necessary investments in our future. No agreement is perfect, and this one must be strengthened over time, but groups across every sector of society will now begin to reduce dangerous carbon pollution through the framework of this agreement."

The central provisions of the Paris Agreement included the following items:

- Greenhouse gas emissions should peak as quickly as possible, with a move towards balancing energy sources, and ultimately the decrease of greenhouse gases in the second half of this century
- Global temperature increase would be limited to 1.5 degrees Centigrade above pre-industrial levels and would be held "well below" the two degrees Centigrade threshold
- Progress on these goals would be reviewed every five years beginning in 2020 with new greenhouse gas reduction targets issued every five years
- \$100 billion would be expended each year in climate finance for developing countries to move forward with green technologies, with further climate financing to be advanced in the years beyond

It should be noted that there both legally binding and voluntary elements contained within the Paris Agreement. Specifically, the submission of an emissions reduction target and the regular review of that goal would be legally mandatory for all countries. Stated differently, there would be a system in place by which experts would be able to track the carbon-cutting progress of each country. At the same time, the specific targets to be set by countries would be determined at the discretion of the countries, and would not be binding. While there was some criticism over this non-binding element, the fact of the matter was that the imposition of emissions targets was believed to be a major factor in the failure of climate change talks in Copenhagen, [Denmark](#), in 2009.

In 2015, the talks faced challenges as several countries, such as [China](#) and [India](#), objected to conditions that would stymie economic and development. In order to avoid that kind of landmine, a system Intended Nationally Determined Contributions (INDCs) was developed and formed the basis of the accord. As such, the Paris Agreement would, in fact, facilitate economic growth and development, as well as technological progress, but with the goal of long-term ecological sustainability based on low carbon sources. In fact, the agreement heralded as "the beginning of the end of the fossil fuel era." As noted by Nick Mabey, the head of the climate diplomacy organization E3G, said, "Paris means governments will go further and faster to tackle climate change than ever before. The transition to a low carbon economy is now unstoppable, ensuring the end of the fossil fuel age."

A particular sticking point in the agreement was the \$100 billion earmarked for climate financing for developing countries to transition from traditional fossil fuels to green energy technologies and a low carbon future. In 2014, a report by the International Energy Agency indicated that the cost of that transition would actually be around \$44 trillion by the mid-century -- an amount that would render the \$100 billion being promised to be a drop in the proverbial bucket. However, the general expectation was that the Republican-controlled Senate in the [United States](#), which would have to ratify the deal in that country, was not interested in contributing significant funds for the cause of climate change.

A key strength of the Paris Agreement was the ubiquitous application of measures to all countries. Of note was the frequently utilized concept of "flexibility" with regard to the Paris Agreement. Specifically, the varying capacities of the various countries in meeting their obligations would be anticipated and accorded flexibility. This aspect presented something of a departure from the 1997 Kyoto Protocol, which drew a sharp distinction between developed and developing countries, and mandated a different set of obligations for those categories of countries. Thus, under Kyoto, [China](#) and [India](#) were not held to the same standards as the [United States](#) and European countries. In the Paris Agreement, there would be commitments from all countries across the globe.

Another notable strength of the Paris Agreement was the fact that the countries of the world were finally able to reach consensus on the vital necessity to limit global temperature increases to 1.5 degrees Centigrade. Ahead of the global consensus on the deal, and as controversy continued to surface over the targeted global temperature limits, the leaders of island countries were sounding the alarm about the melting of the Polar ice caps and the associated rise in sea level. Prime Minister Enele Sopoaga of [Tuvalu](#) issued this dismal reminder: "Tuvalu's future ... is already bleak and any further temperature increase will spell the total demise of [Tuvalu](#). No leader in this room carries such a level of worry and responsibility. Just imagine you are in my shoes, what would you do?" It was thus something of a victory for environmental advocates that the countries of the world could find consensus on the lower number -- 1.5 degrees rather than 2 degrees.

A significant weak point with regard to the Paris deal was a "loss and damage" provision, which anticipates that even with all the new undertakings intended to reduce greenhouse gas emissions and move to a low carbon future, there would nonetheless be unavoidable climate change consequences. Those consequences ranged from the loss of arable land for farmers as well as soil erosion and contamination of potable water by sea water, to the decimation of territory in coastal zones and on small islands, due to the rise in sea level, with entire small island countries being rendered entirely uninhabitable. The reality was that peoples' homes across the world would be destroyed along with their way of life.

With that latter catastrophic effect being a clear and present danger for small island countries, the Association of Small Island States (AOSIS) demanded that the developed world acknowledge its responsibility for this irreversible damage.. Despite the fact that greenhouse gas emissions and the ensuing plague of global warming was, indeed, the consequence of development in the West (the [United States](#) and Europe) and the large power house countries, such as [Russia](#), [China](#) and [India](#), there was no appetite by those countries to sign on to unlimited liability. Under the Paris Agreement, there was a call for research on insurance mechanisms that would address loss and damage issues, with recommendations to come in the future.

The call for research was being regarded as an evasion of sorts and constituted the weakest aspect of the Paris Agreement. Not surprisingly, a coalition of small island nations demanded a "Marshall

Plan" for the Pacific. Borrowing the term "Marshall Plan" from the post-World War II reconstruction effort, the coalition of Pacific island nation, which included [Kiribati](#), [Tuvalu](#), [Fiji](#), and the [Marshall Islands](#), called for an initiative that would include investment in renewable energy and shoreline protection, cultural preservation, economic assistance for economies in transition, and a plan for migration and resettlement for these countries as they confront the catastrophic effects of the melting of the Polar ice caps and the concomitant rise in sea level. The precise contours of the initiative remained unknown, unspecified, and a mere exercise in theory at the time of writing. Yet such an initiative would, at some point, have to be addressed, given the realities of climate change and the slow motion calamity unfolding each day for low-lying island nations across the world.

As noted by Vice President Greg Stone of Conservation International, who also functions as an adviser to the government of [Kiribati](#), "Imagine living in a place where you know it's going to go away someday, but you don't know what day that wave's going to come over and wash your home away." He added, "It's a disaster we know is going to happen." Meanwhile, the intervening years promised to be filled with hardship for small island nations, such as [Kiribati](#). Stone explained, "For every inch of sea-level rise, these islands lose 10 feet of their freshwater table to saltwater intrusion," Stone explained. "So it's not just about the day the water finally goes over the island; it's also about the day that there's just not enough water left and everyone has to move off the island." Presaging the future for island nations that could face submersion, Stone said, "If you look ahead 50 years, a country like [Kiribati](#) could become the first aqueous nation. possibility of migration. That is, they own this big patch of ocean, and they administer it from elsewhere."

Foreign Minister Minister Tony Debrum of the [Marshall Islands](#) emerged as the champion advocating on behalf of small island nation states and a loose coalition of concerned countries from the Pacific to the Caribbean, but with support from the [United States](#). He addressed the comprehensive concerns of small island nations regarding the weaknesses of the deal, while simultaneously making clear that the Paris Agreement signified hope for the countries most at risk. In a formal statement, Debrum declared: "We have made history today. Emissions targets are still way off track, but this agreement has the tools to ramp up ambition, and brings a spirit of hope that we can rise to this challenge. I can go back home to my people and say we now have a pathway to survival." Debrum highlighted the imperatives of Pacific island nations, saying, "Our High Ambition Coalition was the lightning rod we needed to lift our sights and expectations for a strong agreement here in Paris. We were joined by countries representing more than half the world. We said loud and clear that a bare-bones, minimalist agreement would not fly. We instead demanded an agreement to mark a turning point in history, and the beginning of our journey to the post-carbon era."

Debrum of the [Marshall Islands](#) espoused the quintessential synopsis of the accord and its effects for those most likely to be affected by climate change as he noted, "Climate change won't stop

overnight, and my country is not out of the firing line just yet, but today we all feel a little safer.”

Editor's Entry on [Environmental Policy](#):

The low-lying Pacific island nations of the world, including [Kiribati](#), [Tuvalu](#), the [Marshall Islands](#), [Fiji](#), among others, are vulnerable to the threats posed by global warming and climate change, derived from carbon emissions, and resulting in the rise in sea level. Other island nations in the Caribbean, as well as poor countries with coastal zones, were also at particular risk of suffering the deleterious effects of climate change.

Political policy in these countries are often connected to ecological issues, which have over time morphed into an existential crisis of sorts. Indeed, ecological concerns and the climate crisis have also been dominant themes with life and death consequences for the people of island nations in the Pacific. Indeed, the very livelihoods of fishing and subsistence farming remain at risk as a result of ecological and environmental changes. Yet even so, these countries are threatened by increasingly high storm surges, which could wipe out entire villages and contaminate water supplies. Moreover, because these are low lying island nations, the sustained rise in sea level can potentially lead to the terrain of these countries being uninhabitable at best, and submerged at worst. Stated in plain terms, these countries are at severe risk of being obliterated from the map and their plight illuminates the emerging global challenge of environmental refugees. In these manifold senses, climate change is the existential crisis of the contemporary era.

Since the time of the 1997 Kyoto Protocol, there have been efforts aimed at extending the life of that agreement, with an eye on minimizing greenhouse gas emissions, and thus minimizing the effects of climate change. Those endeavors have largely ended in failure, as exemplified by the unsuccessful Copenhagen talks in 2009 and the fruitless Doha talks in 2012 respectively. The success of the COP 21 talks in [France](#), with the adoption of the landmark Paris Agreement in 2015, was regarded as the first glimmer of hope. Not only did the Paris Agreement signify the triumph of international diplomacy and global consensus, but it also marked the start of the end of the fossil fuel era, with the path forward toward a low carbon future reliant on greener technologies. Most crucially, the Paris Agreement stood as the first significant response in recent times to the central challenge of climate change and its quotidian effects on the lives of real human beings across the world.

1. Major International Environmental Accords:

General Environmental Concerns

Convention on Environmental Impact Assessment in a Transboundary Context, Espoo, 1991.

Accords Regarding Atmosphere

Annex 16, vol. II (Environmental Protection: Aircraft Engine Emissions) to the 1044 Chicago Convention on International Civil Aviation, Montreal, 1981

Convention on Long-Range Transboundary Air Pollution (LRTAP), Geneva, 1979

United Nations Framework Convention on Climate Change (UNFCCC), New York, 1992

Vienna Convention for the Protection of the Ozone Layer, Vienna, 1985 including the Montreal Protocol on Substances that Depleted the Ozone Layer, Montreal, 1987

Accords Regarding Hazardous Substances

Convention on the Ban of the Import into Africa and the Control of Transboundary Movements and Management of Hazardous Wastes within Africa, Bamako, 1991

Convention on Civil Liability for Damage Caused during Carriage of Dangerous Goods by Road, Rail and Inland Navigation Vessels (CRTD), Geneva, 1989

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Convention on the Transboundary Effects of Industrial Accidents, Helsinki, 1992

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Global Conventions

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International Convention for the Prevention of Pollution from Ships, 1973, as modified by Protocol of 1978 relation thereto (MARPOL 73/78), London, 1973 and 1978

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Convention on the Protection of the Black Sea against Pollution, Bucharest, 1992

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Convention for the Protection, Management, and Development of the Marine and Coastal Environment of the Eastern African Region, Nairobi, 1985

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Marine Living Resources

Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR), Canberra, 1980

International Convention for the Conservation of Atlantic Tunas (ICCAT), Rio de Janeiro, 1966

International Convention for the Regulation of Whaling (ICRW), Washington, 1946

Nature Conservation and Terrestrial Living Resources

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Convention on Early Notification of a Nuclear Accident (Notification Convention), Vienna, 1986

Convention on Nuclear Safety, Vienna, 1994

Vienna Convention on Civil Liability for Nuclear Damage, Vienna, 1963

5. Major Intergovernmental Organizations

Commission on Sustainable Development (CSD)

European Union (EU): Environment

Food and Agriculture Organization (FAO)

Global Environment Facility (GEF)

International Atomic Energy Agency (IAEA)

International Council for the Exploration of the Sea (ICES)

International Fund for Agricultural Development (IFAD)

International Labour Organization (ILO)

International Maritime Organization (IMO)

International Monetary Fund (IMF)

International Oil Pollution Compensation Funds (IOPC Funds)

Organization for Economic Co-operation and Development (OECD), Environment Policy Committee (EPOC)

United Nations Children's Fund (UNICEF)

United Nations Development Programme (UNDP)

United Nations Educational, Scientific, and Cultural Organization (UNESCO)

United Nations Environment Programme (UNEP)

United Nations Industrial Development Organization (UNIDO)

United Nations Population Fund (UNFPA)

World Bank

World Food Programme (WFP)

World Health Organization (WHO)

World Meteorological Organization (WMO)

World Trade Organization (WTO)

6. Major Non-Governmental Organizations

Atmosphere Action Network East Asia (AANE)

Climate Action Network (CAN)

Consumers International (CI)

Earth Council

Earthwatch Institute

Environmental Liaison Centre International (ELCI)

European Environmental Bureau (EEB)

Forest Stewardship Council (FSC)

Friends of the Earth International (FoEI)

Greenpeace International

International Chamber of Commerce (ICC)

International Confederation of Free Trade Unions (ICFTU)

International Planned Parenthood Federation (IPPF)

International Solar Energy Society (ISES)

IUCN-The World Conservation Union

Pesticide Action Network (PAN)

Sierra Club

Society for International Development (SID)

Third World Network (TWN)

Water Environment Federation (WEF)

Women's Environment and Development Organization (WEDO)

World Business Council for Sustainable Development (WBCSD)

World Federalist Movement (WFM)

World Resources Institute (WRI)

World Wide Fund For Nature (WWF)

7. Other Networking Instruments

Arab Network for Environment and Development (RAED)

Global Legislators for a Balanced Environment (GLOBE)

Regional Environmental Center for Central and Eastern Europe (REC)

United Nations Non-Governmental Liaison Service (UN-NGLS)

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The demographic numbers for cities and national populations listed in CountryWatch content are derived from the Geoba.se website, which analyzes data from the World Bank. The current demographic numbers displayed on the Countrywatch website are reflective of the latest available estimates.

The demographic information for language, ethnicity and religion listed in CountryWatch content is

derived from a mix of sources including the Altapedia, Central Intelligence Agency Factbook, Infoplease, and State Department Background Notes.

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Methodology Notes for Economic Data:

Estimates by CountryWatch.com of GDP in dollars in most countries are made by converting local currency GDP data from the International Monetary Fund World Economic Outlook to US dollars by market exchange rates estimated from the International Monetary Fund International Financial Statistics and projected out by the CountryWatch Macroeconomic Forecast. Real GDP was estimated by deflating current dollar values by the US GDP Implicit Price Deflator.

Exceptions to this method were used for:

- Bosnia-Herzegovina
- Nauru
- Cuba
- Palau
- Holy See
- San Marino
- Korea, North
- [Serbia](#) & Montenegro
- Liberia
- Somalia
- Liechtenstein
- Tonga
- Monaco
- Tuvalu

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Methodology Notes for the HDI:

Since 1990, the United Nations Development Programme, in concert with organizations across the globe, has produced the [Human Development Index](#) (or HDI). According to the UNDP, the index measures average achievement in basic human development in one simple composite index, and produces from this index a ranking of countries. The HDI is a composite of three basic components of human development: longevity, knowledge and standard of living. Longevity is measured by life expectancy. Knowledge is measured by combination of adult literacy and mean

years of schooling. Standard of living is measured by purchasing power, based on real GDP per capita (in constant US\$) adjusted for differences in international living costs (or, purchasing power parity, PPP). While the index uses these social indicators to measure national performance with regard to human welfare and development, not all countries provide the same level of information for each component needed to compute the index; therefore, as in any composite indicator, the final index is predicated on projections, predictions and weighting schemes. The index is a static measure, and thus, an incomplete measure of human welfare. In fact, the UNDP says itself the concept of human development focuses on the ends rather than the means of development and progress, examining in this manner, the average condition of all people in a given country.

Specifically, the index is calculated by determining the maximum and minimum for each of the three components (as listed above) and then measuring where each country stands in relation to these scales-expressed as a value between 0 and 1. For example, the minimum adult literary rate is zero percent, the maximum is 100 percent, and the reading skills component of knowledge in the HDI for a country where the literacy rate is 75 percent would be 0.75. The scores of all indicators are then averaged into the overall index.

For a more extensive examination of human development, as well as the ranking tables for each participating country, please visit: <http://www.undp.org>

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Note: Some or all these news services have been used to research various sections of this Country Review.

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Examples:

Youngblood-Coleman, Denise. *Country Review: France*. 2003. Houston, Texas: CountryWatch Publications, 2003. *Country Review:France*. Online. Available URL : http://www.countrywatch.com/cw_country.asp?vCOUNTRY=61 October, 12, 2003.

Note:

This is the citation format used when the print version is not used in the reference.

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