

**ROMANIA and the United States: Building a stronger economic alliance  
based on the new U.S.-Romanian strategic partnership**

**Address by  
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I thank CSIS for the invitation addressed to me to present some ideas about Romania and about the modality in which we can turn to best account the Romanian-American strategic partnership.

Building such a partnership has been an extremely important political decision for Romania, with beneficial consequences for the subsequent evolution of my country. The question we have to ask now refers to the direction of its further development, since the American-Romanian strategic partnership should be looked upon as an opportunity for both partners, meant to bring about advantages for both of them.

There is not at all difficult to identify advantages Romania can benefit of, within the frame of the strategic relationship with the United States. The problem for Romania does not consist in enumerating them, but in establishing the priorities, due to the very fact that USA can offer practically everything, but everything is not possible, and therefore both Romania and USA should be able to select out of the huge list of advantages for Romania, precisely those that can best serve both parts.

It is probably easier to approach the problem from the Romanian side and to begin by identifying the advantages that Romania can bring to the United States, and after that, to direct the development of the bilateral relations towards those compartments that can maximize these results. That is why, my first thought in preparing this speech was to shortly present the comparative advantages of Romania, towards which to direct the Romanian-American strategic partnership. I must confess that it has not been an easy task for me.

As any other nation, we, the Romanian people, are very proud of our country and there are many good things that we can tell about it and that we usually tell. But these things are not good enough for the objectives of our to-day discussion. In exchange, there are some traditional arguments in favor of Romania and I will shortly enumerate them.

First of all, there is the geographical, or the geo-strategic argument. Romania has always been proud to be geographically situated in the heart of Europe, at the intersection of some strategic roads, at the Danube mouth and at the Black Sea. It is an interesting geography, a geographical position for whose domination wars were fought 100-150 years ago by the European powers. The contemporary political history and the modern transportations have drastically diminished the control stake of this key position. But it's true that a special political situation – the disintegration of the ex Yugoslavia, with the wars that succeeded – has modified the traditional roads of land transport between the Near East and the Central Europe. An increased volume of this transport crosses now Romania, rather than the countries of the ex Yugoslavia.

Unfortunately, the Romanian transport infrastructure, especially the road one, but equally the naval and air ones, continue to be insufficiently developed in order to make this route rapid, cheap and comfortable and the links with the Near East, through Bulgaria, Greece and Turkey neither benefit of the necessary infrastructure. The United Nations, especially, and NATO, generally, had to face all these inconveniences during the Kosovo crisis. On the other hand, the same political situation reduced the importance of the Danube, as a vital transport route between the space of former Soviet Union states and Central Europe.

But geographically is far more perennial than the political situation. The Danube continues to be the river that links Hamburg to Istanbul, through Vienna, Budapest to Belgrade, and an adequate road network can duplicate this link. There is a long list of reasons, from military and commercial to cultural and political, which justifies the development of an adequate logistical infrastructure that should link, through Balkans and Romania, the Near East to Central Europe.

There is an even longer list of reasons of the same category, which justifies the development of an adequate logistical infrastructure that should link, through Romania, the space of former Soviet Union States. The latest political evolutions in Ukraine, Republic of Moldavia, Caucasus and Central Asia, all plead in favor of the development of this infrastructure. Probably, if we continue to underline the geographical argument, we will no longer come to identify a comparative advantage of Romania, but we will certainly reach an objective that can be of mutual interest.

This is precisely because the access to the huge continent, not yet sufficiently explored and colonized, which is the East-European and Central Asian space, implies the development of the Romanian commercial and transportation infrastructure, alongside, of course, with the infrastructure of other states. The roads, the railways, the ports, airports, storehouses and all the huge infrastructure connected to intermediation, financing, trade, services and control, which finally shall have to link the Asian continent to Europe, shall have to take into account Romania as well. Since we live in the 21-st century and not in the 19-th century, Romania is no longer, not even geographically, a compulsory space of transit.

The modality in which, in the next coming decades, it will be configured that the link between Russia, Caucasus, Central Asia and Western Europe on one side to Near East and Central Europe on the other side, no longer depends only on geography, but also on our political options. The transformation of Romania, in the near future, in a kind of turning plate of these commercial and communication lines, by combining the advantages of the development of infrastructure, can represent one of those big public-private projects which could enrich the content of the strategic partnership between USA and Romania.

I want to underline, in favor of the geographical argument, that, actually, geography alone can no longer represent a convincing comparative advantage. But the combination between geography and a modern and developed infrastructure can become an object of a strategic partnership within which Romania can offer its bigger partner: (1) geography; (2) political certainties; (3) an economic and financial effort proportioned with the country level of economic development.

The second argument, frequently discussed by Romania when it comes to its comparative advantages, refers to its position. Romania is situated at the border with the European Union, in

its east part and it is its important duty to strengthen and to protect this border against tentative of breaking it by illegal immigration, organized crime, international terrorism. In strengthening the east border, Romania is not alone; the work is done through the efforts of the whole European Union.

This comparative advantage justifies the effort of transferring towards Romania the communication and control technologies, of training Romanian specialists in high domains, of intensifying the cooperation and contacts between the Romanian specialized institutions and the European or American ones. This characteristic aspect is connected to a political geography that is still very dynamic.

The medium term perspective for Romania is not to remain for a long period of time “the East sentinel” of EU and NATO. The Balkans represent an area taken into consideration by EU, for its extension. The negotiations with Turkey have already begun and, even if it is scheduled to take a relatively long period of time, the perspective that Turkey becomes a EU member is a reality. The political transformations begun in Georgia, Ukraine, and Republic of Moldavia will push the borders of the democratic world farther to east and will redefine both the European and the American policies into this region.

From this perspective, the geo-political position of Romania is doubled by a political-cultural and economic position that I consider extremely advantageous, on two major directions: towards the space of the ex Soviet Union States, in the Caucasus area, between the Black Sea and the Caspian Sea, towards Ukraine, the Republic of Moldavia and Russia; secondly towards the Near East and North Africa. I have just spoken about a logistical and transport infrastructure, whose development could grant Romania the important role to link the regions with Western Europe.

I will refer now to a second infrastructure, this time, of cultural, economic and even interpersonal traditions and connections. If, in case of the first infrastructure, geography was important, in the second case, the commercial traditions, the cultural affinities and interpersonal connections are important. In the space of the ex Soviet Union States, the Romanian companies still have commercial relations, contacts and cooperation with old and new born companies of this region.

I have recently gone to Kiev, to a conference where the possibilities of Romanian-Ukrainian cooperation were discussed, especially after the improvement of the political relations between the two countries and it was evident that, in spite of the new-European border between Romania and Ukraine, the potential of development of the economic relations is huge. In fact, it is so big, that it overpasses by far the financial and manufacturing possibilities of the Romanian companies. And beyond Ukraine, there is the even bigger potentiality of Russia.

On the occasion of his visit to Bucharest, in his speech addressed to the Romanians, President Bush advised them to economically get oriented towards the huge market and space of resources that are the former Soviet Union States. One year later, one of the important conclusions of the meeting between the Presidents of Romania and Russia referred, equally, to the necessity of turning into benefit the potentiality of the Romanian-Russian economic collaboration. Or, so far, due to the difficulties of transition and of the still low development level, Romania has done little in this respect.

There are many ways in which we can look at Romania. We can see it as an “unsinkable aircraft-carrier” at the border of an uncertain political world, and its new status as a NATO member and the latest decision of the United States to create military bases on its territory indicate my country as an important player in the security strategy of the region, and not only. But it would be an error to limit us just to this vision, since Romania can equally be “an economic aircraft-carrier”, from where commercial relations, banking, products and services, and an entire network of extension of the occidental capitalism may start towards this east region. As I have been saying, the Romanian companies do not have, alone, the capacity to do it. But they can represent channels of intermediation and contact through which the occidental capital in general, and particularly the American one, could make for these regions.

It would be a more “roundabout way” strategy than the direct penetration, specific of the present globalization, but the direct penetration has proved to be difficult and risky Yukon experience in Russia is significant.

A starting point in this domain could be represented by the fact that, presently, within the Romanian-American strategic partnership the stress is laid on the security problems. Security has always a strong economic component. As a Minister of Defense, I tried to combine the two components, the military and the economic ones, into a project that proved to be too big and too difficult for a Romania in economic crisis – Bell Helicopters project.

It implied not only the production of fight helicopters of American conception in Romania, but also the development of a Romanian-American armament industry meant to penetrate the regional areas. Armament is a sensible domain that wakes up unexpected political reactions. But the consumer goods, the industrial products, the bank products, the food, the vehicles, etc. can prove less sensible and can find, through the intermediary of Romania, a huge market for sale and investments, practically a continent not yet colonized by the American capital.

The other direction, the Mediterranean basin can be equally interesting and profitable. Here, of course, there is a long-term tradition of the commercial, economic, linguistic and personal relations between the countries in this region and the former European Metropolis. Even in this respect, Romania offers a comparative advantage: it has never been looked upon as a potential enemy of the population of this area, on the contrary, as a friend, as a “gate” to the occidental civilization of the high classes of this regime.

Important parts of the technical elites of the Arab World were educated in the Romanian universities. The young students of the years 60-80 are actually leaders in big companies and government institutions in their countries and they still speak Romanian and keep contacts with Romania. In the first years of transition, when the occidental capital avoided Romania, due to political, cultural and market strategy reasons, an important part of the foreign capital invested in my country came from the Near East.

In the first years of transition, in Hungary, for example, approx. 95 % of the foreign capital invested in the Hungarian economy was European capital. During the same period, in Romania it represented only 70 % of the total. The significant difference of 30 % was equally shared between the American capital and the Near East capital.

In Cairo, there has been for almost one century, an American university that educates several hundreds of students every year. Lately, there have been created German-Egyptian, Canadian-Egyptian and French-Egyptian universities, each of them educating hundreds of students. This year, in Cairo, there has been created the Egyptian-Romanian university, by a group of the Egyptian investors together with a group of former Egyptian students in Romania. The project stipulates the education of several thousands of students every year. . It is relevant the fact that the academic group of Romanians who came back from Cairo, after discussions related to technical details of this university, met, quite accidentally, in the plane, an important Jordanian businessman, a building engineer, who had studied in Romania and who proposed, in his turn, the creation of a Romanian university in Amman. Recently, I have been in Rabat, and the opening of the Morocco business community towards Romania seemed to me exceptional.

Here is a social capital that Romania indisputably has in the Mediterranean world but it cannot turn alone into benefits but partially. The Romanian companies lack the other component, the economic-financial one. A Romanian-American strategic partnership, could, undoubtedly, overpass any kind of restrictions, enabling a very opportune combination between the Romanian social and human capital and the American financial and technological capital.

Recently, the French authorities addressed official thanks to the Romanian state for the help granted to liberate a French journalist taken as a hostage by an Iraqi terrorist organization. France, which rejected the liberation of Iraq from the dictatorship of Hussein by means of military intervention, which has a long lasting tradition of economic cooperation with Iraq, benefited in this special case, of the social and human capital that Romania has in the Arab world, but whose revaluation to its real potentiality ultimately depends on the Romanian-occidental cooperation (European and American).

There is another form of capital, very special, to which I want to refer and that, I think, if taken into account can bring Romania a comparative advantage. I will name it “ideological capital” although, probably, the name is less inspired. I will confess that I do not share the ideas of Huntington about “the clash of civilizations”. As a Romanian, I have been a witness to the capacity of civilizations to cooperate and to sustain each other.

But, if I do not believe in the existence of an irreducible conflict between civilizations, I am aware of the fact there exists a competition between them. And this competition, to my opinion, will favor that civilization that will be able to offer the people the highest living standard and liberty level. All the best cards in this respect belong to the occidental civilization, but their convincing revaluation is a special problem, a strategic matter.

The occidental civilization is on its way to conquer the Pacific region, as a result of the extraordinary example offered by the intermediary of success stories, such as Japan, South Korea, Hong-Kong, Singapore, Malaysia etc. The occidental civilization is on its way to conquer the Latin America, facing more difficulties, as a result of the extraordinary success story offered by countries, such as Mexico, Chile, Brasilia.

Which will be the success stories that will play the role of reference terms for the past communist region and the region into the immediate vicinity of the European Union?

We do not have to do with a new strategy in the region. Let's remember that, during the cold war, the United States and the Occidental Europe made serious efforts to transform Yugoslavia into such an ideological effort and the memory of the Yugo automobile, transformed into works of art, is relevant in this respect. Unfortunately, Yugoslavia ceased to be a positive example. My intention now, is to underline the ideological capital that Romania disposes of, maybe more than other countries in this respect, since it is precisely positioned at the intersection not only of roads, but also of civilizations; since an economic, social and civilization success of Romania would become relevant for the post-communist world, as well as for the Asian space and for the Middle East, since just because having another dominant religion than the one in Occidental Europe, having a culture which synthesizes the characteristics of the great civilization of three continents and which has been lasting for at least two millennia; since just because it disposes of a human capital whose relational network covers three continents, the success of democracy and development in Romania can become an example for several civilizations.

This success ultimately depends on the Romanian people themselves, and we have proved, during the post-communist transition, that we can become ingenious in sabotaging it.

But the same type of opposition against modernization and development will be met today by the developed occident – America in Iraq, in Afghanistan, in Bosnia-Herzegovina, in Kosovo and Macedonia, in the former Soviet Republics etc.

Different components have different proportions, but finally we speak of the same thing, namely the transfer of civilizations.

And I believe that Romania is the best placed society to prove that this transfer of civilization can be made without sufferings for any of these civilizations, and with benefits for the population. The transformation of Romania into a “success story” of transition and globalization can become an extremely strong reason and model for everybody, which, we Romanians, try to do.

Thank you for your attention.