

## DECLARATION

We, signatories to the present Declaration have found with great satisfaction that the elaboration of Romania's Medium Term Economic Strategy is the outcome of a free, in-depth and constructive exchange of ideas among the participants in the Ad-hoc Preparatory Commission consisting of Government officials, experts appointed by ruling-coalition parties, opposition parties, trade unions, employers federations and by the Group for economic assessment of the Romanian Academy and other experts groups and that the National Strategy represents a genuine open and consensual project.

The crux of this project is the creation of **a smooth-functioning market economy, consistent with EU principles, norms, mechanisms, institutions and policies.**

The national strategic objective of putting in place such an economy serve as a real catalyst that helps Romania's political and social forces to develop solidarities and to find areas of convergence. While the long-, medium-, and short-term actual development of the national economy is still caught in the vicious circle of self-perpetuating and ever increasing gaps in productivity and living standards compared to those of the EU members, the priorities envisaged provide the Romanian people a historic opportunity to promote, in a broader international framework, its goals and primary interests, its identity and tradition, narrow and eventually eliminate, through its own efforts backed by international co-operation, the gaps versus the advanced economies, to achieve Romania's modernization in line with the requirements of transition to a culture and information-based economy in which education capital should play the key role in the social and economic development.

The convergences that have been reached in the area of fundamental options, macro and micro-economic objectives, principles and policies rely on a realistic assessment of resources and opportunities, of the domestic and international environment. They allow us to face the twofold challenge to complete the transition to a market economy and to prepare for Romania's EU

membership, taking the historic opportunity to start accession negotiations, as decided by the European Council in Helsinki in December 1999.

We also appreciate that in drafting the Strategy a close co-operation has been established with experts of the European Commission, the EU member states, the IMF and the World Bank.

We, signatories particularly emphasize the strategic options to:

- resume economic growth based on higher investment rates and an increased participation of domestic capital and foreign resources, attracted, mainly, as autonomous flows, against a background of complete transparency, so that annual GDP growth rates average between 4 and 6 percent after 2001;

- notably enhance the credibility of institutions and economic policies; carry on macroeconomic stabilization measures; maintain fiscal deficit within tolerable limits, of around 3 percent of GDP; narrow the quasi-fiscal deficit; adequately manage public debt and current account deficit so as to ensure the gradual reduction of inflation to single digit rates by 2004;

- promote coherent policies in line with EU mechanisms and aimed at structural adjustment of the economy; develop and upgrade the physical, scientific and social infrastructure; revitalize potentially competitive industries; encourage development of optimal-size farms; support IT businesses and create a friendly environment conducive to the development of tourism, diversification of financial services, of the tertiary sector in general;

- modernize the utilities so as to better meet the needs of the public and of the national economy and gradually approximate the standards prevailing in EU countries;

- prepare and carry out a long-term programme to eliminate the risks of ecological accidents and continue to reduce environmental pollution;

- develop a friendly business environment, based on a coherent and stable legal framework, fostering market competition, lower transaction costs and tax burden; promote specific measures aimed at encouraging development of small - and medium - sized businesses;

- ensure a clear-cut definition of property rights and adequate administrative and judiciary structures, able to guarantee law enforcement and observance of contractual obligations.

Implementation of such options will lead to a rise in real incomes and visible progress in fighting poverty. Unemployment rates, estimated to reach 13 percent in 2000, will fall to about 8 percent in 2004. Per capita GDP on a PPP basis is expected to amount to about EURO 8.400 in 2005.

A strength of the process of preparing the Strategy is the rigorous assessment of social costs of transition and reform as well as of accession to EU; in this context, we, signatories to this Declaration firmly believe that neither the reform nor integration are reasons for the difficulties the national economy is facing, they are rather the solution to these difficulties.

We share the conclusion of the Strategy that through sustained efforts and a genuine solidarity of social forces, prerequisites are created for Romania to meet by 2007 the basic requirements for accession.

In our view, one of the most important results of the Commission's proceedings is the climate of dialogue and concertation of opinions that has been established, making it possible for the spirit of national cohesion that emerged for the first time in 1995, while preparing the " Snagov Agreement", to become a main factor generating societal trust.

We, signatories to this Declaration reiterate our availability, alongside with trade unions, employer's federations, religious denominations, non-government organizations, prominent public figures to further strive to deepen the options of this agreed Strategy, which is to be transmitted to the EU Commission in Brussels, March 20, to prepare an extended version of this Strategy, including a schedule of measures to be put in place with specific deadlines (quarters, years) and to complete it by May 15, 2000.

We, signatories to this Declaration consider as appropriate to adopt the extended Strategy by a decision of the Parliament and to establish a permanent body in charge with both updating on a consensus basis the National Strategy and monitoring the way it is implemented.

It is our firm belief that Romania will have a positive share in the process of creating a united, stable and prosperous Europe, with an increasing part in world affairs, and in promoting the Euro-Atlantic values.

Beyond all differences between their political and doctrinaire orientations, we the signatories are confident that the Romania's Medium Term Economic Strategy, by the very nature of its preparation and implementation, can serve as a platform for all political forces to work together to promote the public interest, the progress of our nation and the welfare of all Romanians, in the context of a wide international opening.

PREȘEDINTELE ROMÂNIEI

Emil CONSTANTINESCU

PARTIDUL DEMOCRAȚIEI SOCIALE  
DIN ROMÂNIA

Președinte - Ion ILIESCU  
Senator

*Iliescu*

PARTIDUL DEMOCRAT

Președinte - Petre ROMAN

Ministru de Stat, Ministrul Afacerilor Externe

*Roman*

UNIUNEA DEMOCRATĂ A MAGHIARILOR DIN ROMÂNIA

Președinte - Markó BELA  
Senator

*Markó Bela*

PARTIDUL UNITĂȚII NAȚIONALE ROMÂNE

Președinte - Valeriu TABĂRĂ  
Deputat

*Tabara*

PARTIDUL SOCIAL DEMOCRAT ROMÂN

Președinte - Alexandru ATHANASIU  
Deputat

*Athanasiu*

UNIUNEA FORTELOR DE DREAPTA

Copreședinte - Varujan VOSGANIAN  
Senator

Copreședinte - Acruan IORGULESCU  
Senator

ALIANȚA NAȚIONALĂ CREȘTIN DEMOCRATĂ

Președinte - Victor CIORBEA

*Ciorbea*

GRUPUL PARLAMENTAR AL MINORITĂȚILOR  
NAȚIONALE

Lider - Varujan PAMPUCIAN

PARTIDUL NAȚIONAL ȚĂRĂNESC -  
CREȘTIN DEMOCRAT

Președinte - Ion DIACONESCU  
Președintele Camerei Deputaților

*Diaconescu*

PARTIDUL NAȚIONAL LIBERAL  
Președinte - Mircea IONESCU-QUINTUS  
Președintele Senatului

PARTIDUL ROMÂNIA MARE

Președinte - Corneliu Vadim TUDOR  
Senator

*Vadim Tudor*

ALIANȚA PENTRU ROMÂNIA

Președinte - Theodor MELEȘCANU  
Senator

*Melescanu*

PARTIDUL ECOLOGIST ROMÂN

Președinte - Otto WEBER  
Deputat

*Otto Weber*

FEDERAȚIA ECOLOGISTĂ DIN ROMÂNIA

Președinte - Alexandru IONESCU  
Deputat

*Alexandru Ionescu*

PARTIDUL LIBER DEMOCRAT ROMÂN

Președinte - Nicolae CERVENI  
Senator

*Nicolae Cerweni*

PARTIDUL NAȚIONAL ROMÂN

Președinte - Virgil MĂGUREANU

*Magureanu*

COPREȘEDINȚII COMISIEI DE FUNDAMENTARE A STRATEGIEI  
NAȚIONALE DE DEZVOLTARE ECONOMICĂ

Prof. Constantin Mugur ISĂRESCU

Prim - Ministru

*Mugur Isarescu*

Prof. Tudorel POSTOLACHE,  
membru al Academiei Române

*Tudorel Postolache*

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