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History - Jiu Valley / Istorie Valea Jiului

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This paper discusses the context of challenges and opportunities facing young people in Romania's Jiu Valley (mainly based on research prior to start of program in 2000, with some statistical updates in January 2006) and is organized as follows:

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Political Economy of Lupeni/Jiu Valley

The Jiu Valley

The Jiu Valley is Romania's principal coal mining region. Two other areas in Romania have some surface mining, while the Jiu Valley contains deep shaft underground mines. While providing only 12% of the Romania's supply of coal, the Jiu Valley is the only region in Romania both completely urbanized and reliant on a single industry.

Coal mining has long been the heart and economic lifeline for the Jiu Valley. The development of coal mining started in the Jiu Valley about 150 years ago around the middle of the 19th century when Polish, Czech and German workers were brought from all parts of the Habsburg Empire to work in the coalmines. The mines were privately owned until the end of the Second World War when Romania surrendered to the invading Soviet army and switched sides. As part of Romania's reparations to the Soviet Union for its wartime alliance with Germany, the Romanian coalmines were nationalized and converted into joint Soviet-Romanian companies (Sovroms). These Sovroms continued for about ten years.

The Jiu Valley expanded rapidly in the second half of the 20th century as the country's communist rulers (Petru Groza 1945-1952, Gheorghe Gheorghiu-Dej 1952-1965, and Nicolae Ceausescu 1965-1989) embarked on an intensive industrial growth program fueled by coal combustion.

Steel production rose from 280,000 tons in 1938 to 13,790,000 tons in 1985. Steel production was fueled by coke, distilled carbon made from metallurgical coal. As coke was generated, it gave off coal tar as a by-product that was then used in manufacturing many other products. To meet the labor requirement for this demand, the communist imported tens of thousands of miners from around the country and Moldova. By 1979 the number of miners reached 179,000.



During the 1970s and 1980s Ceausescu determined that Romania should be completely debt free and sought to repay its foreign debt ahead of the repayment schedule agreed to by the country's creditors. To accomplish this, he exported for sale any products or materials of value; what little inferior food and products remained was sold on the domestic market. Opposition was ruthlessly crushed and expressions of discontent were stifled by the ubiquitous Securitate secret police. As a result, in order to survive, more and more people began to transact business through barter trade and other informal economic means. Ceausescu achieved his goal, but at a huge cost to nearly all sectors of the country.

Since the revolution in 1989, restructuring of the coal sector, the country's economic contraction, and a

shift toward natural gas all contributed to a significant decrease in both production and consumption of coal in Romania. Production declined by 57%, from 66.4 million short tons (Mmst) in 1989 to 28.6 Mmst in 1998. Consumption also fell more than 60%, from 77.7 Mmst in 1989 to 30.8 Mmst in 1998.^[1]

During this same period the Jiu Valley has been profoundly influenced by lack of re-investment, deteriorating infrastructure, mine closures and massive layoffs, environmental degradation, and political and cultural isolation from the rest of Romania. Today, the population of the Jiu Valley is estimated to be between 160-170,000 inhabitants, largely concentrated in the region's six mining towns – Petrosani, Lupeni, Vulcan, Uricani, Petrila, and Aninoasa, but also including small villages such as Campu lui Neag and Lonea. Eighty percent of the workforce depends upon the mines for work and income.

In 1990 there were 15 active mines in the Jiu Valley. Seven of these (i.e., Dalja, Iscroni, Lonea-Pilier, Petrila-Sud, Campu lui Neag, Uricani, and Valea de Brazi) have since been closed. The Valea de Brazi and Uricani Mines were closed recently in 2004 and 2005, respectively. As of January 2006, the eight active mines are as follows: Petrila, Lonea, Livezeni, Paroseni, Vulcan, Aninoasa, Lupeni, and Barbateni.

The mines are scattered throughout the Jiu Valley. The location of the active mines are as follows: the Petrila Mine is located in the town of Petrila), the Lonea Mine is located at the village of Lonea, the Livezeni is at the city of Petrosani, the Paroseni and Vulcan Mines are at the town of Vulcan, the Aninoasa Mine is located in the town of Aninoasa, and the Lupeni and Barbateni Mines are located in the city of Lupeni. The seven mines closed since 1989 were located as follows: Dalja Mine (Petrosani), Iscroni Mine (Aninoasa), Lonea-Pilier Mine (Lonea), Petrila-Sud Mine (Petrila), Campul lui Neag Mine (Campul lui Neag), and the Uricani and Valea de Brazi Mines located near the town of Uricani.

Through mine closures, forced layoffs and voluntary severance, the number of actual miners in the Jiu Valley has decreased considerably. The mine closures were accompanied by large numbers of lay-offs of miners. It is estimated that in 1989 there were some 40,000-50,000 mine workers (including both actual underground miners and auxiliary workers). The number of mine workers in the Jiu Valley today is estimated between 18,000-20,000, this number decreasing by some sixty percent during the ten-year period. Approximately 25% of total mine workers work above ground.

Although there are also few jobs elsewhere in Romania, unemployment is rampant in the Jiu Valley. Although many feel that this number is much higher, in 1999 the National Agency for the Development and Application of Reconstruction Programs in the Mining Regions (ANDIPRZM) estimated that over 16,000, or 25% of the working population, are unemployed, compared with the official statistics of the national average of 10%. While official estimates are lower, the mayor of Lupeni (a city of approximately 35,000 and the location of the largest mine in Romania) estimated that real unemployment in the city is nearly sixty percent.

Overview to Organized Labor in Romania

Organized labor has played an important role in post-revolution Romania, affecting the actions of every government since 1989. Chronic work stoppages and economic disruptions by various labor organizations helped bring down successive governments and contributed to general economic and political instability. While trade unions have existed in Romania since the late nineteenth century, during the communist period from World War II until 1989 independent trade unions were not allowed to exist. Instead, there was a national pyramid of industry federations consisting of enterprise trade unions and headed by the General Union of Romanian Trade Unions. The few attempts during this period to found independent trade unions or organize worker protests were ruthlessly suppressed, with their leaders severely punished or executed. Following the chaos of December 1989, trade organizations sprang up virtually overnight. Unlike in Western Europe where trade union pluralism typically reflects ideological groupings, in Romania labor movement fragmentation reflected distrust of higher authority, personal ambition and unwillingness of leaders to reduce or share power. As of 1997, labor analysts estimated that there were over 14,000 enterprise trade union organizations, 150 federations, and 18 confederations, representing approximately two-thirds of the workforce. Some consolidation has occurred over the past several years.^{[2] [3] [4]}

The Role of JV Coal Miners Union in Post-Revolution Romania

Few, if any, Romanian trade unions, though, have had as much influence or won as much national notoriety (or international attention) as the Liga Sindicatelor Miniere din Valea Jiului (League of Miners Unions of the Jiu Valley, or Jiu Valley Coal Miners Union). While there are two other coal mining regions

(primarily surface mining) in Romania, and other miners unions, the Jiu Valley Coal Miners Union have long been the most independent and militant.

Political and social unrest in this region was nothing new. To this day miners commemorate the Lupeni strikes in 1929 (when the government killed 32 workers and wounded 56), the big strikes of February 1933, and the miners' protest in 1977 during the Ceausescu years. On the latter occasion, on 1 August 1977, 35,000 Jiu miners gathered in the main yard of the Lupeni mine to protest against a new decree that raised the age of retirement from 50 to 55 and reduced the miners' pensions. Spokesmen for the miners claimed that the protest was the culmination of many years of deteriorating conditions and the intolerable political situation in the country. Ceausescu dealt with the miners by agreeing to their demands and then, as soon as the movement subsided, ordered reprisals against the leaders. He also transferred four thousand of them out of the area and replaced them, many of the replacements working as informants for the Securitate, the dreaded secret police. The subsequent climate of fear kept the miners silent until the 1989 revolution.

Since the revolution in 1989 the Jiu Valley miners have played a visible role in Romanian politics. In fact, Romanians have a name – *mineriada* -for the periodic eruptions of violence when Jiu Valley miners strike and descend upon Bucharest.

The first post-revolution action came in 1990. In May 1990 a coalition party headed by a former high-ranking communist official named Ion Iliescu won a sweeping presidential election (President from 1990-1996, re-elected December 2000). The election was followed by widespread street demonstrations by students, professionals, etc., who contested the legitimacy of the elections. In response, in June 1990 President Iliescu issued a call to arms against "enemies of the regime." The government trucked in thousands of miners from the Jiu Valley to Bucharest to confront the demonstrators. The rest of Romania and the world watched the government television broadcasts of miners brutally grappling with students and other protesters. Miners maintain their relative innocence of the brutality, claiming that the agitation and most of the brutality was the work of Iliescu's government agents who had infiltrated and disguised themselves as miners. During this time the government made various promises to the miners.

The 1990 *mineriada* was followed by several other actions during Iliescu's presidency. In September 1991, the miners, irritated that the government had not lived up to its economic promises, descended on Bucharest again. An estimated 10,000 miners came to the capital. Rioting ensued and lasted over four days. The actions during this time led to the resignation and replacement of the prime minister and his cabinet. August 1993 saw another miner strike and a resumption of general strikes by other trade unions. In November 1996, most miners, fed up with what they saw as a betrayal on the part of Iliescu, voted for his opponent, Emil Constantinescu, during the parliamentary and presidential elections.

The economic situation for state-favored working classes, such as the miners, who had been relatively insulated against the harsh privation suffered by the general populace, changed after 1989. During Ceausescu's regime the mines and other ineffective state-owned industries were artificially propped up and protected against market realities. Miners were considered relatively well paid, although there was little of value to purchase with the money they earned. After the revolution in December 1989 the replacement government maintained Ceausescu's policy of subsidizing these money-losing industries with few changes to the industrial or management practices that had led to the problems in the first place. The government borrowed heavily without adhering to the conditions of economic reforms required by the World Bank, the IMF and other international lenders. With Ceausescu's forced privations lifted, and falling prices for Romanian exports, the country's international debt soared. This in turn led to fewer funds allocated to industry reinvestment and maintenance.

Relations between labor and the new Constantinescu government, while appearing initially quite promising, proved as difficult and problematic as before. Under pressure from international lenders (most notably the International Monetary Fund), who refused to provide any more financial assistance unless inefficient and money-losing state owned operations were reduced and other reforms carried out, in February 1997 the new center right coalition embarked on a comprehensive macroeconomic stabilization and radical structural reform program. This program was also seen as a key requirement for attaining the government's goal of membership in NATO and the European Union (EU).

The Constantinescu and Vasile (who succeeded Victor Ciorbea as Prime Minister) government's urgent priority was to reduce budget and trade deficits by making major budget cuts (particularly in social spending), and eliminating non-profitable sectors, including the mines. Poor management, inept politicians and bureaucracy, decreased mine yields (in no small part due to lack of operating capital and access to technology), and a low international price of and demand for Romanian coal, all contributed

toward the huge losses in the mining industry being incurred by the government. By some estimates, national demand for coal fell from 44 million tons in 1996 to 33.5 million in 1997, out of a potential annual capacity of 52 million tons.

Under the initial Constantinescu first prime minister and cabinet, the government executed what was referred to in the government and media as a “velvet restructuring” of the mining sector under Ordinance 22. In the ensuing disruptive chaos of the “velvet restructuring” 18,000 miners lost their jobs, with the rest left with uncertain futures and bitterness over being betrayed by false promises once again. The government had promised the miners 15 to 20 months of salary as severance (totaling nearly 20-30 million lei, or \$1,230-1,846 in the 8/99 exchange rate) to help them start their own businesses. Many of the miners, noting the growing number of terminations, did not hesitate to put their names on the laying-off list. However, a year after the beginning of the mining sector restructuring, only approximately 5,000 of the 18,000 had employment, either through starting their own jobs or finding other jobs (and most of these with the companies overseeing the mine closures).

Each mine closure is widely felt in the Jiu Valley community. In Campul lui Neag, the westernmost mine in Jiu Valley, after Ordinance 22 only 152 people remained of the 790 who used to work there before 1966. At Dâlja, a mine in the east of the Jiu Valley there are 1,023 miners left of the former 3,000. In Lupeni, reputed the second largest mine in Europe and, unlike some of the other Jiu Valley mines, a relatively profitable one, by 1999 only 4,000 workers remain of the pre-1996 8,000 workers.^[5] Of these 4,000 only an estimated one-third are actual miners, with the remaining two-thirds aboveground jobs such as administrative, engineering, and technical staff.

The government’s actions, while winning concessions with the international lenders, led to growing antagonism with labor. By August 1997 the growing criticism of labor throughout the country translated into strikes and eventually led to the resignation and replacement of the prime minister and cabinet.

In the Jiu Valley government’s announcement in 1997 of the closures of the Dâlja and Barbateni mines and the generally deteriorating conditions of the miners sparked riots and then led to a general strike.

Despite the probable and most likely reaction of the miners, in order to be eligible for an IMF loan to repay its debts the government was required to close more mines (142 which had been closed since 1997) and was pending decision on closing additional 112 mines.^[6] To limit losses in the unprofitable mining sector, then running at \$370 million, the government made an announcement just before Christmas 1998 of its plan to close non-profitable mines. After closing about 100 mines and getting rid of 90,000 mining jobs in the course of 1997, including 20,000 in the Jiu Valley, implementing this new plan would result in firing additional 6,500 miners.^[7]

The result, not surprising, was an outpouring of miner resentment and anger at what the miners saw as another betrayal. Organized by union leader Miron Cozma, on 20 January 1999 an estimated 10-15,000 set out on another *mineriada* from the Jiu Valley to Bucuresti to force the government to change its policy, demand wage increases and re-opening of recently closed mines.



Along the way the caravan of miners fought pitched and bloody, tear-gas choked battles with the police and wrecked havoc along the way. The army was mobilized and waited on the outskirts of Bucharest. The anticipated and dreaded showdown between the miners and army, however, never materialized.



The miners had not reached Bucuresti when a secret compromise was reached between union leader Cozma and Prime Minister Radu Vasile on 22 January. In return for the miners' agreement to turn around and go back to the Jiu Valley, the government agreed to a 30 percent pay rise, re-opening of two previously closed mines, and the spending of hundreds of millions of European Union development funds on projects in the Jiu Valley. The agreement may well have averted an eruption by disaffected workers in other industries.



To many the compromise agreement was seen as a Pyrrhic victory for both sides. While the government avoided a showdown with the miners, the compromise represented "a potentially devastating setback to the government's flagging efforts to push through market-oriented reforms - including the closure of 140 loss-making coalmines, 49 loss-making state enterprises and a five-year plan to restructure the steel industry with the loss of 70,000 jobs."^[8] As for the miners the future was no more certain than it was before the strike.



The agreement made Cozma a hero in the Jiu Valley, but within a month of his return he was arrested and put in prison as a result of a decision of the Romanian Supreme Court, an action seen by most miners as political revenge by the government. For his role in the 1991 *mineriada* Cozma had been convicted and sentenced to prison for three years, of which he had served eighteen months before being released in 1998. After the January *mineriada*, despite his apparent agreement Cozma continued to press for new concessions from the government and announced another strike. In its decision the

Supreme Court increased Cozma's sentence to 18 years for "undermining state power" in the 1991 *mineriada*, along with the charge of illegal possession of a firearm. Cozma defied the government to arrest him, but soon thereafter, although protected by a convoy of several thousand miners, Cozma and over 500 miners were arrested in a bloody clash with the police. Several weeks later, already imprisoned, Cozma was convicted on two other unrelated charges.

In December 2000, the electorate, which had seen the country's economic and social situation continue to degenerate under the Constantinescu government, overwhelmingly rejected the "centrists", and voted Iliescu's social democrats back into power. What approach and actions the new government will take in relation to the Jiu Valley remains to be seen.

Organization - Liga Sindicatelor Miniere din Valea Jiului (Miners Union League of the Jiu Valley)

Membership

The miners of the Jiu Valley are represented by the Liga Sindicatelor Miniere din Valea Jiului (Miners Union League of the Jiu Valley).

While union membership is voluntary, it is widely accepted that all the miners are members of their respective mine's union. Union membership includes underground miners, individuals with jobs related to the mines, and retired miners. While our team was unable to identify any instances of miners not joining the union, there do not appear to be negative consequences to not joining the union, other than being ineligible for benefits provided by union membership.

Members pay the Union approximately 1.5% of their monthly salaries (after income tax) in basic membership fees. However, members are also required to pay other fees for Union projects. These include sponsoring the Jiul Petrosani soccer team (which the Union supports because this team represents the Jiu Valley), as well as funds for the local miner's sports clubs (almost each mine has a soccer team, though Lupeni also has a rugby team, and Aninoasa also has an archery club and a kind of bowling team).

Union Organization and Leadership

According to Romanian law, union representatives must be employees of the institutions/companies whose workers they represent. Once a member is elected as a union representative, he remains an employee of his respective mine. However, during his term of office in the union the union, not the mine company, pays his salary. The mine company is required by law to give union representatives unpaid leave until their elected term is over and must give them their job back when they return. The duration of a term for an elected union representative is generally 4 years. However, this may vary by individual mine union (e.g., the Paroseni mine union's representatives are elected for 2 year terms).

Each mine has its own union organization, which is divided according to the mine's functional sectors (e.g., safety, production, transportation). Each sector elects their sector union representative. These sector representatives form the mine union council, but have no power representing the union, but each represent only their respective sector on the council. However, the overall mine union leadership and representatives (e.g., union president) are elected in a general vote of all union members in the mine regardless of sector.

The representatives (presidents) of each mine union form the voting council of the Liga Sindicatelor (Union League). These representatives then nominate candidates and elect the executive leadership of the Union League, i.e., President and an Executive President (equivalent of a Vice President or Executive Director). The elected team will then choose its support staff.

At present, the officially elected President of the Union League is Miron Cozma, who is currently serving an eighteen-year prison sentence following his arrest in 1999. The League considers him the official president for the remainder of his term and claims that the position will be his until he is able to complete his term when he is released from prison. The current interim President is Ioan Savu, and the Executive President is Costel Postolache.

Role of the Union

The Union League leadership speaks for all the miners of the Jiu Valley mines in most matters. As such they represent the miners in collective bargaining with the government and when calling for action by the miners (e.g., a strike). While their decisions are considered binding upon their members, there are examples of actions not supported by individuals or groups. This can be seen during the miner marches to Bucharest, where miners who did not agree with this action were not compelled to go. Those that remained did not appear to have suffered any negative consequences or retaliation or by the union, but continued to be members in good standing.

In exchange for their monthly fees and electing it to represent them, miners expect the union to do what it can to insure job security (e.g., prevent mine closures or downsizing), increase salaries, improve work conditions, and maintaining certain government perks conferred upon miners (e.g., reductions/discounts in home electric, hot water and other bills for miners and their families) during Ceausescu's time.

The Union League's role appears limited to the sponsorship and labor negotiating activities listed above (and individual member services such as contributing to funeral costs). The union at either the mine or league level does not appear to have played any role in any regional or local economic and community development. Despite the claims of some union representatives, the union does not appear to promote, develop or implement any programs for worker training, unemployed workers (counseling, retraining, or placement), or community development (e.g., housing and environmental conditions).

A Bleak and Uncertain Future

To mitigate the effects of the mine closures, in 1999 the government announced several measures to assist the economically depressed Jiu Valley. These measures included: 1) designating the Jiu Valley as a disadvantaged area, a status under which companies investing in the area would benefit from certain tax breaks; 2) construction on the Campul lui Neag-Baile Herculane road (begun August 15, 1999); and 3) the National Tourism Authority designating the Jiu Valley as a tourist area in order to provide jobs for some of the laid-off workers. In addition, the World Bank has designated \$12 million to fund a social mitigation plan. Perhaps the Law of Special Areas, the Law of Backwater Areas, and other government actions will improve the situation of the miners. Most miners, however, continue to see no tangible assistance or implementation of job creation or new skills training. As such, government pronouncements are skeptically seen as mere lip service of politicians attempting to placate the electorate and prevent more miner unrest. The money was inadequate, they say, the development and implementation of laws and programs set up too late, and no infrastructure was ever established to support the development of new industries like tourism.



Within the Jiu Valley opinions and rumors abound as to what the future potentially holds. Most miners feel that coal mining in Romania is a moribund industry that will never regain its position of significance. Others feel that the industry will experience resurgence and that the situation faced by the industry is merely a result of political self-interest, stupidity, and harmful decisions by politicians. Among these are those people that point to the example of the Hungarian government, which, after closing their mines under international pressure, was compelled by the powerful reaction of the miners to reopen them.

The shops offer little variety and quality, and the average income reported by inhabitants was less than \$75/month in 1999 (rising to around \$200/month by late 2005). Miners salaries are considerably higher, estimated at \$400-500/month as of January 2006. Miners who have been laid off by the mines are to receive a severance pay, but often saw this eaten away by the hyperinflation in the late 1980's, and was only brought under control in the past several years (2006). During the first redundancies, what little income in lei was not spent immediately for basic necessities was typically not deposited in banks (which were seen as unreliable) but was exchanged for U.S. dollars or Deutschmarks and hidden in their

homes. By 2000 this had begun to change as the Romanian banks became more efficient and competitive, and as public confidence began to grow, so did deposits.

Some miners would like to start their own businesses and see the Jiu Valley develop a tourist industry, but the impediments to both are painfully obvious and everywhere. The redundancy payments, estimated at a total maximum of 100% of 12 month salaries (paid upfront), plus an additional 50-60% of monthly salary paid over the next 18 months, was hardly enough to buy inventory or start a business, particularly when adding in the cost of dealing with bureaucracy and the numerous necessary bribes. Before 2000, if the money was not invested with a high enough return, the high Romanian inflation soon ate the savings away to nothing. Many residents looked to the development of tourism as a substitute industry, but either ignored the realities or didn't realize that the region lacks a service economy infrastructure, with such basics as adequate accommodation, roads, transport, equipment rentals, tourist information, programs, medical facilities, banks, and other basic business services.

Compounding the situation is the overall lack of confidence and experience in basic market principles and practices. Prevalent in Romania is a view that Romanians cannot save themselves. This position is based on the belief that corruption, incompetence, and the culture of poverty are too ingrained in Romania, and that only foreign capital and direction can save them. This view is reinforced when Romanians who attempt to start and build businesses confront the myriad difficulties within the systems. Confronting the entrepreneur and businessman are inefficient bureaucratic processes and obstructionist or unhelpful bureaucrats, multiple layers of unnecessary authorizations and signatures, corruption and influence peddling, lack of capital, lack of competition and quality choice, insufficient bank property valuation system, and lending programs that require significant up-front personal capital contributions.

Ecology/Environment

Geography/Ecology

The Jiu Valley lies in the southern part of Hunedoara County, a region stands like a portrait of stark contrasts between unspoiled and relatively unknown mountain wilderness areas, pastoral and bucolic sceneries, and devastated and rusting industrial eyesores that dot the valley. The county is an area of 2,712 sq mi (7,025 sq km) situated in Romania's western center in the province of Transylvania. It bounded to the north by the Western Transylvanian Alps (Apuseni Mountains), the Orăștiei and Surianu mountains in the Southeast, the Parâng, Vâlcan, Godeanu, and Retezat mountains in the South, and the Poiana Ruscăi Mountains in the Southwest. The county also includes several rivers, the Strei, Râul Mare (Big River), Crisul Alb (White Cris), and Jiu, which cross the county.

The mountains within Hunedoara are but a part of the Carpathian Mountains that cover nearly one-third of Romania's total 91,700 sq mi (about 237,500 sq km) land mass. The Carpathians are a long chain of mountain ranges in central and eastern Europe that start in at the Danube River in Bratislava, Slovakia, cut in an arc through northern and central Romania, and end on the Danube River at the Iron Gate near Ordoava, Romania. In Romania, the Eastern Carpathians extend from the northern border to the center of the country. The Southern Carpathians, also known as the Transylvanian Alps, stretch westward from the Eastern Carpathian range and border the southern edge of Transylvania. The area of Transylvania is an extensive elevated plateau region that reaches a maximum height of about 2,000 ft (about 600 m) and occupies most of central and northwestern Romania. The Transylvanian Alps contain the country's highest peak, Moldoveanu, which reaches an elevation of 8,343 ft (2,543 m). The Western Carpathians traverse the western portion of Romania.

One of the ranges within the Hunedoara county region of the Transylvanian Alps is the Retezat, a spectacular mountain range of unique ecosystems that remains virtually unknown within and outside of Romania. These mountains lie in the western part of Romania, close to the cities of Petrosani and Deva. Containing more than 60 peaks over 7,500 feet (2,300 m) and highlighted by its highest peak Peleaga (8,231 ft or 2,509 m), the Retezat peak and the clear Bucura and Galesu glacier lakes, the spectacular Retezat mountains are slightly lower than the Fagaras to the east.



The area is also the site of Romania's only national park, Retezat National Park. Established by law in 1935, the park has a surface of 95,117 acres (38,047 hectares), of which 1,800 hectares have been declared a strictly protected area called "Gemenele" that shelters one of the last remaining totally unaffected natural primary forest and the largest single area of pristine mixed forest in Europe. In 1979 the Man and Biosphere Program of UNESCO included the park in the international network of biosphere reserves. The park includes deep narrow valleys in the lower part of the park and glacial plateaus in the higher parts. The glacial plateaus include more than 80 glacier lakes (the Bucura Lake is the largest with over 11 hectares), in addition to the parks streams, springs, rivers, waterfalls, and peat bogs.

The area also contains numerous caves and gorges. Its ecosystems include broad-leaved, alpine and sub-alpine pastures with dwarf-pine, coniferous and mixed forests. Wolves, brown bear, wild boar, lynx, wildcat, roe and red deer, chamois, as well as small carnivore species such as badger and otter, populate the area. Unlike other natural habitats, the park has not generally been exposed to human intervention, due primarily to the fact that up to 1935, when the area was designated as a national park, a large part of the area was restricted for royal hunting. Subsequently the park was further protected when the dictator Ceausescu used the park as his own personal hunting reserve, essentially closing the park off completely from the public.

Environmental Degradation

In contrast to the primitive and unspoiled beauty of the mountains is the environmental degradation wrought by the communists in the rush to industrialize the country and compete with the West. During the 1970s the communist dictator Nicolae Ceausescu decided that Romania should produce more coal than the United States. To accomplish this goal, he had thousands of workers imported, primarily from Moldova, which swelled the Jiu Valley mining towns far beyond their original capacity. By 1979 the number of miners reached 179,000. In the rush to accommodate these new workers, poorly designed and built housing projects were quickly constructed. However, many of the towns' infrastructure facilities (e.g., sanitation/waste treatment systems) were not updated or replaced as required. International market realities were also ignored in the dictator's industrial goal, and sinking market prices for Romanian coal and inferior industrial outputs left many industrial projects stranded, either incomplete or without adequate working capital. As a result, more and more safety precautions were ignored or bypassed. Broken or worn-out equipment was not replaced, but repaired and used until deemed beyond repair and abandoned. Today, all along train and automobile routes are massive industrial areas that are largely abandoned and in various states of decay—broken windows, rusting metal and crumbling concrete.

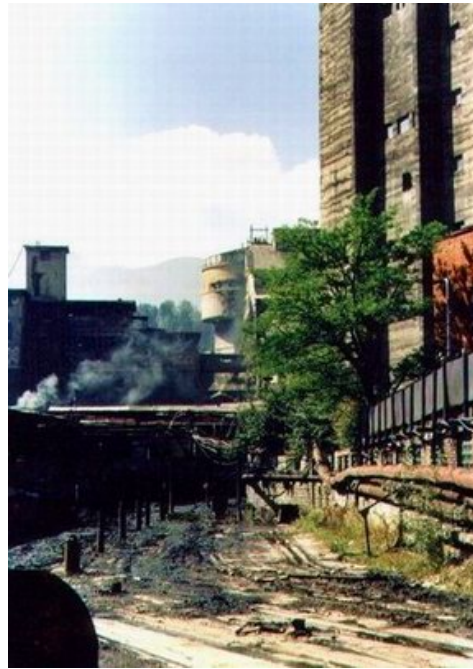


The city of Lupeni serves as an illustrative case. In their haste to accommodate the influx of miners, the communists constructed buildings with sewage disposal plumbing that was directed to underground containers below the underground water supply. Apparently the logic was that gravitation would force the refuse down from the buildings into underground septic containers, and up into a system for waste treatment. The town's sanitation system was old and dilapidated and was quickly overburdened by the huge growth of the demand in the 1970s. As sewage was flushed down the pipes through the residential buildings, the lighter refuse is now pumped directly into the river while the heavier mass collects in the underground containers, a veritable breeding ground for disease-carrying mosquitoes. Exacerbating the pollution problem of sewage waste is the lack of a general effective garbage waste disposal and treatment program. In September 1999 the city garbage collection makes its rounds collecting garbage once a week at best and infrequently at worst. As a result, garbage cans and dumpsters are often overflowing. Refuse is discarded behind buildings, in allies, along the railroad, along the river and outside the city-strewn in piles, scattered by the wind, and teeming with rats.

The country's industrial policy during the communist eras disregarded environment safeguards in the haste to develop heavy industry (particularly steel mills, paper mills and commercial fertilizers). Whether in an effort to save money, from incompetence, ignorance and neglect, and/or the lack of any system of individual or group accountability, existing or potential environmental hazards have been conveniently ignored, and few, if any, systems have been put in place for effectively dealing with industrial waste. As a result, today Romanian economic development and human health are threatened by a variety of environmental problems, according to the Regional Environmental Center for Central and Eastern Europe. In some areas human health is severely threatened by environmental problems from nearby industrial facilities such as metalworking plants and fertilizer manufacturers. In all it is estimated that more than 1.2 million people live in or near industrial cities such as Baia Mare, Copsa Mica, Zlatna, and Onesti that are directly and continuously exposed to extreme contamination. It is estimated that in Baia Mare and Copsa Mica life expectancies are about 10 years less than the national average.

One of the dangers to the environment comes from by-products from industrial processes such as coal combustion, which gives off a number of environmentally harmful by-products, including the carbon dioxide and oxide (formed by the sulfur and nitrogen in the coal) that contributes to the formation of acid rain. It is estimated that 25% of Romanian forests are damaged by the acid rain caused largely by pollutants coming from power plants burning low-quality coal. The deforestation then results in increased soil erosion and reduced air quality.

While industry-related emissions and discharges have been lowered in recent years due to declining levels of industrial production after 1989 and the removal of government subsidies from some polluting industries, Romania (according to the Trade and Environment Database) remains one of the most flagrant polluters in Europe, particularly in the pollution of the Danube River and other water sources. Water pollution from household, industrial and agricultural sources affect fish breeding, irrigation, and drinking water supplies. TED sources estimated that at the beginning of the 1990s it was estimated that 30% of Romanian rivers were polluted. One expert explained that 18% of surface waters are of such low quality that they are not even fit for industrial use and another reported that 4000 km of rivers are considered highly polluted.



Today, even though Romania has signed several bilateral and multilateral conventions on the protection of the Danubian watershed, critics charge it with blatantly disregarding its obligations and continuing to discharge its untreated chemical and petroleum solvents and other industrial pollution into the environment. The government's excuse is the poor and fragile state of its economy and that it does not have the financial resources to clean up polluting factories without further disrupting the fragile economy. In addition, environmental compliance at the local and national level is in the hands of obstructionist former communist officials who are unwilling to comply with environmental directives.

One of the most recent environmental disasters occurred on January 30, 2000, when a dam wall at the Aurul SA gold smelter plant (50-percent owned by Australia's Perth-based Esmeralda Exploration Ltd) in the northern Romanian city of Baia Mare collapsed due to heavy rains. Tons of slurry containing cyanide (used in filtering gold ore)-poisoned water were released into the Tisza River, killing thousands of fish and destroying the fragile ecosystems. The cyanide was carried by the Tisza River through Hungary to Yugoslavia where it continued flowing down the Danube River. United Nations experts have called it one of the worst river pollution accidents in Europe.

"The accident has resulted in a total catastrophe for aquatic life, flora and fauna in the rivers," Pekka Haavisto, head of the U.N. Environment Program's Balkan Task Force (UNEP) told Reuters in Belgrade.

Conditions of the Jiu Valley Coalmines

Within the Jiu Valley a visit to the underground mines themselves reveals a harsh reality and vestiges of a system unconcerned with worker safety and environmental health. In the shadow of elevator towers and smokestacks are monstrous buildings and equipment in various stages of rusty decay, piles of coal ash and black muddy puddles lining the rusty rail tracks heading into the mineshaft. Overhead pylon wires and coal trams traverse the sky. Gray and blackened figures board the small cramped elevator cage that lowers them straight down hundreds of feet below into the blackness, only the faint lights from their headlamps visible. In the Jiu mines, as equipment broke or wore out beyond repair, this equipment was abandoned and replaced by more traditional and inefficient tools. As chunks of coal are drilled off the coalface, the miners load them onto conveyer belts and into rail cars that are transported to the surface and to a central loading area. Throughout the area are potential environmental health hazards.



Accidents related to the drilling work itself are not the only potential hazards for miners. Of greater concern is ventilation and roof support. In the coalmines dangerous gases such as methane and carbon dioxide accumulate and must be removed by adequate ventilation systems of fans and blowers that remove the gases and pump in pure air. Due to lack of money, Romanian mines offer few of the protective mechanisms and practices found in coalmines in developed countries. As a result, miners face the on-going possible hazards of inadequate ventilation, rock and roof falls, flooding, large explosions from the combustion of dangerous gases, and accidents related to hauling the coal to the surface. For example, in Petrosani, a mining city close to Lupeni, in 1998 the average number of employees in the city was 30,417, a number out of which were 1,139 accidents and six deaths. (INReview, July/August, 1999, p.17) Miners report that there are accidents in the mine nearly every day.



In addition to work-related accidents, miners pay a heavy health price for their employment from mere environmental exposure. With long-term exposure to industrial coal dust caused by mining hard coal (anthracite), people working in the mines can develop black lung disease (coal miner's pneumoconiosis or anthracosis), a permanent condition in which lung tissue can be damaged or destroyed by the development of spots, lumps or fibrous growths. The common practice among miners of heavy smoking complicates and worsens this condition; miners often relax by smoking before descending or after ascending from the mines. Individuals who develop black lung disease find it difficult to breathe, accompanied by phlegm, coughing, and shortness of breath. The poor mining conditions can also lead to the development of other respiratory and circulatory illnesses such as cancer, emphysema or tuberculosis.



Socio-Psychological Environment

The current state of degeneration, corruption and political apathy and passivity in Romania today seems to be the by-product of the culture of fear and unbelief that has its roots deep in pre-communist Romania and developed rapidly under Communist rule. As an extension of Gheorghiu-Dej and Ceausescu, the Communist Party attempted to serve as the priesthood, guardians and enforcers of public morality. Religious institutions, which had traditionally served as moral standard bearers, were subjugated to government licensing authorities and were on the government payroll. Though the Patriarch later offered a public apology, the Romanian Orthodox Church brought international condemnation upon itself when the Church served as an apologist for the state and sided with Ceausescu against the students and other reformers at the time of the Revolution. By that time the state and church held little moral legitimacy in the eyes of the common man, particularly as public awareness of corruption grew.

Obstructionist Bureaucracy and Corruption ^[9]

The Romanian government, from the municipal and regional level to the national level, is full of poor to mediocre-performing bureaucrats (many formerly communists) that gained their positions under Ceausescu and weathered the political transition to retain their jobs. The system discourages individual accountability and encourages minimal or poor performance. Romania has a joke that is reminiscent of the oft-quoted joke in the old Soviet Union and other socialist states, i.e., “we pretend to work and they pretend to pay us.” Many positions, regardless of how relatively inconsequential or petty, are often leveraged to extort bribe money (*spaga*) or other concessions. Such endemic corruption can be found at all levels of Romanian government, from local city functionaries (mayor’s office, building inspector, zoning regulator, business licensor, police), unions and regional political leadership, all the way up to the country’s presidential office. Any action or initiative requires navigating a Byzantine labyrinth of obstructionist or unhelpful “officials”, inefficient bureaucratic processes with multiple layers of unnecessary and redundant authorizations and signatures, and the ubiquitous corruption and influence peddling. Few individuals interested in starting new ventures have the influence or resources to pay the requisite bribes to deal with the obstructions.

Corruption and criminal activity are nothing new in Romania. In fact, as the Russians have a word, *tufta*, for the endemic, institutionalized corruption that has been part of communist Russia from the time of the Revolution, so the Romanians have a word, *smecherie*, that stands for individual and corporate corruption and mendacity. Under the communists individual responsibility meant conforming to a dictated least common denominator or face punishment for non-conformance. As a result, individuals made themselves as gray as possible to become invisible against the colorless landscape, looking out only for themselves and their families (even though children were rewarded for informing on their parents). Labyrinthine bureaucracy and numerous levels of authorization hid individuals from accountability. Plant managers and local communist bosses falsified statistics and blamed others when unable to meet central planners’ objectives or to cover up theft. Lies and falsifications continued up along the chain of command. Party bosses, police and others in power enriched themselves and covered their activities

through manipulating statistics and paying kickbacks along the way. The Romanian communist elite, like their Soviet *apparatchik* counterparts, made sure that they benefited from their positions, that their children received the best education, best positions, etc. Political influence (*pile*) and bribes (*spaga*) were essential ingredients to thrive in an environment of endemic *smecherie* and lack of accountability and transparency. None of the elite were going to challenge the system, because they would only be endangering their own welfare at best, and face prison or death at worst. Those that might challenge the system did not have the means or were too terrified to do so. So everybody cloaked themselves in shades of gray.

Apathy and Self Preservation

With such a heritage, the moral and political apathy and self-preservation mentality encountered in the common Romanian is not surprising. Initially, when the revolution occurred in 1989 and the Ceaușescu were executed, people were hopeful that their lot would finally change. But, this hope quickly degenerated into skepticism when the Ceaușescus were merely replaced by other corrupt communist leaders who cynically co-opted the lexicon of democratic reform and then used the lifted economic and political restrictions to further enrich themselves. As the system turned in upon itself, the instruments of repression were weakened and the security services were downsized and underwent some management changes. No longer coerced to conform to state-sanctioned behavioral mandates, unused to political participation, and with few forums for effective political participation and communication, people have responded predictably. Most keep their heads down and continue to do what it takes to survive. Despite external pressure from the European Union, some of Romania's foreign partners, and periodic internal anti-corruption campaigns, the pervasive culture of *smecherie* and the utility and expediency of *spaga* and *pile* continue.

How did this come about and why did the Romanian people tolerate this repression for so long? Or, specifically, how could uneducated peasants like the Ceaușescu (Ceausescu was a shoemaker) gain and maintain power for a quarter of a century? And why had Romanians put up with so much deprivation and repression at the hands of a family that so obviously parasitically enriched themselves at the expense of the people? To these questions, one Member of Parliament interviewed offered the following explanation in a conversation in September 1999. His answer was similar to the answer given by other Romanians – ignorance, fear, and a historical passive survival instinct. There seemed to be a general consensus among the people surveyed that Romanians see themselves as survivors and people who adjust to the worst circumstances. If Romanians lack money, they find alternative ways of supplying their basic material needs. If they lack access to technology, they devise ingenious means of repairing old technology. If threatened, they instinctively withdraw until the danger is past. It is only if their high pain tolerance is reached that they fight back. At that point, most retreat to a default behavior of collective passivity.

One must understand, the MP said, that Romania historically lay at the crossroads of various invading armies and served as a rich resource for occupying powers. History is replete with examples, from the Roman occupation of Dacia, the invasion of the Magyars, the Turks, the Austro-Hungarian Empire, Nazi Germany, the Soviet Union, and the Soviet-supported Romanian communists of the 20th century. Unlike the Brits or even the recent immigrant nation of the U.S. (to many of whom freedom is an enshrined fundamental virtue and essence), the Romanians have a tradition of passive accommodation and survival.

Information and Development

Compounding the effects of their own traditions and history was the role of information and communication under communism. Whereas the free exercise and exchange of ideas and information has been and remains a critical mainstay of modern civil society, under communism Romanians had no freedom of expression, no access to information, and no forum for public discourse. Information was tightly controlled and used as a political weapon and manipulation tool. Any attempts at independent thought, inquiry, or communication were ruthlessly crushed. In fact, as the rest of Eastern Europe was benefiting from the Soviet *glasnost* and the spirit of reform spread throughout the region, in Romania Ceausescu was tightening the reigns of repression. He even ordered that every typewriter in the country (access to computers or other forms of communication was virtually non-existent) be registered with the Securitate in order to preclude any unauthorized communication.

Since the 1989 revolution, the free press in Romania has been slowly developing, although the average

citizen has little access to independent media in the native language and few forums for political expression and participation. Specific political interest groups that manipulate information to level accusations at their opponents and propagandize their own cause control most of the media outlets. These tabloid-quality papers are full of sensationalized banality and everyday scandals to the point that the average citizen assumes that all politicians and individuals in authority are *smechers*, incompetent and unwilling to exercise integrity and promote the general welfare of the country.

In industrialized countries the development of information technology, and the Internet in particular, is rapidly transforming societies. As John Naisbitt wrote in his book *The Global Paradox* (John Naisbitt, 1994. Global Paradox, New York: William Morrow and Company, 304 pp.), the greater and more widespread the technology (and by implication, the greater the potential for centralization) the more empowered is the individual. In societies with rigid, centralized and limited tools of communication, those that control information control the levers of power. With an uncensored Internet, anybody that has access to a networked computer has a voice and access to an international audience; the power of information is decentralized and democratized. Data, whether it is in the form of information, opinion, fact or fiction, is instantaneously projected into the public forum—good, bad and/or ugly. Thus, we can know and participate in the public forum as events are happening, whether they are tanks and students in Tiananmen Square in Beijing, the slaughter of civilians in Vukovar, Croatia, or an unpopular decision by the local town council.

Tyranny feeds on silence and fear, just as fear feeds on ignorance and uncertainty about the unknown. Despotism regimes, whether they are ruthless dictatorships like the late Ceausescu or a modern day Saddam Hussein, a relatively benign monarchy, or a strident ethnic nationalism as in Serbia, maintain control by eliminating or dividing opposition. Integral to this is the control and manipulation of information and communication.

In a system of democratic capitalism the idea that political freedom and economic welfare are intertwined seems not only self-evident but a tautology. In Eastern Europe, however, nations are finding transition to a market economy difficult without the accompanying free flow of information and the development of communication forums for public discourse and political participation.

The idea that a country's overall health is tied to the development of individual development, and the free exchange of ideas was captured in separate speeches given by the Czech and Romanian presidents.

In a televised interview broadcast, Czech president Václav Havel stated, "...the most important dimension [speaking of international assistance] is the human, moral and political dimension of the matter. The issue is to create civic society, to create free conditions, free media and democratic institutions. The economic reform follows from that and it, in turn, opens door to investment. The whole process is intertwined and complex." (*Reprinted from the BBC Monitoring European - Political; London; Jul 30, 1999. Credit: Czech TV1, Prague, in Czech 1736 gmt 30 Jul 99.*)

Even more direct was a May 16, 1999 speech that Romanian President Emil Constantinescu made in the U.S. at a commencement speech at Duke University, North Carolina. Constantinescu, a geology professor and former rector of the University of Bucuresti, had spent the 1991-92 academic year as a visiting professor at Duke. The Romanian president told the Duke audience that a few thousand computers donated to Yugoslav schools as the Cold War ended could have helped prevent communists like Slobodan Milosevic from fanning ethnic hatred to preserve their power. Computers, Internet access and other steps to strengthen ties to the outside world could have allowed the average Serb to access information that would have undermined the credibility of Mr. Milosevic when he said Bosnians, Albanians and the West were out to get Serbia. Constantinescu lamented that his own Balkan country still needs similar help building people-to-people ties inside and outside its borders. (*Emery P. Dalesio, Associated Press, The New York Times Company on May 17, 1999.*)

Challenges facing Young People

Ten years after the overthrow of communist dictator Nicolae Ceausescu, young Romanians (like many Balkan counterparts) are struggling to define their identities and build a future in the midst of poverty, transitional uncertainty and a change-resistant culture. As the ten-year anniversary of the December 1989 revolution came and went, most Romanians today feel that the ideals of the revolution and their futures have been consistently betrayed by the corruption and greed of the post-Ceausescu leadership. While other former communist Eastern European countries have made the transition to democratic market economies and have either joined or are poised to join the European Union, Romania remains

haunted by its historical legacies and today is among the poorest countries in the continent. With high inflation and rising prices, average monthly wages roughly at or below \$200/month (2005), decaying infrastructure, environmental degradation, and unemployment rampant, many feel that in some ways their lives were better off under the tyranny of Ceausescu.

Nowhere is this situation more evident than in the Jiu Valley. Like many young Romanians, young people in the Jiu Valley feel a deep-rooted pessimism about the rewards of learning, about their ability to find a job (let alone a decent one), and the future of their country. They feel trapped in a cycle of despair created by an older generation that provided little more than a model of cynical self-interest and distrust, and little to no sense of community or civic responsibility. Indeed, much as they want to stay connected to their roots and their families, many young people see leaving the country as the only means of breaking this cycle.

Those that stay face several key challenges:

- Lack Of Organizational Leadership Skills And Relevant Education;
- Lack of Information and Cultural Isolation;
- Lack of Job Opportunities
- Barriers to Entry (Starting New Businesses)

Lack of Organizational Leadership Skills and Relevant Education

Education

Romania's educational system has left many of its graduates poorly educated in topics directly relevant to their lives, and few have any experience in critically analyzing issues, let alone the confidence and ability to creative develop and implement solutions to problems.

Education in Romania in the communist and post-Ceausescu period has generally consisted of a disciplined memorization of "facts" as determined by the political elite. Under the Ceausescu regime, academic instruction was entirely hierarchical, pedantic, a system of one-way rhetorical dogmatism whereby data was re-created/manipulated to fit theoretical models. Their education taught students the necessary data to be functionaries within a controlled system, but provided little or no opportunity for critical issue analysis about the information they were taught. Under this rigid system, students could graduate with a massive amount of memorized data, but little ability to creatively solve problems. The arbitrary Marxist pedagogy and didactics of the Ceausescus were discredited after the 1998 revolution, but there have been few teaching instruction alternatives and most of the same teacher instructors and trainers are in place as before. ^[10]

With their system discredited and demoralized by the country's apparent impotence to reform by itself (although some reforms were introduced under pressure from the EU as a prerequisite for admission), many Romanian students view formal education cynically. Corruption at many universities is widespread (particularly smaller universities), where the purchasing of grades (and even degrees, in a few rare cases) is considered relatively common, and in some cases a basic requirement for success. Some professors and administrators lament and oppose this undermining of their occupation; while others see it as a necessary supplement to the salaries they are paid. Mistrustful of authority, many Romanian students are passive resistant or passive aggressive – cynical of teachers and "facts", resentful of attendance requirements, participation and performance, and cynically disbelieving in any true added value of formal education other than the imperative of having academic degrees in order to secure positions. In the midst of societal upheaval and economic privation, many Romanian young people (particularly those with little access to *pila* and *spaga*) hope with little to encourage them that the future will provide them the opportunity to determine their own destinies and enjoy some of the same life characteristics of young people from the West whose lives are daily paraded in front of them on television and in movies.

Lack of Organizational Leadership Skills

The same lack of relevant knowledge and skills training in Romania's education system is also mirrored in the historical and current lack and value of organizational human resource development in Romania. As Romania struggles to reform itself after the dark Ceausescu years and integrate itself into the information age, there is a great need and opportunity for a new approach to practical education and

achieving long-term behavioral change.

Organizational human resource (HR) development, with its emphasis on leadership and team membership competency building, is taken for granted as a necessity in modern institutions but by 2000 was a virtually an unknown concept in Romania. One need look no further than the hyper-competitive Silicon Valley to see that the companies that prioritize management and workforce development are the most successful and efficient companies in the marketplace.

In Romania, where sycophancy and conformity were rewarded at the expense of critical analytic thinking and market efficiency, leadership (i.e., holding people accountable, talent and initiative development, team building, etc.), team membership (i.e., meeting customer needs, knowledge sharing/collaboration, etc.), and problem-solving skills are both absent and undervalued.

Indicative of this were the results of a survey released in June 1999 and reported by the Financial Times, London on July 26, 1999. The survey, funded by the European Union's European Training Foundation and undertaken by the Slovenian-based Central and East European Management Development Association, indicated that many chief executives in central and eastern Europe still put management training and human resources departments at the bottom of the list when it comes to strategic planning and financial resources. Romania was no exception. Of the 20 Romanian companies surveyed, the average annual expenditure on employee training for all but one corporation varied between \$0.18 and \$0.20 per employee. As Romania approaches its anticipated 2007 membership into the European Union, increased foreign influence and competition is beginning to drive some changes in the way Romanian institutions have traditionally approached human resources and talent development.

Lack of Information and Cultural Isolation

Isolated from the rest of Romania and the world geographically, culturally, and by its lack of access to information and an independent media, the Jiu Valley has long been vulnerable to manipulation.

The coal miners have an extremely negative reputation within and outside of Romania, largely because of preferential treatment the coal miners received under Ceausescu and the subsequent disruptive and volatile role they have played in the post-revolution transition to a democratic market economy. Inquire about the Jiu Valley, and nearly any Romanian in the rest of the country will tell you that the miners are the spoiled children of Ceausescu. To them the miners serve as the pawns of post-Ceausescu socialists, striking whenever they are not happy, marching to Bucuresti and rampaging violently through the city in protest until their demands for more privileges and money are met. The miners tell another story, saying that these are falsehoods created by antagonists in the press and government who will not allow them to participate in the public forum. In this story they are honest, hardworking individuals that slave away in nearly inhuman conditions in the coalmines in order to provide for their families. Isolated and ignored by the rest of the country, the miners feel that they have repeatedly been betrayed by politicians in Bucuresti who have made many promises to improve the conditions of the mines but have never delivered on these promises. They claim that they strike only when they feel they have no other recourse to get the government to listen. Like most issues, the truth is much more complex than this, but the fact remains that the Jiu Valley is widely feared and loathed.

Regardless of the cause, most institutions of society, including the media, discriminate against the miners. When foreign aid or national development is apportioned, it almost inevitably never reaches the Jiu Valley. Without any shared forums for dialogue and open communication, there is little understanding mutual between the miners and the rest of the country other than what is portrayed in the partisan media. Whereas in many countries the Internet provides a democratic public forum for breaking down national and cultural barriers and building an open society, few people in the Jiu Valley can afford the luxury of technology. In fact, according to recent statistics (provided by I.D.G. Romania, 1996-1998, and IMT 1999 estimation), less than one percent of all Romanians have a home computer.^[11] This number is far smaller in the Jiu Valley. A regional Internet Service Provider estimates that in the city of Lupeni (35,000) there are only a small handful of computers (mostly older) and less than five with Internet connection. As a result of all these factors, in terms of culture and information, the Jiu Valley remains isolated.

Lack of Job Opportunities

Some eighty percent of the Valley's approximately 175,000 inhabitants depend on the mines for work and income. During the 1970's and 1980's being a coal miner meant hard work rewarded with decent

money and other perks. Falling coal prices and demand, lack of reinvestment capital, and a battered economy have led to the downsizing or closure of many of the country's mines. By mid-1999 the Romanian government estimated that over 16,000, or 25% of the working population of the Jiu Valley, were unemployed, compared with the official statistics of the national average of 10%. In Lupeni alone, according to the city's mayor, real unemployment in January 2000 was over 50%.

Barriers to Entry (Starting New Businesses)

In addition to the labyrinthine system bureaucracy, corruption and a generally inhospitable socio-economic environment, those who want to start their own businesses or ventures in the Jiu Valley face an inhospitable socio-economic environment and myriad difficulties within the system.

Lack of Adequate Economic Infrastructure

Surrounded by the beauty of the Transylvanian Alps and the pristine and rare ecosystems of the Retezat National Park reserve, many people in the Jiu Valley look to foreign investment and tourism as a viable alternative to the mines. Overlooked or ignored is the fact that there is currently little infrastructure to support alternatives to the mining industry, since area lacks the requisite quality standard of adequate accommodation, roads, transport, telecommunications reliability, equipment rentals, tourist information, programs, medical facilities, banks, and other basic business services.

The few people who do come to the area as tourists tend to come only for brief periods to visit the Retezat, the few scattered Dacian archeological ruins, or to take advantage of the inexpensive skiing. Most foreign tourists who visit Romania do so to visit other tourist attractions (e.g., Black Sea coast, old monasteries and castles) and because it is inexpensive. Most nationals, on the other hand, tend to avoid the area both because of the lack of basic amenities and because of the negative association of miners with national union strikes and violence. Jiu Valley cities, full of potholed streets and drab Soviet-style block apartment buildings in various states of disrepair, often lack hot water, comfortable accommodation (by international standards), good restaurants and other amenities that most typical tourists expect and demand as basic prerequisites.

The government has recently designated the region as a national tourist area and disadvantaged area with special tax-free status. For financial and other reasons, however, beyond the rhetoric the government has either planned or implemented few concrete actions.

Inefficient Bureaucratic Processes and Corruption

Any action or initiative requires navigating a Byzantine labyrinth of obstructionist or unhelpful "officials", inefficient bureaucratic processes with multiple layers of unnecessary and redundant authorizations and signatures, and ubiquitous corruption and influence peddling. Few individuals interested in starting new ventures have the influence or resources to pay the requisite bribes to deal with the obstructions.

Lack of Capital, Training and Mentoring

In addition to the bureaucracy and corruption, those who would like to start their own businesses lack capital, adequate training, and mentoring/role modeling.

One of the primary obstacles cited by would-be entrepreneurs is the lack of capital, either from their own or other sources. With high unemployment and low monthly salaries, few can afford to feed their families, let alone finance a business venture. When the government offered the miners a cash payment for voluntary severance in 1997, many accepted. But, faced with lack of business skills, relevant information and knowledge, daunted by an imposing bureaucratic system, and accepting the government's promise of retraining and new jobs, few, if any, miners actually started new businesses or obtained new jobs.

External funding is nearly non-existent. Banks do not provide micro or small business loans, and the few lending programs in existence require significant up-front personal capital contributions. The few multinational/national foreign development institutions or private charity programs in Romania tend to target specific symptoms of problems, and are considered non-viable or irrelevant. The result, not surprisingly, is increasing disillusionment and cynicism.

According to the young miners in Petrosani and Lupeni that were polled on the subject, existing aid

development programs rarely result in new enterprises or jobs. Moreover, none of these assist the target market of Renaissance, nor do they address the requirements for individual change, or share any of the other aspects of Renaissance.

If aspiring entrepreneurs could get access to training and funds, and somehow find a way through the bureaucratic minefield, little day-to-day guidance exists on developing and growing the business unless they were willing and able to pay for professional guidance.

The Need for a New Development Model

Traditional Approaches

Addressing the challenges of the Jiu Valley requires a new approach to development. Despite the stated objective of achieving sustainable and ecologically sensitive development, most traditional approaches to economic and community development are shortsighted and ignore the basic fundamental of sustained development – the psychology of the individual and difficulty in modifying human behavior – by failing to provide the basic criteria for achieving long-term behavioral change (see next section for criteria). Instead, even with accompanying plans for public education and marketing, these approaches tend to focus on aspects or symptoms of complex and organic problems and mistake the part for the whole, ignoring the deeply rooted patterns of individual and collective human behavior underlying the problems. The result, not surprisingly, is that most approaches fail at achieving any significant long-term and sustainable development.

[1] Department of Energy, Energy Information Administration, Country Analysis Briefs – Romania, November 2000 - <http://www.eia.doe.gov/emeu/cabs/romania.html>

[2] Bush, Larry. "Collective Labor Disputes in Post-Ceausescu Romania." *Cornell International Law Journal*: Volume 26, Number 2. 1993.

[3] Bush, Larry. "Trade Unions and Labor Relations." Chp 21.

[4] Bush, Larry. "Romanian Regulation of Trade Unions and Collective Bargaining." *Cornell International Law Journal*: Volume 32, Number 2. 1999

[5] Anca Doicin, 1999, *Le Monde Diplomatique*

[6] INReview, July/August, 1999, p.17

[7] Anca Doicin, 1999, *Le Monde Diplomatique*.

[8] Financial Times, London, 23-4 January 1999

[9] ROMANIA: ADMINISTRATIVE BARRIERS TO INVESTMENT, November 1999, Foreign Investment Advisory Service--a joint service of the International Finance Corporation and The World Bank.

[10] Education in Romania is public, free and compulsory for children between the ages of 6 and 16, with five different types of secondary schools available. These are: pre-university general education schools, technical training vocational schools, general education art schools, general education physical education schools, and teacher-training schools. By 2000 Romania had eight general universities, eight technical universities, and a number of other institutions of higher education. Romanian government statistics estimated the literacy rate in Romania to be about 97 percent by 1999. Freed from the pre-revolution instructional constraints that heavily emphasized practical and technical studies, after 1989 there has been a greater demand for instruction in management, business, and social sciences.

[11] <http://linux.ispo.cec.be/esis/esis2basic/esis2basicQ3/RObasic3.htm>