
Armed Forces Downsizing
and
its impact on the labour market
– the case of Romania –

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Motto:

“Leaving the Armed Forces does not represent the bottom line of your career!”

Message – The Strategy for the Promotion
of the Professional Reconversion Program
in the Romanian Armed Forces

Foreword

At the beginning of the new Millennium the international scene has been involved in dramatic mutations from the economical political, and strategic point of view. The Globalisation of the economic markets is both supported and very strongly criticised. The political scene is continually changing, there are new comers claiming a role to play, old actors are trying to redefine their relations in the new context of the post Cold War. The USA and Russia as formers leaders of two antagonist military blocks put a lot of efforts to normalise their bilateral relations. NATO as a political and military international organisation faces new challenges in terms of security issues. Its traditional role of contra balancing the Warsaw Treaty is obsolete and it must seek a new legitimacy, new areas of activities (especially peace-keeping operations) and new allies. It must prove that it still represents the most feasible provider of security.

In this context Romania very early expressed its commitment to join the Euro-Atlantic structures as the single and natural alternative to strengthen the democracy, to implement a market-oriented economy and to ensure the general welfare and security for the Romanian people. Crucial in this process is the Romania's joining to NATO. The last period have shown that the South Eastern Europe and especially the Balkans has been the potential place of military conflicts. Neighbouring this area Romania has been indirectly and directly involved in those military conflicts and it has proved that it represents an anchor of stability in the region.

Romania's willingness to join NATO is a necessary but not sufficient condition. It has to reach the NATO's criteria and standards. Therefore it has been engaged in a deep reform of the Military System and one of the reform's elements is the reform and the downsizing of the Romanian Armed Forces.

The interest of the author in the research of this reform process is based on three pillars: first, the researcher's areas of interests cover domains such as restructuring and downsizing; second, the field of military system is very challenging given its particularities such as the existence of specific rules and the fact that there is quite a few literature in this field; and third, the researcher's interest in monitoring the Romania's performances in its way towards Euro-Atlantic integration.

This work is the result of the research carried out over the past two years and analyses the downsizing process within the Romanian Armed Forces. It presents the issues on a basis of a contextual analysis taking into account different actors involved in the process along with its

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environment (e.g., institutional, political, geo-strategic) and especially the influences of the downsizing process on the labour market.

The first chapter provides a theoretical framework on the problematic of downsizing reflected in the literature. Further on it restrains the downsizing framework to the military field by highlighting some samples of good practice. The second chapter deals with the chosen methodology by describing the elements of the contextualist analysis including the strategic approach, the research hypothesis and the nature of the empirical study. The next chapter presents the case study by distinguishing the context and the program of restructuring. The last chapter is on the empirical case study and analyses the external and internal elements of the context in which the restructuring process is taking place. Special attention is paid to the social external element, namely the Romanian Labour Market. The type of the downsizing process is identified within the Romanian Armed Forces. At the end, an analysis on the role of the different actors involved in the process is presented and the final conclusions are set out.

At the end of this work the researcher would like to thank NATO Euro-Atlantic Partnership Council which, by funding the research through the Individual Fellowship, allowed the realisation of this work. Many thanks as well as to Gen. Gheorghe Rotaru, former military representative at the Romanian Mission to NATO, Gen. Ioan Gavril Ghitas, military representative at the Romanian Mission to NATO, Mr. Ovidiu Dranga, former Deputy Head of Mission at the Romanian Mission to NATO and Lieut. Col. Mihai Stas, HRM Directorate, Minister of National Defence who through their interest on the topic encouraged the researcher to go further and also they supported the research by providing valuable information.

Chapter I

Downsizing – theoretical perspective

In the actual context of the race towards higher performances the downsizing (that we provisory define as the planned elimination of employment positions) is preponderant amongst the managerial strategies. It concerns both enterprises in difficulty and enterprises in good health.

This strategy that affect the size of enterprises is a way to improve the organisational efficiency, the productivity and/or the competitiveness of enterprises. However, a number of researches present a prescriptive approach (Cameron, Freeman et Mishra, 1991; Cameron, 1994a). Others study only the effects of downsizing on the organisational structure (DeWitt, 1993), on the personnel motivation but also on the redundees' fate (Brockner et al, 1993; Leana and Feldman, 1992; Ambrose, 1997; Johansen and Swigart, 1997, Ketz de Vries and Balzs, 1997), on the competitiveness of the enterprise (Vollman and Brazas, 1993; Sparrow and Hiltrop, 1994; Mabert and Schmenner, 1997), etc.

These researches certify that the downsizing presents multiple facets and rises a series of pertinent questions. Indeed, the point to know what leads to a successful downsizing, the modified structures better adapted to an enterprise reconfiguration, the psychological, social and human consequences, are as many questions that deserve deep analysis both from the research perspective and managerial viewpoint.

The present approach is to study both the consequences and the process itself, the complex phenomena which accompany the downsizing.

I.1. The downsizing- the outlines of a concept

The debate on employment is central in our contemporary societies. However, it comes within the paradox context. On one hand we put a lot of emphasis on the strategic importance of human resources (HR), the competitive advantage that human resources are for the post industrial enterprises. On the other hand on a daily basis the media testify cynical management practices led by managers, whose the only glory seems to be measurable in terms of the number of redundancies.

These restructuring polices are the most often massive reduction of effectives since in the case of redundancies the effects are immediately visible (Schneier, Shaw and Beatty, 1992; Chevalier et Dure, 1994) and satisfy the exigencies of the shareholders (Useem, 1996). In general this effect would be short in time and some scholars like Cameron (1994b) maintain that the stock markets vouch for a overvalue of the short term vision and the investors favour the redundancies regardless the circumstances in which the restructures are made.

Other researches, however, contradict a judgement so radical. They invite to certain prudence and to a more meticulous examination of the practical conditions in which the downsizing takes place.

An American Management Association's survey on 1134 HR managers shows that between January 1986 – June 1987 significant redundancies were made: 9% in big enterprises, 50% in medium sized enterprises and 14% in small enterprises (Pichault, Warnotte and Wilkin, 1998).

It seems that the first waves of downsizing at the beginning of 80s touched particularly the manufacturer sector and then the phenomenon extended to the services sector. White collars and blue collars, employees, workers, foremen, and middle/senior managers, all are targeted when downsize.

In very simply words downsizing means the cutback of employment in a given organization. It has multiple facets and rises a great number of questions. Downsizing goals are: cut down general costs, elimination of hierarchies (particularly middle management), faster decision making, better communication, encouraging internal entrepreneurship, increased productivity, bigger profits.

If the goal of the downsizing is to improve the performances, which would be the outcomes? A survey conducted by the Society for Human Resource Management reveals that more than half of the studied enterprises declare that the productivity remains unchanged or even it has been deteriorated (Henkoff, 1990).

More recently, another survey conducted by the American Management Association (1994) on 713 HR managers who had been witnesses of one or several redundancy waves between 1989 and 1994 reveals that almost 50% of them estimate that the productivity remained constant or had been decreased (see table 1).

Table 1: Results post-downsizing

	Decreased	Unchanged	Increased
Operating Profits	20%	29%	51%
Employees Productivity	30%	36%	34%
“Spirits” within the enterprise	86%	12%	2%

Source: American Management Association (1994)

A study on the productivity of the manufacturer sector between 1977-1987 conducted by Baily, Bartlesman and Haltiwanger (1994) shows that during this period of time the total employment in the studied enterprises decreased with 4.5% whilst the productivity (in terms of added value by worker) increased with 33%. At the first site one can come to the conclusion that there is a relation between the growth of the production and the reduction of employment. A tight analysis shows that indeed the downsizing seems to improve the performances (in terms of work productivity and added value in particular) in certain cases and not at all in other cases.

The authors split up the enterprises of their sample in four categories: enterprises which have increased the level of employment and improved their productivity (*successful upsizers*), enterprises which have increased the productivity and decreased the employment (*successful downsizers*), enterprises which have decreased both the productivity and the employment (*unsuccessful downsizers*) and at the end enterprises which have increased the employment but decreased the productivity (*unsuccessful upsizers*).

The study highlights the fact that when the data are analysed taking into account various factors such as the sector of the industry, the size of the enterprises or the geographical location, the variance of the employment growth and productivity at the micro economic level remain inexplicable. The essential message which results is that the downsizing is not a panacea which always determines a growth of productivity but it is a practice whose outcomes in terms of performances remain widely contingent.

A study conducted in France on a sample of 66 enterprises (Meschi, 1996) confirms in general the above-mentioned results: only 9 enterprises report a sensible improvement of their efficiency, 47 enterprises a modest improvement and 10 enterprises a worsening of their efficiency.

The next table presents a sample of consequences of certain downsizing strategies at the individual and organisational level.

Table 2: *Main personal and organisational consequences of downsizing collected from the literature*

Personal Consequences	Organizational Consequences
Auto-protection	Lack of innovation
Survival syndrome	Lack of long-term view
Scepticism and cynicism, felling of arbitrary, withdrawal	Internal conflicts
Burnout	Politicisation of the decision making process
Anxiety and apprehension, feeling of incertitude	Propensity to avoid the incertitude Aversion to the risk
Loss of involvement	Sabotage
Searching of a scapegoat	Increase of the hiding costs, loss of irreplaceable competencies, reemployment
Lack of cooperation with the enterprise	Destruction of the informal networks
Depressive reactions	Increased bureaucratisation

Source: Whetten and Cameron (1994)

Some scholars have suggested that these various consequences are articulating a veritable vicious circle of downsizing (Vollman et Barzas, 1993; Schneier, Shaw and Beatty, 1993). This circle could be described as follows: a certain number of trigger elements occur: threat of repurchase, loss of market parts, diminution of demand, loss of competitive advantage, high level of debts, etc.

I.2. Forms of Downsizing

Taking into account the previous subchapter the downsizing would be quasi-exclusively as a strategy of employment reduction exceeds the decreasing of employment due to natural causes. We present now a broader definition of downsizing formulated by Cameron, Freeman and Mishra (1993). According to these authors the downsizing is a process which imply the following parts:

- The downsizing has an intentional or voluntary character aiming to improve the competitive position of the enterprise. This distinguishes the downsizing from the reaction to a decline process (loss of the market parts, loss of revenues, etc).
- In general it implies a reduction of the employed persons. This reduction is the result of redundancies but not only. There are also other measures (outplacement, cessation of an activity to another enterprise – outsourcing, etc). The net effect in terms of employment could be less number of persons by unit produced in comparison with the prior situation.
- It aims to improve the organizational efficiency. In this respect the downsizing implies reactive measures or proactive aiming to minimize costs, to increase the revenues or to face up to concurrence.
- The downsizing affects the working process. In the case of the contraction of the workforce, fewer individuals must do the same work then previously.

Taking into account these elements the authors distinguish three types of strategies when downsizing.

Table 3: Downsizing strategies

	Downsizing Strategies	Period of Time	Change Characteristics	Possible Actions
Economic Downsizing	Reduction of Personnel	Short Term	<ul style="list-style-type: none"> • Immediately Departures • Personnel Reductions 	<ul style="list-style-type: none"> • Hire Freezing • Redundancies • Incentives for Voluntary Departures • Transfers and Outplacement • Incentives to Retire
Structural Downsizing	Reform of Process	Medium Term	<ul style="list-style-type: none"> • Departures relying on the Evolution of Productivity • Make Use of Organizational Change • Question on Flow of Operations and Information between Functions 	<ul style="list-style-type: none"> • Redefinition of Tasks • Elimination of Hierarchical Levels • Mergers of Units • Withdrawal and Restructuring of Functions • Business Process Reengineering
Cultural Downsizing	Organizational Reconfiguration in its Mission and Culture	Long Term	<ul style="list-style-type: none"> • ‘Costume-made’ Departures: What does one need? • Change of Norms and Values • Make Use of Change of Mission, of Culture • Enterprise Reshaping 	<ul style="list-style-type: none"> • Change of Responsibilities • Re-composition of the Workforce • Global Implication • Continue Improvement • Question on the Norms and Values System • Change in Representation of the Enterprise’s Values

Source: adapted from Cameron, Freeman and Mishra (1993)

The first strategy consists simply in cutting back on workforce (economic downsizing). Above all it is focused on personnel cutbacks and produces short-term effects (e.g., personnel costs' reduction, sometimes dramatically). As practices one can mention: hire freezing, financial incentives for voluntary departs or early retirement, outplacement, redundancies.

This strategy is often applied on the whole structure, touches all the functions on a non-discriminatory basis and it is very rapid. There is a strong incertitude on who is going to leave, in which financial conditions and in which moment.

The second strategy is a structural downsizing. It seeks rather to redesign the structure and work procedures than to cutback employment. It is a middle-term strategy for eliminating or regrouping of functions, the suppression of hierarchical levels, divisions and even products.

The cultural downsizing consists of a veritable systemic mutation within the organization. It adds a cultural dimension. It is a matter in this case of modifying the organisational norms and values. As tools to reach these, there are: continuous improving of activities and actions, innovating, elimination of hidden costs, personnel implication or even the questioning on the former values of the organisation. Then the whole chain of values is concerned: revision of the relations with the suppliers, withdrawal of inutile procedures, revision of the relations with subcontractors and elimination of the regulations.

The downsizing aims rather to redefine the size of the organisation on other basis then to reduce the size of the organisation. If it touches strong cultural behaviours concerning the change, this type of strategy cannot be efficient in short time. It only can produce beneficial effects in long term.

The table 4 presents schematically the main characteristics of these three types of downsizing. It will be useful as a point of reference during the empirical analysis. On the basis of this table we can argue that the three strategies can be read through the temporal dimension: the short-term strategy is essentially of quantitative nature, the actions are punctual and the personnel plays the role of adjusting variable. The long-term strategy is of more qualitative nature, the possible actions touching the entire functioning of the organisation. In this case the downsizing becomes a “way of living”(Pichault, Warnotte and Wilkin, 1998).

Table 4: Extent and depth of the downsizing practices

			→ Extent
	Personnel Cutbacks	Process Restructuring	Organisational Reconfiguration
	- Redundancies - Outplacement - Incentives to Retirement - Transfers - Financial Incentives at Departure etc.	- Elimination of Hierarchical Levels - Mergers of Units - Elimination of Products - Business Process Reengineering etc.	- Global Implication - Continue Improving - Question on Values System - Cultural Change etc
↓ Depth			

Source: Cameron, Freeman and Mishra (1993)

The authors specify that these various strategies are not exclusive. It may exist at the same time combinations in terms of strategies or possible actions. The enterprises then vary in terms of extent of the downsizing strategy (horizontal axe of the table) and in terms of depth (vertical axe of the table).

I.3 Downsizing processes experienced by other military systems

Once we have had a broad picture on downsizing as a phenomenon the next step is to search and investigate similar cutbacks experienced by other military forces. The aim of this approach is to identify good practices and lessons to be considered.

The first example is on downsizing plans within the US Air Forces, more specifically Air Forces Comptrollership. Once the Cold War came into the end all the American defence system has been restructured including companies manufacturing military products. General Dynamics sold its remote-technology division, its electronics division, its Ft Worth TX aircraft division, and its missile defence businesses. Submarines and tanks are their only remaining defence-related activities. General Electric sold off its entire aerospace and defence portfolio. Traditional big guns such as Raytheon have experienced significant non-military revenue growth. Lockheed Martin has almost completed a redirection of its defence-to-commercial ratio from a Reagan-era high of 7-to-3 to their new goal of 1-to-1. Consolidation, downsizing, and business reengineering activities are now the order of the day among the former Defence giants.

In this context a rightsizing process was necessary within Air Forces. The major challenge was to maintain readiness for the deployment mission at the highest possible level while facing new functional processes, changing relationships, and program reductions in manpower and resources.

In early 1995 the emphasis on downsizing began in earnest. Force sizing began with FORSIZE 95, a bottom-up review of uniformed and civilian manpower needed across the Air Force. There were re-evaluated plan taskings and home station requirements for the mobilization of Air National Guard (ANG) and Air Force Reserve forces and reported those requirements to the major commands and on to Air Force manpower analysts who consolidated and analysed the data. The analysis identified a shortfall of approximately 700 in a requirements population of slightly more than 14,000. Of these, approximately 5,800 were military. In January 1996, the Air Force Board was briefed on FORSIZE 95 results. Other shortfalls were expected to be covered by enhanced work methods and technological improvements such as an Air Force-wide computer networking initiative. The purpose of the Board review was to establish candidate status for Outsourcing and Privatization initiatives.¹

Along with cutback of employment both for civilians and military we identified a try to restructure Air Forces' activities by outsourcing, even privatising those who were inefficient or required too much resources. To conclude, this example might be considered as a structural downsizing. In our opinion it is very important to consider the possibility to outsource or privatise some activities and domains that are inefficient.

All scholars have recognized that when downsize an organization, accompaniment measures are to be designed in order to avoid "dry" redundancies. The next example is on the decision

¹ Adapted after Miller (1997)

of mid-career personnel to voluntarily leave the U.S. military in response to a financial incentive program.

During the post-Cold War downsizing that began in the late 1980s, the U.S. military needed to eliminate mid-career personnel, but wanted to avoid involuntary separations. However, the scale and speed of the military downsizing meant that some nonvested careerists, who in other times would have served until retirement, faced involuntary separation.

Department of Defense offered a separation bonus to selected careerists in 1992. Two options were offered. The first, called the Special Separation Benefit (SSB), provided a lump sum payment equal to 15% of annual base pay multiplied by years of service. Unlike private firms, the military also offered an annuity option, called the Voluntary Separation Incentive (VSI), which provided an annual payment equal to 2.5% of annual base pay multiplied by years of service. The annuity would continue for twice the number of years of service. These programs replaced the equivalent of between 29% and 36% (depending on years of service) of the present value of the expected military pension for a person who would have retired after 20 years.

The results of the analyses indicate the financial incentive had a modest effect in inducing additional quits. The impact of the separation bonus, however, was much larger for occupations facing a threat of involuntary layoff.²

I.4. Research Hypothesis

The Armed Forces and its leading organization the Ministry of National Defence are very specific institutions. Although its function is not to make economic profit as any other company, the process of Armed Forces' downsizing must be seen as a bridge through more efficiency, modern techniques and training for military personnel. The main hypothesis is that in order to achieve these goals and furthermore NATO criteria,

Romanian Armed Forces must be subject of at least a structural downsizing accompanied by important components of changing organizational culture and individual mentalities.

² Adapted after Mehay and Hogan (July 1998)

Chapter II

The Research Methodology

II.1. The Contextualist Analysis

The contextualist approach has been developed by Pettigrew and his team within the Center for Corporate Strategy and Change at the University of Warwick in UK (Pettigrew, 1985a, 1985b, 1987, 1990; Pettigrew, Whipp and Rosenfeld, 1989). The specificity of this approach is that it apprehends the organisational phenomena taking into account the elements of the context susceptible of influencing those phenomena. It seeks to explain how the variation of the context in time and length combined with changes contribute to form the organisational practices.

It represents a heuristic way allowing analysing the strategic change as continue and iterative process. The contextualism aims to explicit the mechanisms and the processes through which the change occurred. It emphasis the conditions in which the change emerges, the precedents which give consistency to this change and the way in which it lasts, it transforms or it disappears.

Practically the contextualist demarche requires elaborating a multidimensional analysis framework which is able to grab the interrelation between the different variables in order to apprehend the dynamic of change. The analysis requires that the phenomena could be apprehended at two levels: horizontal and vertical.

The vertical level of analysis consists on the articulation between what is ‘extern’ for the organisation (e.g., particularly economic, social and political environment) and what is ‘intern’ (e.g., structure, culture, technology, management and decision making process, general policy of the organisation, etc.).

These two aspects are qualified as external irrespective internal context. At the same time they present the objective dimension collected by observable data and more subjective dimension ‘conceived’ by perceptions, actions and interpretations of these contexts by the organisational actors.

The horizontal level of analysis relates to the phenomena in the past, present and future which corresponds to a processual dimension. This covers the interactions between the different contexts in the course of time, taking into account that each context poses its temporality and its path.

The contextualist analysis stresses three key concepts whose interactions allow apprehending the dynamic of change. We have already seen the first concept which is *the context* (both internal and external). The others are *the content* and *the process*. The content refers to the specific domains of the change which is studied by the researcher. It is the object of the analysis work, in our case:

Which are the transformations of the Romanian Armed Forces in a downsizing context?

The process highlights the relationship between actors, their initiatives and actions as well as the interactions which make possible the evolution of the organisation in a given length. The study of the process implies to consider the organisation as a system having its own temporality. It consists of a sequence of continuing and interdependent actions as well as events from which is possible to explain the phenomena caused in the organisation.

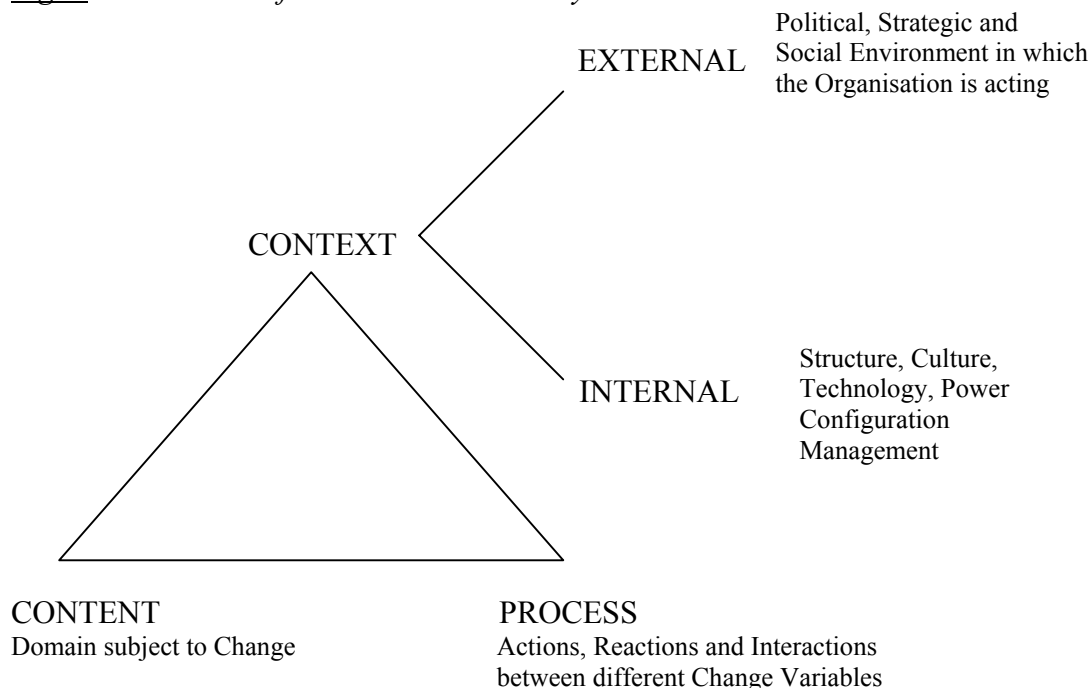
The contextual analysis recognizes a tight relation between context and process in the sense that the last is compelled by the context and it is conceived in the meantime either preserving it or transforming it.

The works of Child (1972) also highlights the influence of the external context (particularly the sector of activity) on the transformation process of an organisation. Even if the sector of activity presents distinct properties of the particularly actors' perceptions, these properties along with the social constructions resulted from these play an essential role in order to understand the behaviours.

Then a critical factor of change would depend on the way in which the managers succeed to mobilise the contexts around them (Whipp, Rosenfeld and Pettirge, 1998). To consider that the contexts in which the managers act could be mobilised means that there are no inert entities or "objectives". On the contrary, the managers are those who by selecting in a subjective way their own vision on environment perceive and build up their conception of the context (Crozier and Friedberg, 1977).

The model of the contextualist analysis could be represented by three poles. Each of them are the peak of a triangle. This scheme has its signification because it reveals the importance of the multidimensional approach, historical and processual.

Fig. 1: The scheme of the contextualist analysis



Adapted from Pichault, Warnotte and Wilkin (1998)

Once the general framework of the analysis being established we can specify the elements of the context more precisely in relation with our research. In the case of the downsizing the intern context comprises the following elements:

Table 5: Elements of the Internal Context

History of the Organisation	Foundation Date, main Stages of Development, main Changes during the past
Structure	Personnel Matters, Decision-Making Process, Information System and Internal Communication
Institutional	Legal Provisions applicable to Downsizing, Partners involved
Financial Situation	Budget, Downsizing Costs

The external context refers to the following variables:

Table 6: Elements of the External Context

Political Environment	Political Situation at the time of Downsizing: Actors, Priorities
Strategic Environment	Downsizing as Strategic Issue
SOCIAL ENVIRONMENT	Social Consequences of Downsizing, Labour Market, Partners Institutions

II.2. Methodological Considerations

The virtue of the contextualist analysis is the possibility to apprehend the organisation as a whole in accordance with a multidimensional approach. By articulating context, process and content, this approach aims to understand and to explain the dynamic of the evolution and transformation of the organisation, the different followed paths.

This effort of theoretical conceptualisation joins a concern of useful research in practice. Indeed the heuristic process which works within the contextualist research is quite similarly of that described by Schön (1983) as a managers' process of research and action.

This kind of approach requires a deep and detailed knowledge of the organisational functioning modes. We considered that an exploratory method is the most adapted. We opted for a deep analysis of the downsizing process within the Romanian Armed Forces. The empirical analysis was carried out in two big phases. The first wave of investigations was made up of interviews emphasizing particularly the context of the process following the contextualist scheme. Additionally we collected maximum information on the process itself and adjacent topics which are parts of the context (media, specialised media, internal documents, audio and video material, Internet, etc).

Secondly we collected information still through interviews on the content and the process of downsizing to persons who are direct involved in the process including redundees. Theses interviews were semi-directed. This technique allows suggesting and orienting the interviewees towards interviewer's desired topics and themes without any limitation concerning the number of responses or any other constraint on the content and form.

Chapter III

Presentation of the case study

This chapter aims at presenting the Armed Forces as institution, its role, its main mission, the structure and the leading structures of it. It aims also to describe the broader reform process within the Armed Forces and the different programs and documents which legitimise the downsizing process. It is the preparatory chapter before the case study and the presentation of the empirical analysis.

III.1. Romanian Armed Forces – Role, Missions and Structure

The Romanian Armed Forces represent the military body whose role is to provide a credible defence. The missions of the Armed Forces are various and structured by different categories.

In peacetime the main Armed Forces' missions are to train and to develop organizational updating to the standards of European and Euro-Atlantic security structures engagement in multinational military operations other than war and international military cooperation. These multinational operations are:

- Surveillance and Early Warning Forces
- Crisis Reaction Forces: Zonal Immediate Engagement Forces, Rapid Reaction Force, HQs and Troops designed for Individual Partnership Program Romania-NATO
- Main Forces-Reserve Force.

In crisis the Armed Forces are called to defend the values of constitutional democracy. The services act under the leading of political decision-makers only in such a case. The Armed Forces are also involved in humanitarian and rescue operations in case of natural disasters, accidents and others.

In wartime the Armed Forces repel the military aggression of the enemy and limit the results of enemy's attack.

The Armed Forces consist of three segments: the Land Forces, the Military Air Forces and the Military Naval Forces.

The Land Forces represent the main component of Armed Forces. As a result of the military reform 61.000 military will compose it. The main equipment will be 560 tanks, 720 guns, and 960 armoured vehicles. It will include the Active Force (i.e., 8 Combat Brigades, 4 Combat Support Brigades and 2 Logistics Brigades) and the Territorial Force (reserve) (i.e., 11 Combat Brigades, 5 Combat Support Brigades and 2 Logistics Brigades).

The Military Air Forces will be made up by 19600 military and are planned to be equipped with 84 fighters and 48 attack helicopters. It will also include the Active Force (i.e., 5 Air Bases and 2 Air Defence Brigades) and the Territorial Force (reserve) (i.e., 2 Training Centers and 2-3 Airfields).

The Military Naval Forces will be made up by 11000 military. The main equipment will be composed by 6 combat vessels, 24 patrol ships, 12 minelayers and minesweepers, 23 support

ships. The Military Naval Force includes the Active Force (i.e., 1 Sea Fleet and 1 River Flotilla) and the Territorial Force (reserve) (i.e., 1 Mechanized Brigade).

III.2. Framework of Downsizing

The Downsizing process is part of a broader Restructuring and Modernisation Program within the Romanian Armed Forces. This Program is included in the Military Strategy of the Armed Forces.

The Military Strategy of Romania is the basic document of the Armed Forces, describing the fundamental objectives and options for carrying out, by military means and actions, the defence policy of the Romanian state. It stipulates the place and role of the Romanian Armed Forces within the efforts for achieving the objectives included in the National Security Strategy and in the Defence White Book of the Government on national security and defence. The Military Strategy represents the basic document, which serves as a guide to the activity of the Romanian Armed Forces in the first years of the next century.

The Military Strategy was developed upon the following basis: Romania has no enemy states; it enjoys peaceful relations with its neighbours and the probability of an emerging major military short- and medium-term threat to our security, is minimal. The strategy is clearly an active - defensive one. The essence of the strategy includes four strategic concepts.

The first concept - Credible Defensive Capability- implying a permanent capability to respond efficiently and properly to the current and predictable risks posed by the security environment. Based on a realistic assessment of risks, the Armed Forces must permanently maintain quantitatively sufficient and credible forces, trained according to modern standards.

The second concept - Restructuring and Modernization - consists first of all in the setting up of adequate structures, smaller, more compact and flexible, with the ability to quickly deploy and properly resourced to sustain the military effort, and second, the qualitative improvement of equipment, both by upgrading part of the available equipment, and by purchasing new one. This means both the supply with modern equipment and achievement of Project Force – 2005 (this force will consist of 112,000 military personnel and 28,000 civilians), a process that will include in a first stage (2001 - 2004) the reshaping of the Armed Forces and the establishment of the new force structure, the training of leaders, the formation of the professional personnel, the modernization and standardization of training.

The third concept - Enhanced and More Operational Partnership - is based on specific, bilateral and multilateral partnerships and on developing some others supporting the strengthening of national security.

The fourth concept - Gradual Integration - consists in accelerating the process of acceding to European and Euro-Atlantic military structures, based on the gradual interoperability of Armed Forces with the armed forces of the Member States.

On the basis of these four concepts it was designed a Membership Action Plan (MAP) for Romania's joining to NATO. The MAP has been developed in close consultation with the UK, NATO and US. MAP is founded on five building blocks: personnel, operating and maintenance, equipment, infrastructure and reform costs.

The personnel component of the MAP is built up upon four activities areas:

- Downsize and Restructure
- Create a Competitive Career Structure for the Professional Cadre
- Create a Proper Conditions of Service Package
- Invest in Individual Training with Focus on Command Staff and Leadership Training.

As for the Downsizing activities it was developed The Program of Professional Reconversion for Redundant Military Personnel in the Romanian Armed Forces.

III.3. The Program of Professional Reconversion for Redundant Military Personnel in the Romanian Armed Forces³

The Process of Armed Forces restructuring leads to an important number of redundant military personnel, with ages allowing approaching a new career in the civil professional environment. These persons will undergo a process of professional reconversion, taking them from exercising the military profession to a civilian job. The Reconversion Program plans to manage this situation through a package of specific active measures, targeted at socio-professional integration of redundant military personnel. However, built in the process is the essential idea that the ultimate interest and responsibility for the success of the Program lies upon the redundant personnel themselves, as individuals who must prepare thoroughly for a new career outside the military system.

The complexity of the Reconversion Program as a whole assumes partnerships between the Ministry of National Defence and other Governmental and non-Governmental agencies and organisations that can provide with expertise in the field of reconversion. In this sense, collaboration protocols with the Ministry of Labour and Social Solidarity and the National Agency for Employment and Professional Training have been signed in 1998 and 1999. A similar protocol with the National Agency for Regional Development have been signed in 2000. Agreements from the Ministry of National Education and the Ministry of Finance to support the Program have been obtained. In the same line of coordination, an Interagency Board acts as a Supervisory Body for the Reconversion Program, to make sure that its quality standards are met and its goals are accomplished.

III.3.1. Program goals

The goals of the Reconversion Program for the year 2000 were:

- To support the redundant military personnel for integration in the civil society, through career counselling, retraining, support for job placement and creation of small business;
- To ensure effective use of financial resources invested in the downsized target-group, through monitoring the success rate of the reconversion process;
- To increase internal credibility of the military organisation, as a competent and caring institution, preoccupied with the social aspects of the life of its members.

The goals of the Reconversion Program for the years 2001-2004 are:

- To allow the Armed Forces to restructure and ensure that as much as possible redundees are effectively absorbed into the civilian community;

³ Hereinafter, called “the Reconversion Program”

- To increase credibility and create the organisational culture of the reconversion in the Romanian Armed Forces, in the long run.

III.3.2. Target group

The target group for the active measures in the Reconversion Program is obtained as a result of the application of the “Methodology for Armed Forces Downsizing” (see III.3.4). The target group has been identified according to two criteria: numeric and geographical profile:

- For the year 2000, the most affected garrisons by the process of restructuring were in the following regions: North-East (Iasi; Roman), South-East (Braila; Constanta), South-West (Craiova), West (Timisoara), North-West (Cluj, Dej), Center (Targu Mures), Bucharest (Bucharest);
- Other impacted garrisons were: Bacau, Vaslui (NE), Buza, Galati, Topraisar, Mihail Kogalniceanu, Basarabi (SE), Ploiesti, Mihai Bravu (S), Slatina (SW), Caransebes, Giroc (W), Vadu Crisului, Turda, Floresti, Baia Mare, Simleul Silvaniei (NW)
- Subject to restructuring were 1189 officers, 199 warrant officers, 429 non-commissioned officers and 928 civilians, from which 351 officers, 181 warrant officers, 308 non-commissioned officers and 684 civilians belonging to the units proposed to be closed.

III.3.3. The Content of the Reconversion Program

Professional reconversion in the Romanian Armed Forces is realised through a specific system, staffed with qualified personnel (“reconversion experts”). It consists of a package of active measures, designed by the Ministry of National Defence in cooperation with other specialised Governmental and non-Governmental agencies.

Redundees of under 20 years service are entitled to the entire package of measures in the Program, whereas those of over 20 years service are entitled, upon request, as far as necessary, to a limited package, including advice and support for job placement.

Non-uniformed personnel may also have access to the information available at the regional and local reconversion centres, through the reconversion experts, who are able to facilitate their relationship with Local/Regional Employment and Professional Training Agencies, as well as with the Regional Development Agencies.

The main package of active measures includes:

1. Providing information about available specific services for the military personnel – the experts are able to present the package and describe the reconversion system;
2. Career counselling – includes: the realisation, under experts guidance, of the socio-professional development plan of the redundees; identification of possible alternatives for the future career; identifying new jobs on the civil labour market; planning for further course of action, etc;
3. Organising training/retraining courses inside the Ministry of National Defence (both for internal reconversion⁴ and placement on the civil labour market) – connect the reconversion process with the system of military education institutions, which includes: military academies, service academies, branch school of application,

⁴ By internal reconversion in the sense of the Program it is to be understood the needed retraining inside the military system to cover unbalanced specialisations, due to the restructuring process.

technical schools for warrant officers. At the same time, a set of courses for placement on the civil labour market can be organised.

4. Mediation role in the process of training/retraining outside the Ministry of National Defence – includes: identification of available courses; explain the available offer to redundees; identification of the best course offer; solve details regarding the participation in the training courses;
5. Assistance for small business start-up – includes a minimum of information needed to initiate a business of one's own;
6. Organising job fairs – facilitation to meet the “military supply” with the “civilian demand”, through participation in the organisation of job fairs;
7. Support for placement on the labour market- the reconversion experts are qualified to introduce redundees to job search methods and effective strategies to get a specific job;
8. Post-placement assistance – includes monitoring the success rate of placement and providing further support to those leavers who faced difficulties along the process;
9. Monitoring the reconversion process and disseminating job-related information through a system of local, regional and central Centers - six regional centres are created in Iasi, Cluj, Timisoara, Ploiesti, Constanta and Bucharest, so that their area of responsibility be correspondent to the one covered by the army corps. The creation of these regional centres meets the following needs:
 - Facilitation of the communication between the local reconversion centres and the central structure;
 - The primary processing of the information acquired from the reconversion experts;
 - Regional information management;
 - Monitoring the information regarding the outcomes of the outplacement of the redundant military;
 - Unity of action at the regional level; between the reconversion experts and the representatives of the National Agency for Regional Development.

The following information has been made available for the military personnel at the Centres' level:

- The plans of regional development and associated application forms;
- Leaflets, brochures about reconversion
- Printed materials about the reconversion process and career transition process;
- Accurate networking information including addresses and phones numbers of the reconversion experts, regional development agencies, etc;
- Occupational profiles of the job;
- Survey results, regarding the rates of success of the reconversion process;
- Media presentation of the ex-military who succeeded in building new alternative careers;
- Regional economic agents (addresses, phone numbers);
- Projects that are running in the region (e.g., projects for creation/growth of the SMEs);
- Lists of NGOs, HR agencies, other training providers;
- Job vacancies
- Lists of the retraining courses.

Other specific measures include:

1. A package of compensatory payments, in accordance with the Government's Ordinance no.7 from 26/01/1998;

2. Realisation and development of the infrastructure of the reversion system;
3. Systematic training stages for the reversion experts.

III.3.4. Methodology

The Reversion Program contains methodological specifications regarding the manner in which it should be applied. It mentions that in order to accomplish the objectives and the schedule proposed in the MAP the restructuring intends an army consisting of 112.000 persons. In order to achieve this goal until 2005 (22.500 persons), the redundant personnel will leave the military service 4500 per years until 2004 (included)

The procedure of reduction is established according to one of two following tracks:

- a) the Structure and Resources Directorate from the General Staff establishes the new structures to be created
- b) the constant implementation of the pyramidal model which gives the percentages of the necessary positions on military corps and ranks.

The personnel selected to be reduced falls in one of the following categories:

- a) Volunteers. Firstly, the military from the units that are part of the downsizing process have the opportunity to choose to stay in the Army or leave it, according to the provisions of the Ordinance no.7/1998 of the Romanian Government.
- b) Personnel that is no more necessary in the new structure. The military who are not useful anymore in the new structure and do not willingly choose to leave the army will continue their activity in special temporary structures (Support Groups), will be put in a 'stand by' position or will be put in reserve. Depending on the amount of the transferable skills, a process of internal reversion may occur. The final selection will take into account a set of criteria such as age, the quality, the competencies for being employed and the needs of the Army.

The selection criteria used during the selection process are mainly those from the Norms of the Ordinance no. 7/1998 of the Romanian Government. The most important criteria are:

- The results obtained at the annual assessments;
- The time remained until the end of the contract;
- Joining the peace-keeping and humanitarian missions;
- Graduating overseas courses and foreign language proficiency;
- Post graduating military or civilian studies;
- PC literacy.

The selection committees started their activities in June 2000. Until September 2000 the following activities took place:

- a) J1 and J8 Directorates from the General Staff together with the HRM Directorate decided the number and the structure (ranks) of the redundant military;
- b) On the 17th of May 2000 the Minister of the national defence made public the announcement regarding the reduction of the Armed Forces;
- c) During the third quarter 2000 the persons who chose to leave the army were announced;
- d) The HRM Directorate together with J1 and J8 Directorates from the General Staff prepared the data base with the redundant personnel and communicated how the committees should work (the second and the third quarter 2000).

Chapter IV

The Case Study

The fourth chapter is consecrated to the case study. The first part describes the contextual elements (external and internal) likely to influence the downsizing process. The type of downsizing is isolated further on and developed in the next section. The last section is on the location of the actors' game involved in the process. These actors by mobilising the context have an effect on the downsizing process.

IV.1. External Context

IV.1.1. Political Environment

The political context in which the process of downsizing of the Armed Forces has been initiated is rather unique. Going back in the recent history in 1989 the most important political event of the end of Millennium was the fall of the Iron Curtain as a symbol of the Cold War and of the communist regimes which were leading a series of the Central and Eastern European Countries. Romania did not make an exception. Moreover the change of political power in Romania was spectacular (a violent revolt against the communist leaders and against the system itself) but also dramatic with hundreds of victims.

By changing the political regime Romania's option for the future has been very clear: a real democracy with a strong state of law in which the fundamental rights are respected, with a clear separation of powers in state; from the economical point of view the goal has been to reach a free market oriented economy. Romania has become aware of the fact that these goals could be achieved only within a European and Euro-Atlantic integration in the Occidental structures. In this way along with political and economical wishes Romania can return towards the European culture and values, to become again a European Country. Obviously geo-strategic and security concerns indicated NATO as the politic and military organisation capable to provide security to Romanians.

The search for security has been a natural concern ever since the fall of the communist regime. There was not need for a great debate as to where Romania actually belongs. All responsible political parties, reflecting an overwhelming public mood opted for integrating Romania into NATO. This option for NATO is both firm and natural.

It is firm because in the eyes of the Romanian political class and the public at large NATO has proven, over a period of almost five decades the capability to guarantee the security of its Member States, to stabilize relations among them and to foster their economic prosperity and democratic development under the rule of law.

It is natural option because, historically, Romania has been linked to the NATO countries by long traditions, common patterns of culture and civilisation and by shared democratic values.

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The Romania's option for NATO is both a political, strategic and even more, economic, element which influences decisively the decision to reform the Armed Forces and implicit to downsize it.

Romania belongs to a space (Central Europe) which has been of great interest along the history of Europe. During the last fifty years this region was dominated and controlled by the Soviet Union. After the fall of the Iron Curtain, Central and Eastern European countries have expressed their willingness to definitively break with the communism and the Soviet's dominance.

In the Central Europe space Romania developed and pursued a set of policies in particularly two directions. Firstly, the relations between Romania and Hungary, which have been plagued by a painful legacy of distrust and acrimony, have developed into a strategic partnership. The basic Treaty which entered into force by the end of 1996, laid down the foundation for a healthy and lasting relationship between the two countries. Secondly an emerging special partnership between Romania and Poland is very welcomed. Romania and Poland are two natural anchors of stability in the sub-regional scheme that involves Russia in their respective zones (i.e., Poland in the Baltic Council and Romania in the Black Sea Economic Cooperation. In this equation a very important variable is Ukraine who border on both Romania and Poland. Recently Ukraine stated its willingness to be integrated in Europe in the long running term. Romania, Poland and Ukraine, the three largest countries in the area clearly have a key role to play in any security and stability structures envisaged for Central and Eastern Europe.

In the recent years a neighbouring region, the Balkans, has become a zone of instability thanks to the process of dismemberment of the former SFR Yugoslavia and to interethnic conflicts. In this context Romania is in a unique position to play an actively role in the still troubled area of South-East Europe and the Balkans. Romania's historically constant good relations with the former Yugoslav federation, now equally good with all its successor states, made it possible for Romania to make constructive contributions to the peaceful resolution of the conflicts in which these countries had been involved. Romania plays an important role in this region as a big and stable country and has been actively involved in the Yugoslavian war denouncing any dictatorial regime as that of the former president Milosevic.

Romania has traditionally excellent relations with two NATO Member States in the region – Greece and Turkey.

In the last period President Poutine's Russia have become more and more willing to regain the influence of the former Soviet Union and to play a greater role upon the international and European political stage. A danger for Romania, although minimal, would be to re-fall under the Russia's influence.

This is roughly the regional political context in which Romania, as applicant to NATO must cope with. Romania officially submitted the formal application to join NATO on 18 September 1993. On 26 January 1994, Romania was the first country to sign the Partnership for Peace document. It was also among the first to agree in September 1994 to a comprehensive Individual Partnership Programme with NATO. At the Madrid Summit in 1997 Romania was rejected to join NATO in the first enlargement wave. Recently it was

officially stated that the next Prague Summit will bring new Member States. Until then Romania must put all the effort in order to meet the NATO membership criteria.

The Criterion 4 states: “Prospective members will have to have undertaken a commitment to ensure that adequate resources are devoted to achieving the obligations described in Sections A and C.”⁵

In order to meet these expectations the Armed Forces must be restructured and modernized. The downsizing process of the Armed Forces comes within the scope of this reform and therefore politically it is very important.

IV.1.2. Strategic environment

Security environment

The threat of a major military conflict in Europe has significantly decreased. Simultaneously with the progress of integration and cooperation, processes disturbing security, such as breaking up, putting aside or isolating international actors, take place. Lacking dialogue, conflicts tend to acquire an international character, entailing the use of military force and endangering the security of states, with serious consequences at regional and global levels. There is a commitment from all states participating in building European Security to increase cooperation, to strengthen stability and reduce the possibility of an armed conflict. The security environment presents the short-term opportunity to prepare for the integration into the North-Atlantic Alliance.

The Romanian Armed Forces take an active part in developing co-operation with the military of other states in order to sustain enhanced confidence and stability. The current security environment provides an opportunity to reshape the Romanian Armed Forces within acceptable limits of risk. In an inconsistent, complex, dynamic and uncertain security environment, the current economical-financial conditions of Romania and of other states in the region are a potential source of instability. They could delay the positive effects of regional evolution and could stress the negative tendencies.

The area of Romania military strategic interest varies with the evolution of security environment and national interests, and it is determined both by the existence of active or potential sources of generating major crises, whose settlement demands the use of Armed Forces, and the presence of opportunities to be attracted for promoting the national military objectives.

Romania lies at the crossroads of four strategic evolutions within the following areas:

- Central Europe - a future pole of regional prosperity;
- South-Eastern Europe - a provider of instability;
- Community of Independent States - currently undergoing an identity crisis, and
- The Black Sea - an area of strategic importance for NATO Southern Flank, as well as a transit route for energetic resources from Central Asia.

Risk Factors

⁵ Study on NATO Enlargement - Sections A and C describe what is expected politically and militarily, respectively, of new members of NATO.

The risk of a major military conflict remains low. However, there are regional and local, non-military and military risks difficult to be foreseen, which could evolve into threats. They are categorized into regional, asymmetric, transnational risks and unpredictable hazards.

Regional risks include:

- Strategic imbalance in military capability within Romania's area of strategic interest;
- Military conflicts and tensions which could extend;
- Standing economical-social shortcomings directly affecting military capability and depreciating the authority of national leadership institutions of the state;
- The possibility of disrupting financial, information, energy, communications and telecommunications of the states systems, and the political-military rivalries between them.

Asymmetric risks include strategies or deliberately undertaken actions against the Romanian state, using methods different from classical combat, aiming at attacking vulnerable fields of civil society which may directly or indirectly affect the armed forces as well. They are as follows:

- Expansion of terrorist networks and activities;
- Uncontrolled proliferation and dissemination of nuclear technology and materials, weapons of mass destruction, proliferation of armaments and other lethal, unconventional means, information warfare;
- Romania's isolation within the global community based on information, because it does not have specific infrastructure. Such risks include the breaking off of critical information flow, the presentation of a distorted image of the Romanian democratic society and observance of international treaties and agreements, the limitation of access to strategic resources, degradation of environment and the presence of high level risk objectives in the very proximity of the national boundaries.

Transnational risks, by definition, are not confined by national boundaries. Groups that promote separatism or extremism may generate some of these new threats. Others can originate from ethnic disputes, religious rivalries and violation of human rights. Organized crime, smuggling of illegal drugs, arms and strategic materials bring about new risks. Recent events demonstrate the negative consequences of a massive flow of refugees.

Unpredictable hazards are the risks resting in the unknown field of uncertainty and they are based on objective and subjective elements. The existing good international relations could change or worsen. The region is also prone to natural disasters: floods, drought and earthquakes. It is extremely important to assess the consequences of risks to national security, in the field of defence.

If these risks are not identified, defined or countered in due time, they may have consequences occurring isolated or most certainly cumulated. Mention should be made of the following:

- Romania's loss of credibility, as a country firmly committed to European and Euro-Atlantic integration;
- Rendering the leadership and executive political, economical-financial and military systems disorganized at national level or in certain operational areas, implying the partial or total exclusion of the country from the regional and world flow of information;

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- The failure of the reform process, the decrease of standard of life under the bearable limits and the diminishing of the biological potential of human resources;
- Lowering of the population's state of mind and confidence in the decision-makers;
- Domestic unrest with a direct effect on Romania's democratic stability;
- Decrease of the armed forces' combat readiness and compromising of the military's credibility as a force to prevent, deter and annihilate possible aggressions;
- The limitation in time and space of the armed forces' responsiveness in crisis and in war time;
- Prejudice of national independence and sovereignty with direct effects on the maintenance of the unity and territorial integrity of the Romanian state.

To mitigate the effects of risks, firm and timely measures are required to be taken. Their postponement will only increase risks and raise the cost of future actions. In order to properly respond to the entire spectrum of risks we must have in due time the required forces with a high level of readiness. According to their structure, equipment and training, the Romanian Armed Forces are not prepared to counter the economic-social risks and they have limited capabilities to counter the asymmetric and transnational risks. Based on the decision of the national command authority, the Armed Forces will cooperate with the other elements of the national defence system, specialized in fighting against these risks.

National Interests, National Defence Fundamental Objective and National Military Objectives

Romania's national interests set forth in the National Security Strategy are founded on guaranteeing and promoting the fundamental rights and freedoms and the safety of Romania's citizens. Politically is very important to consolidate the democratic political regime based on the respect for the Constitution and the supremacy of law. Another important national interest is to ensure the existence of the sovereign, independent, unitary and indivisible national Romanian State and to support contacts with the Romanians living outside the borders of the country in order to preserve their identity. Romania's participating in ensuring security and stability in Europe is determining.

The fundamental objective of Romania's national defence consists in achieving the required and adequate military capability to preserve the national sovereignty and independence, the territorial integrity and unity, the constitutional democracy and the principles of the rule of law.

In order to achieve this fundamental objective, Romania's Military Strategy defines the following national military objectives:

- Conflict prevention and crisis management which could directly affect the military security of Romania;
- Support of public authorities in civilian emergencies and by humanitarian actions;
- Prevent, deter and defeat any possible armed aggression against Romania;
- Enhance its contribution to regional stability by participating in conflict prevention, crisis management and collective defence, as well as in humanitarian actions;
- Gradual integration into NATO military structures.

In order to promote and defend Romania's interests and to achieve the national security objectives, by the adequate use of military assets, the Armed Forces have to prevent, deter and

defeat any possible aggression, individually or in cooperation with partners and future allies. At the same time, it is imperative to intensify the efforts to join NATO, to benefit from and take part in a collective defence. To be credible, the Armed Forces must become interoperable with NATO Armed Forces and have smaller, mobile, efficient and modern structures. By continuing current strategic, multilateral and bilateral partnerships and by developing some others, it will be created favourable conditions to strengthen security in the region and will facilitate the modernization of the Armed Forces.

Strategic Principles

According to current fundamental political-military options of the Romanian state and to national traditions, Romania's Military Strategy is based on the principle of non-aggression and it has a prevailing defensive and active character, this in keeping with the Romania's foreign policy objectives. Consequently, Romania will employ the elements of military power especially within its area of strategic interest, in order to support, defend and promote national interests as directed by the national command authority.

The Armed Forces are subordinated and will respond to the civilian democratic leadership of the state. The defence policy and the budgetary process are transparent and conducted according to Parliament's decisions. Until the integration into the North-Atlantic Alliance, the Military Strategy is based on the principle of credible defensive capabilities, achieved mainly by national effort. The military security gap will be covered by the participation to Partnership for Peace with the North Atlantic Alliance, strategic and special partnerships, bilateral agreements, as well as by other security arrangements with different states.

The Strategy directs the military towards a force having enhanced capabilities, able to undertake manoeuvre and decisive action. Such a force serves Romania's interests best because it facilitates its active participation in international security structures and adapts quickly in order to prevent regional crises from turning into conflicts. At the same time, it forms the best foundation for the defence of the state by own forces or in a multinational structure, in the event Romania is attacked.

Developments in the strategic concepts of warfare, the increasing complexity of the modern battlefield and the technological progress require Armed Forces capable of conducting military operations within a joint doctrine at strategic and operational levels. Under certain circumstances, especially when participating in multinational operations, this principle may be applied at the level of tactical echelons as well.

IV.2.3. Social Environment

The Social Environment is one of the most important elements of the context of the downsizing process. Therefore the aim of this research is to study the process of downsizing itself and its influences on the Romanian Labour Market.

Situation of the Romanian Labour Market 2000-2001

During the last 12 months (February 2000 – March 2001) the situation on the Labour Market has been improved. After a slight increase to 10.8 % in the first two months of 2001, unemployment went down slightly to 10.4% (992,846) in March and below 10% in April.

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Compared to the first quarter of last year, there is a marked improvement in absolute terms. However, the rate is still higher than the target advanced by the Government in its Economic Development Program and the Social Pact signed with the trade unions in February (Table 7).

During the first two months of the year 2000 the Romanian population's occupational structure has been basically stable, the ratio of working persons as a percentage of total population remaining basically constant at 53%. The number of employed, however, decreased from 4,457 thousand persons at the end of January to 4,396 thousand at the end of February, continuing the descending trend that began in 1990. Approximately 42% of the reduction of this number in February, however, comes from the reclassification of part of health care employees. These employees became contract-based and are no longer considered employees anymore, or have become public employees, due to the implementation of the reform in the health care system. However, in March the number of employed rose for the first time in the last 24 months mainly due to the availability of seasonal work from 4,396,000 at the end of February to 4,433,900 at the end of March (+0.9%) and 4,482,300 at the end of April (+1.1%).

Table 7: Unemployment structure over the last 12 months

Total number unemployed		of which,					Rate, %
		Unemployment benefit	Youth vocational education allowance	Support allowance	Severance pay	Do not receive benefits	
February 2000	1,196,630	314999	103839	446679	62191	268922	12.2
March 2000	1,166,669	273517	106297	445489	66253	275113	11.9
April 2000	1,139,185	238986	109066	444478	75734	270921	11.6
May 2000	1,097,412	207334	109880	431982	80796	267420	11.2
June 2000	1,066,965	196679	105624	416078	92089	256495	10.8
July 2000	1,028,090	189138	85535	404843	92314	256260	10.5
August 2000	997,744	178896	66179	410534	87547	254588	10.1
September 2000	977,708	171260	57071	414271	81536	253570	9.9
October 2000	969,288	173115	63500	409672	72648	250353	10.2
November 2000	984,652	189902	76990	404109	64723	248928	10.3
December 2000	1,007,131	221815	85250	391932	52914	255220	10.5
January 2001	1,032,902	267796	89418	379006	45035	251647	10.8
February 2001	1,032,303	291720	89473	360192	38019	252899	10.8
March 2001	992,846	279261	92523	337766	29492	253804	10.4

Source: ANOPF (National Agency for Employment and Professional Training)

In the first part of the year 2000, in February 26% of registered unemployed benefited from unemployment subsidy versus 21% in April. 9% of them received vocational integration

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support in February and 10% in April. 37% of the registered unemployed received support allowance in February and 39% in April (long-term unemployed). In February 5% benefited from severance payments, and 22% were unemployed without any source of income. Whereas in April 7% received severance payments and 24% were no longer eligible for any benefit (Table 8).

Table 8: Unemployment structure for 2000

	Jan-00	Feb-00	Mar-00	Apr-00
Number of registered unemployed	1,174,993	1,196,630	1,166,669	1,139,185
Recipients of unemployment benefit	27	26	23	21
Recipients of vocational integration support	9	9	9	10
Recipients of support allowance	38	37	38	39
Long term unemployed not eligible for benefits	22	22	24	24
Beneficiaries of Severance payments	4	5	6	7
Unemployment rate	11.9	12.2	11.9	11.6
Unemployment rate, women	11.5	11.5	11.2	11.2

Source: ANOPF

These tables reveal the fact that the state still pays large amounts of money on rather reactive measures instead of promoting more vigorously the active measures. Quite surprisingly the women unemployment rate is slight lower the men one knowing the fact that in general women are more affected by unemployment than men.

Approximately 60% of those unemployed have been without a job for less than a year (35% for less than 6 months), and about 8% have been unemployed for more than 2 years. Except for the under-25 age group, the proportion of those unemployed for over a year is higher for the older age groups. In the case of the 25-29 age group, only 39% are long term unemployed. The percentage of the over-55 age group in long-term unemployment is 48%.

The regional disparities in relation to the unemployment rate remain basically constant. To be noted, however, is that the differences between the unemployment rate for different counties remain high, despite a certain decrease owing to the increased unemployment rate in the least affected counties (the difference between the minimal unemployment rate and the maximum one reaches 16.5 per cent at the end of February 2000 compared to 19 per cent on 30 September 1999). The highest unemployment rate is in Hunedoara (21.8%) and the lowest in the Bucharest municipality (5.3%). The counties with the highest unemployment rate (more

than 15%) are Braila, Botosani, Galati, Hunedoara, Ialomita, Neamt, Salaj and Vaslui . A high unemployment rate can be noticed in the eastern part and the lowest rates can be seen in the western part of the country. Other counties with significant unemployment rate (13-15%) are: Bistrita Nasaud, Suceava, Buzau, Prahova, Calarasi, Damabovita, Gorj and Dolj.

Relation between the Downsizing Process and the Labour Market

The downsizing of the Armed Forces through the Reconversion Program may have an important influence on the Labour Market given the number of the redundees. The downsizing process carries with it a series of negative social and economic effects including putting an overpressure on the labour market, which currently is not able to absorb the entire redundant workforce, and the possibility of generating social unrest and even conflicts. The higher the success of the reconversion program the lower unemployment rates and negative influences on the labour market.

The reconversion system in the Romanian Armed Forces was created between 1997-1998. So far, it only provided limited viability, since the restructuring process in the military did not provide with systematic outflow of redundees, as clients for the reconversion process. However an analysis of the system reveals that on a sample of 657 personnel (287 officers, 143 warrant officers, 201 non-commissioned officers, 31 contract military) from the 82 personnel applying for training, 22 (27%) did take a course, the rest were registered and they were processed pending available financial resources; 57 from the personnel applying for job placement support (14%) did get a job; 20 (5%) stated up a small business; 28 (7%) are in the peocess of business start up; 17 (4.2%) were not accepted for the jobs; 193 (47.9%) were not satisfied with the job offer, and 88 (21.9%) are registered for further support in getting a better job.

Analysing this sample we can highlight the relative weak results of the success recorded in getting a job. Only 14% did get a job and on the other side 4.2% were not accepted and 47.9 were not satisfied with the job offer. One can conclude that the labour market's supply did not meet the military's demand. In this case if the active measures which are designed to support the redundees are not effective there are big chances to 'contribute' to an increased unemployment rate.

Another interesting point to analyse would be to see which are the relations between targeted regions of the country for the downsizing and the unemployment rate in those regions. For the year 2000 the most affected counties by the process of restructuring were: Iasi, Braila, Constanta, Dolj, Timisoara, Cluj, Mures, Bucharest. Out of these only Braila County has a high level of unemployment, more than 15%. Other counties with a lower impact were: Bacau Vaslui, Buzau , Galati, Prahova, Olt, Caras Severin, Maramures. Out of all affected counties by the downsizing of the Armed Forces, the following are ranked in the second level with high unemployment rate (13-15%): Dolj (most affected by the reconversion process), Buzau, and Prahova. Overall we can conclude that only 4 counties out of 17 affected by the downsizing process have a high unemployment rate. So from the geographical point of the reconversion process of the Armed Forces with few exceptions does not put a high pressure on the labour market.

IV.2. Internal Context

IV.2.1. History of the Armed Forces

The modern history of the Romanian Armed Forces starts in the third decade of the 19th century when regularly troops were organised in Moldavia and Romanian Country. Under the rule of Alexandru Ioan Cuza (1859-1866) compulsory military service was adopted and old equipment was replaced by French and Belgian ones. The modern age marked the beginning of military involvement in the political, social and cultural life of the country. The Romanian armed forces participated through their representatives in the 1848 Revolution, in the union of the Romanian Principalities, Moldavia and the Romanian Country. One of the consequences was the election of Col. Alexandru Ioan Cuza as the ruler of the United Principalities, in 1859. The Hohenzollern Dynasty set up in Romania reoriented the military policy towards Prussia. The main military actions in which the modern Romanian Forces took part are:

The Independence War, 1877-1878 - engaged the Romanian armed forces in two large-scale military operations: the strategic cover operation of the Danube - took place along the entire war period and was meant to defend the country against Ottoman aggression. The second stage started when the Russian troops approached the Balkan Front and the Romanian Armed Forces decisively participated at the final defeat of the Ottomans.

The Romanian Military Campaign in the Second Balkan War (1913)- Romania's military action in response to Bulgaria's policy in the Balkans was based on the plan worked out by the Romanian Headquarters under the name of "Hypothesis 1 bis". According to it, the Romanian armed forces were supposed to concentrate along the Danube River and in Dobrogea in order to begin the offensive to the south of the river. The Romanian military campaign to the south of the Danube River made it impossible for Bulgaria to continue the military operations against its neighbours, so on July 18-31, 1913 a ceasefire was agreed on and during July 28 - August 10, 1913 a peace treaty was signed with Romania confirmed as arbiter of the political and military situation in the Balkans.

The Romanian Military Campaign in 1916 - Just before the outbreak of the First World War the General Headquarters worked out more "scenarios" or "hypotheses" that established the course of action in case Romania entered the war that was in progress. In the summer of 1916, an option was made for "A War Scenario against the Central Powers and Bulgaria. Romania an ally of the Quadruple Agreement", Known as "Hypothesis Z". On August 14-27, 1916, Romania declared war to Austria-Hungary and began the operations for the liberation of Transylvania.

The Romanian Campaign Plan in 1916 The Romanian military campaign in the summer - autumn of 1916 failed both politically and militarily. Most of the national territory (over 100,000 km², the capital included) was occupied by the enemy after 135 days from the beginning of the war. From the beginning, the Romanian armed forces had to develop two types of military operations at the same time: the strategic offensive in Transylvania and the strategic defence of the southern boundary, the two fronts adding up to 1600 km, 40 % of which was defensive in character.

Participation of the Romanian Armed Forces in the Second World War – Under the command of the marshal Ion Antonescu the Romanian Army was allied with the Nazi Germany and participate at the military operations on the Eastern front against the Soviet Union. At 23 August 1944 the army turned the arms against the Germany and fights together with the Allies until the definitive defeat of the Germany. It participated at military operations outside the national borders participating at the liberation of several countries such as Hungary, Czechoslovakia.

IV.2.2 Structure

Leading structure

The activities intended for national defence are the task of the constitutional public authorities of the Romanian state. According to the Article 7, Law 45/1994 on Romania's national defence "coordination of the national defence system is performed by:

- Parliament;
- President of Romania;
- Supreme Council of Defence of the Country;
- Government of Romania;
- Ministry of National Defence;
- Public administration authorities with competence in national defence field".

The Parliament approves by organic law the military system structure, the population, economy and territory preparation for defence and the military status. The Constitution of Romania stipulates at Article 92 *the President* of Romania is the commander-in-Chief of the Armed Forces and the Head of the Supreme Council of National Defence. He can declare, with the before hand approval of the Parliament the partial or general mobilization of the Armed Forces. Only exceptionally, the President's decision is subsequently submitted to the approval of the Parliament, in 5 days at the most, for the adoption. In case of an armed aggression against the country, the President of Romania takes measures in order to reject the aggression and notifying them to the Parliament. If the Parliament is not in session, it can be convened in 24 hours since the aggression started. *The Government* of Romania is in charge with the organization of the activities and measures on national defence; the Ministry of National Defence is in charge of achieve the defence fundamental goals. In order to control the military activities at strategic level, in wartime, the *General Staff* subordinated to the Supreme Council of National Defence is set up.

According to the Law on the organization and function of the *Ministry of National Defence* (MoND), MoND is the specialised authority of the central administration to guarantee the national sovereignty, independence and state unity, territorial integrity and constitutional democracy. The Minister of National Defence leads the ministry and is accountable to the Prime Minister for MoND's activity. The Minister of National Defence assisted by the State Secretary for Defence Policy, the Chief of General Staff, the State Secretary for Procurement, the State Secretary for Relations with the Parliament, the General Secretary and the General Inspector of MoND lead the activities under their subordination.

The Chief of General Staff is the person with the highest military rank and is responsible for the Armed Forces combat capacity. The General Staff is the main military body of the Ministry of National Defence. The State Secretaries, General Secretary and General Inspector

are responsible for organizing and leading the subordinated structure activities, observing the law.

As for the Reconversion Program the Human Resources Management Directorate is the official structure responsible for the reconversion policies. It has mandate to coordinate the program and to represent the Ministry of National Defence in the relations with other Governmental and/or non –Governmental organisations.

Communication and PR Strategy

In order to promote the Reconversion Program a strategy has been set up by considering necessary that the professional re-conversion process be regarded as a service provided in the early stages to the military personnel to be downsized. The objectives of the promotion strategy are:

- To create a convincing and persuasive image of the Reconversion Program; and
- To increase the level of acceptability of the Restructuring/Reform process and its active component: the professional reconversion.

The strategy has targeted several groups taking into account their degree of interest and consequences resulted from the implementation of the Reconversion Program. According to the PR strategy *the main target groups* are the downsized officers with less than 20 years on the job and the employers on the labour market. *The secondary target groups* consist of military commanders from all echelons, senior officials within the MoND, central directorates, Army Services, young officers and finally all the officers. There is a *support target groups* formed by the family members, relatives and friends of officers subject to the restructuring process, officers who passed in the reserve subsequent to the restructuring process, senior management personnel of employment agencies, public opinion in general.

The strategy aims at promoting several themes and messages in order to support the Reconversion Program and to help both the redundees and the other factors that play a role on the labour market.

Some of themes are *inter alia*:

- “Military are characterised by: leadership, loyalty, perseverance, efficiency, responsibility, adaptability, self-discipline, resourcefulness, integrity, honesty”
- “You will get jobs according to your particular training, experience and skills”
- “The army takes care of its people even after they leave”.

There are also some messages to be outlined:

- “If you want to leave you have to play!”
- “We are here to serve: work for yourself and we’ll work for you!”
- “Reconversion does not guarantee a job!”

And messages to be avoided:

- “Once you have left the Army, they will all forget you!”
- “Nobody is irreplaceable!”
- “Moving to a new stage means to deny/forget the past!”⁶.

⁶ Ministry of National Defence - The Program of Professional Reconversion for Redundant Military Personnel in the Romanian Armed Forces.

A series of methods, products and activities have been promoted within the strategy: “Face to face” (direct counselling, periodical contacts), Folders, brochures, leaflets, Poster, panels, “Unconventional” (business cards, personalised papers, web sites), Newspapers, magazines, Radio programs, Video materials, Mailings, Public relations, Seminars, conferences and workshops.

IV.2.3 Institutional

The Reconversion Program is based on a legal framework of reconversion which is regulated through the following legislation:

- Law No. 80/1995 (‘The Status of Military Personnel);
- Government’s Ordinance No. 7/26.01.1998 and the corresponding ‘Methodological Norms of Application’;
- ‘Norms regarding the professional reconversion in the Ministry of National Defence’- Defence Minister’s Order No. M.48/25.05.1998
- Protocols signed between the Ministry of National Defence with the Ministry of Labour and Social Solidarity and the National Agency For Employment and Professional Training, whereby the specific assistance provided by these institutions to the military structures undergoing reorganisation is outlined.

These legal documents regulate the issues on the beneficiaries of the reconversion process, the specific ways to run the process, the attribution and responsibilities of various military components involved in managing the reconversion and the partners along the process.

The reconversion system in the Ministry of National Defence has been created in 1997-1998 and includes the following components:

- *The Office of Professional Reconversion* which has the role of Program Implementation Authority established in the HR Directorate in 1997 (2 positions of reconversion experts included)
- 64 position of *reconversion experts* distributed in the General Staff, service headquarters, army corps and county (sector) military centres countrywide.

The activity of the reconversion experts has common goals and is carried out under a coherent strategy. The reconversion experts represent the key-component of the reconversion system. They are trained in reconversion and skilled in the labour market mechanisms and they work in military structures.

They represent an important asset to capitalise on and they are a key resource of the reconversion system. This is designed to play the main role of an interface therefore it was envisaged to close cooperate with *specialised outplacement providers*. Through contracting out specialised companies were used to deliver services of training, consultancy and outplacement for the redundant military.

Within the Ministry of National Defence it was created an *Inter-Department Working Group* under the leadership of the State Secretary for Defence Policy. The Working Group includes representatives from the directorates subordinated to the MoND and the Chief of the General Staff with the mission to ensure the unification and concentration of the Program’s actions, to

raise the visibility inside the MoND and to secure the support of the top leadership and decision structures in the military.

The Reconversion Program is developed by the MoND. Nevertheless other agencies are partners in order to accomplish the program.

The Ministry of Labour and Social Solidarity is participating in the joint management of the financial resources obtained through external financing. It facilitates the access to training providers, under the provisions of the new 'Law for Adult Professional Training'. Selection criteria include: reputation, experience in the field, high quality trainers, job placement success rate, customer-oriented service, and financial reliability. The ministry provides consultancy in order to develop legislation for professional reconversion. Finally it sets up a new catalogue to match ('equivalent') military studies with civilian studies.

The National Agency for Employment and Professional Training provides the package of eligible services as active measures of the program. It provides periodic surveys of the labour market and making the results available to the reconversion experts. The Agency participates in the process of periodic evaluation/monitoring/ improvement of the reconversion in the military. It organises training stages for the reconversion experts.

The National Agency for Regional Development offers consultancy for job placement of redundant personnel under the regional development concept. It provides the information regarding the social-economic development potential of the regions and matches the training supply and demand with the regional needs. It integrates the package of active measures of reconversion in the strategy provided by the National Plan for Regional Development. The National Agency for Regional Development encourages the creation of small business, based on local economic potential and priorities. It facilitates the application process for grants and credits to set up small business and identifies the economic sectors with the most efficient capital investment opportunities.

The Ministry of Foreign Affairs collaborates by intensifying the relation with the Delegation of the European Commission to get additional funding through the Phare Program in order to foster co-funding initiatives under various cooperation frameworks such as the Stability Pact.

The Ministry of National Education is involved in certification of the existing military qualifications with the civilian ones and offers training courses according to national standards.

The Ministry of Finance facilitates the financing process through the World Bank. This agency bears an essential role along the process, since the Program carries with it a highly innovative potential in the field of multidimensional partnerships.

The Reconversion Program is committed to partnerships at all levels of authority. The local units of the reconversion system represent 'the basic cells' of the process. Two goals to be accomplished in order to turn the reconversion strategy into positive outcomes at the local/regional levels regard:

The direct involvement and active participation of the local military authority (commanders of the *County Military Centres*). They are requested to support the activity of the reconversion

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experts by ensuring the necessary logistic support, managing the military formalities linked with the process of leaving the military and by facilitating local partnerships between representative administrative and economic institutions: *Town Hall, Local Agencies of Employment and Professional Training, Chambers of Commerce, economic agents, NGOs*. As far as the NGOs are concerned the interest is directed towards those NGOs which can provide assistance in areas such as: career counselling, outplacement consultancy, business consultancy, job placement assistance, etc.

As Supervisory Body of the Reconversion Program is constituted the *Inter-Agency Supervisory Board* consisting of high profile representatives in the above-mentioned partner institutions.

IV.2.4. Financial Situation

The Reconversion Program is financed through two sources: internal and external. Within the *Internal financing* in the MoND budget for the year 2000 the following financial resources were allocated:

- money to start the pilot-project of the IT-based infrastructure (approx. USD 15,000)
- money to fund training courses for redundant personnel (approx. USD 122,000)
- money to fund components of the PR program (approx. USD 10,000)
- money for the reconversion experts salaries (approx. USD 60,000)

The limited internal financial resources are not sufficient to cover the entire package of active measures (eligible services). Therefore additional External funding has been needed through partnerships with international financial institutions such as The World Bank or the Phare Program.

The global cost projection of the Reconversion Program was based on the Labour Redeployment Program cost sources. A yearly cost analysis leads to an average of approx. USD 1.062 million to cover the package of active measures provided through the Labour Redeployment Program (Social Sector Development Loan), which leads to approx. USD 5.31 million over the years 2000-2004.

Based on the detailed cost analysis, the table bellow illustrates in absolute figures and percentages the estimated annual average profile of costs breakdown, between the Romanian Ministry of National Defence, on one side, and other financial institutions (the World Bank included), on the other side. The burden sharing is about 24.33% for the MoND to 75.67% for the other financial partners of the Program.

Table 9: Burden Sharing. Estimated Annual Average Profile

Cost Breakdown	MoND		Other Financial Institutions		TOTAL
	\$	% total	\$	% total	
Direct Costs	\$125,000.00	13.46	\$ 803,769.18	86.54	\$ 928,769.18
Indirect Costs	\$ 133,365.53	100.00	\$ 0	0.00	\$ 133,365.53
TOTALS	\$ 258,365.53	24.33	\$ 803,769.18	75.67	\$ 1,062,134.71

Source: Ministry of National Defence – The Program of Professional Reconversion for Redundant Military Personnel in the Romanian Armed Forces

IV.3. Type of Downsizing

The downsizing of the Armed Forces is part of a broader Restructuring and Modernisation Process of the military system in accordance with Romania's option towards Euro-Atlantic integration. Within this context the downsizing is viewed as one of the human resource component along with the modernisation of the military education, the training of the troops and the improvement of their combat capacity.

The downsizing has some characteristics which permit to analyse it as a change process. First of all we consider the duration of the Armed Forces' downsizing. It has been designed as a medium term process aiming to transform and to make more efficient the Armed Forces. Although there is a strong economic component and undoubtedly the downsizing cuts down important cost, the ultimate goal is to dramatically improve the military capacity and the efficiency of the Armed Forces.

Certainly the downsizing process contains both active and reactive measures in order to incentive people to leave the army and these have as mentioned above an economic dimension by cutting down important costs. But the process itself has not a simple reduction of personnel approach in a short length of time. Also according to the Reconversion Program when leaving the military the redundant benefits not only of a severance pay but this PAY is accompanied by a whole system OF assisting and counselling the redundant to reorient his/her professional career. The active measures contained in the Reconversion Program are the classical ones starting from career counselling, trainig/retraining, outplacement and ending with post-placement assistance.

All these measures are very welcomed in any downsizing process from anywhere. What is very important is the success rate of these measures both from the redundant point of view whose interest is to reorient his professional life towards a civilian career as quick as possible and from the labour market perspective. Reducing as much as possible the pressure on the labour market with unpredictable possible social costs is the at least declarative one of the goals of the Reconversion Program.

Apart of this economic approach we can speak also about some important elements of restructuring. At the micro level we assist at reorganisation of the military units, some units are dismantled, some other are reorganised we assist at mergers of different units. This leads us to the conclusion that the Restructuring and Modernisation process of the Romanian Armed Forces has along with reducing of personnel a significant structural change approach. We can even mention that there are some aspects of *reengineering* in place in terms of the process, structure and even culture.

In term of organisational culture we can mention efforts to change the sense of the military career and subsequently to change the mentalities regarding it. There is no longer possible to speak about a military career during the entire active period of life. The concept of military career has been changed in that sense in which it lasts as much as the system needs. In return the system offers various possibilities to ensure a valuable process of continuing vocational

training aiming to develop at the military personnel those abilities and skills which represent competitive advantages in the civilian work life.

Moreover, at least at declarative level the military system in Romania has the tendency to become a learning organisation in which the members of the system are continuing improving their KSAs (knowledge-skills-abilities). The system in its totality seems to experience the learning approach.

To conclude it is difficult to 'label' the downsizing process of the Romanian Armed Forces as being an economic downsizing, structural or cultural. It does contain elements of all these three categories of downsizing. Severance payments, redundancies, outplacement are clearly elements of economic downsizing but the personnel reductions are designed to be implemented in a reasonable length of time. Within the restructuring process we identified elements of redesign of the structure, dismantlement of military units, mergers and reengineering. Last but not least elements of cultural change have been identified especially within the promotion strategy of the Reconversion Program.

Assuming the risk of a diagnosis the researcher considers that we could speak about a structural downsizing within the Romanian Armed Forces which have also economical and cultural elements.

IV.4. Actors Involved in the Downsizing Process

The downsizing process of the Romanian Armed Forces is very complex involving a series of major actors and supporting actors. The key actors are the target groups affected by downsizing and the military system itself. A series of interactions between the potential redundees and the system are taking place. In fact the success of the Reconversion Program depends on how these two major actors succeed to interact. On one hand the redundees must be aware of their situation of changing the military career into a civilian one and actively contribute to the success of this change and on the other hand the system must assist its members in succeeding in a civilian professional career.

In these equation on the side of the system we identified two major actors. First the Reconversion Office within the HRM Directorate in the Ministry of National Defence and second the reconversion experts.

The Reconversion Office is the leading body of the Reconversion Program. The office has very highly qualified and competent personnel and it is a model to be followed by all the structures involved in the program. It has a major task and difficult in the same time. It proved professionalism and it is both 'the brain' and 'the engine' of the Reconversion Program. Given the complexity and the size of the program it is not sufficient to have very good specialists on the top of the pyramid if the basis does not contribute efficiently to the implementation of the program. Putting in other words the high professionalism of the personnel in the Reconversion Office is a necessary condition for the success but not sufficient if this professionalism is not sustained by the other structures involved in the program.

The reconversion experts are the main 'tools' of the program. They are also persons with university degree they are young, enthusiastic and have been specially trained as reconversion

experts including training session abroad. The average age among the reconversion experts is 30. One can ask whether such young professionals could successfully assist older and more experienced officers. The military system has specificity in terms of discipline, the respect of military ranks and seniority. In this context the question would be whether a colonel who have been more than 20 years within the Armed Forces would accept to follow the advices of these 'young and less experienced people'. The answer is very complex and it really depends of the capacity of the expert to communicate, to establish efficient 'paths' of dialogue. If the expert succeeds to overcome this handicap he/she has the necessary technical expertise to advice the 'senior military redundant'.

Very important extern actors are the National Agency for Employment and Professional Training and the National Agency for Regional Development. The first agency has the necessary expertise to assist the reconversion experts in providing information on the labour market, job opportunities and organising training sessions for redundees. Its major interest is to assist in the implementation of the Reconversion Program in order to decrease the redundees' pressure on the labour market.

The Regional Development Agency's interest is to look for potential candidates amongst the military redundees who could contribute to the regional development trough possible element of added value for the civilian society present to military personnel (e.g., leadership vocation, efficiency, self-discipline, etc).

Another important actor is the Ministry of Finance which has the major role to facilitate the financing process through World Bank. Apart of its expertise in financial issues and its representative role as a central public administration institution in finance matters, the Ministry of Finance has the interest to keep under control the economic stability in the country. Or social pressure of redundant military on the labour market could imply economic instability.

Of course the ministries of Foreign Affairs has its role in order to facilitate contacts with international donors such as the European Union with its Phare program. But it does not have the capacity to influence a decision of funding a project under the Phare Program. The Ministry of Education is a very important link between military and civilian society through its ability to certificate military qualifications with civilian ones.

HR agencies and NGOs should also play a greater role within the program. It is known that private organisations are in general more dynamic acting in a competitive environment thus more flexible and being able to propose interesting packages of training/retraining better adapted to the market needs.

To conclude within the Reconversion Program various actors play a greater or smaller role and taking into account such a variety of actors both quantitative and qualitative a challenge for all of them would be to develop efficient coordination tools and to act in a coherent manner. And here the Reconversion Office should be the 'binder' body between them.

Conclusions

The downsizing process of the Romanian Armed Forces represents a very interesting case with some particularities concerning the military environment in which it is taking place, the number of redundees and its Reconversion Program.

The program contains the whole range of active measures accompanying the redundant personnel but the success of the program depends both on the capacity of the implementing structure to apply the program and on the consciousness of redundant personnel to cooperate in order to integrate into the civilian life.

It has a great impact on the labour market both from the quantitative point of view (i.e., the number of the redundant personnel) and from the qualitative point of view (i.e., the specificity of the personnel after a military career). A good implementation of the active measures by the actors involved in the downsizing process could lower the redundant personnel's pressure on the labour market.

The downsizing process itself could be characterised as a structural downsizing with both elements of economic downsizing and cultural downsizing. Its success depends not only on the quality of the leading body (i.e., the Reconversion Office) but also depends on the quality of the whole implementing structure and the commitment of the redundant personnel to be actively involved in helping their destinies as future 'civilians'.

Annex 1

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