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**The OECD Accession Process –
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Andreea IVANOV

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The OECD Accession Process – Romania’s Road to Economic Progress

Andreea IVANOV*

University of Bucharest, Faculty of Law

Abstract: *In early 2022, the Council of the Organisation for Economic Cooperation and Development (OECD) decided to open accession talks with six countries, including Romania. With the adoption of the Roadmap for Romania, common visions with the Organisation were welcomed, while also setting out the conditions for accession. This article aims to analyse the process of accession to the OECD, presenting at the same time the dynamics of Romania's bilateral relations with the Organisation. Along with the benefits that come with membership, the advantages of the pre-accession period were also outlined. Being a specific international organisation, the OECD presents a set of particularities that set it apart from other international bodies.*

Key-words: *global forum, accession process, bilateral relations, international economic cooperation*

* *Student at the Faculty of Law, University of Bucharest (4th year) and at the Collège juridique franco-roumain d'études européennes. Andreea holds a bachelor degree in Economics from the Bucharest University of Economic Studies. E-mail address: andreea.ivanov@drept.unibuc.ro. The opinions expressed in this paper are solely the author's and do not engage the institution she belongs to.*

1. Introduction

The Organisation for European Economic Cooperation, the forerunner of the Organisation for Economic Cooperation and Development (OECD, the Organisation), oversaw the implementation of the Marshall Plan in Europe and laid the foundation for the global policy forum that we know today as the OECD. Even from that troubled period, there was felt the need for an international organisation to administer the European Recovery Program, to bring economic cooperation closer to reality and to create a space for dialogue on topics of common interest to states. With the conclusion of the Marshall Plan, countries continued to work together in order to achieve common goals, to adopt harmonised economic policies and to exchange best practices, thus creating, in 1961, the OECD.

The OECD is the focal point of the world economy, with member states setting global trade and investment standards. Nowadays, the OECD has 38 member countries (from North and South America, Asia, Europe), the last to accede being Costa Rica and 8 candidate states (Argentina, Brazil, Bulgaria, Croatia, Indonesia,¹ Peru, Romania, Thailand²). Nevertheless, the OECD manages to reach more than 100 countries through its programmes and initiatives.³

The purpose of the Organisation is to promote the economic and social well-being of people by advancing policies within a framework in which governments work together in order to find solutions to common problems. Accordingly, the OECD develops and analyses indicators of productivity, trade flows, investment and statistics on a wide range of areas, setting global standards for public policy.

As far as the relations between Romania and the OECD are concerned, they have gradually evolved over time, as Romania has been proving its ambitions for membership since 2004, being renewed several times.⁴ It was only 18 years later, on January 25, 2022, when the OECD Council decided to start accession talks with six countries, including Romania.

¹ Indonesia became a candidate country in February 2024, being the first in Southeast Asia.

² Thailand became a candidate country in June 2024.

³ OECD, "How we work", <https://www.oecd.org/en/about/how-we-work.html>.

⁴ The Romanian Government, "The Government of Romania welcomes the decision of the Council of the Organization for Economic Cooperation and Development (OECD) to open accession negotiations with Romania", 2022, <https://gov.ro/en/news/the-government-of-romania-welcomes-the-decision-of-the-council-of-the-organization-for-economic-cooperation-and-development-oecd-to-open-accession-negotiations-with-romania>

Romania's engagement with the OECD demonstrates the state's involvement in this process long before the opening of accession talks, showing a constant commitment to enhancing cooperation with the OECD. Being on the right track towards membership, Romania consolidates its position as an important future member of the Organization, implementing the recommendations and joining the specific instruments, interacting with member states and participating in related structures and specific programs, thus benefiting from constant exchange of expertise and cooperation with member states.

2. The OECD, a Specific International Organisation

Referred to by some authors⁵ as the 'rich countries club', the OECD can be described as a specific international organisation, being the centre of international economic cooperation. Accordingly, the specificity of the organisation lies in the communication and cooperation – it is, in fact, a body based on dialogue between experts from the 38 member countries.

In this regard, another characteristic of the OECD is the attention given to statistical analysis of indicators in several domains, bringing a multi-disciplinary approach. The reports are actively published, including for non-member countries. Experts have also analysed the OECD's role as a *think tank*,⁶ one of its main focuses being the study of economic indicators, while also providing recommendations.

Access to peer reviews, through the expertise provided by the OECD, represents one of the most important benefits for member countries, officials repeatedly welcoming the importance of this process. Despite having access to the reports even without being a member of the OECD, countries seek to meet the criteria for membership in order to be identified within a group of developed states. This identification comes with a compulsion from the other members of the group to accept an important set of policies and principles, to participate and contribute to an ongoing dialogue on the future direction of the world economy and political affairs.

Furthermore, a relevant aspect is that OECD member states are expected to comply with the Organisation's principles and policies for their own benefit,

⁵ Christina L. Davis, "More than just a Rich Country Club: Membership Conditionality and Institutional Reform in the OECD", 2016, available at <https://scholar.harvard.edu/files/cldavis/files/davis2016b.pdf>, p. 3.

⁶ Benoit Godin, "The New Economy: what the concept owes to the OECD", available at https://www.csiic.ca/PDF/Godin_21.pdf, p. 4.

not as a *quid pro quo*,⁷ as it usually happens within other international organisations.

3. An Atypic Accession Process

One of the less discussed specificities of the OECD is the atypical accession process. After the Council's decision to open accession talks, the process starts with the adoption of the roadmap. This sets out, for each country, the terms and conditions of the accession, as well as the OECD committees that are to assess the candidate country and then submit a formal opinion to the Council. As part of this process, the country's legislation, policies and practices are reviewed, with a focus on the readiness and capacity to implement the Organisation's specific legal instruments and the alignment of national policies with those of the member States. The committees may make recommendations for changes to the legislation, policies or practices, in order to bring them closer to OECD standards.

The roadmap also foresees the need for the candidate country's position on the OECD legal instruments⁸ at two important moments: at the beginning of the process (through the adoption of the initial memorandum) and at the end of the process (through the adoption of the final declaration).

The country's position can be one of acceptance, acceptance with reservations/observations or acceptance with a deadline for implementation. In theory, the option of non-acceptance is also possible, but it is clearly neither recommended nor used. At the end of the process, after the submission of the final declaration, which implies acceptance of the obligations arising from the membership, as well as the positioning on the instruments mentioned above, the Council, through a unanimous decision, invites the State to become a member. The next steps are the signing of the accession agreement, together with the adoption of internal measures in order to obtain approval for accession.⁹

The State becomes a member of the OECD from the deposit date of the

⁷ Otaviano Canuto, Tiago Ribeiro dos Santos, "What can Brazil expect from joining OECD?", *Revista Tempo do mundo*, n. 25, 2021, available at <https://www.cmacrodev.com/what-can-brazil-expect-from-joining-the-oecd/>.

⁸ The legal instruments of the OECD, almost 500, are binding decisions, recommendations, substantive outcome documents, international agreements.

⁹ Nicola Bonucci, *Accession to the OECD: AN OVERVIEW*, 2017, available at https://www.gov.br/casacivil/pt-br/assuntos/downloads/ocde/palestras/avulsas/apresentacao_nicolabonucci_abril2017.pdf

instrument of accession to the OECD Convention.

The accession process is seen by some as atypical, with no precise general conditions. At the same time, there is a considerable and sometimes open to criticism margin of discretion in admitting new members.¹⁰

4. Romania & OECD

Romania has had very close relations with the OECD over the years, confirmed by the intentions of the post-December governments to implement the necessary measures in order to align with OECD standards.

In 2001, the Romanian Government decided to relaunch the cooperation with the OECD and in 2004 the OECD Office was opened within the Romanian Embassy in Paris.¹¹ The aspirations to become a member of the Organisation were born in 2004 and were reconfirmed over the years. Despite the fact that the Organisation repeatedly welcomed the dynamic relations with Romania, adding it to the 2004-2005 shortlist of candidate countries, Romania was not included in the 2007 OECD enlargement wave.¹²

Efforts, initially to align with OECD standards and subsequently to accede to the OECD bodies and legal instruments, have been underway since then, Romania participating in policy reviews on education, investment, corporate governance and others. Cooperation has deepened over the years and has been supported by successive governments. Thus, Romania took part in statistical reporting and started ratifying the legal instruments.

2022 was the year that brought hope that Romania's accession to the OECD is a realistic goal, the OECD Council deciding, on 25th January 2022, to start accession talks with six countries, including Romania.

Another milestone was the adoption of the Roadmap for Romania¹³ in June 2022, which welcomed the shared values, vision and priorities with the Organisation. The document also sets out the conditions for accession, the focus being to enable the Council to take a decision on inviting Romania to

¹⁰ Davis, 2016, cit. supra, p. 11.

¹¹ Ministry of Foreign Affairs of Romania, "Organizația pentru Cooperare și Dezvoltare Economică", <https://www.mae.ro/node/1478>.

¹² The enlargement wave started in 2007 and ended in 2010, with the accession of Israel, Chile, Slovenia and Estonia.

¹³ OECD, "Roadmap for the OECD Accession Process of Romania", available at <https://www.oecd.org/mcm/Roadmap-OECD-Accession-Process-Romania-EN.pdf>.

join the OECD.

The Roadmap for Romania established 26 Technical Assessment Committees and the need to internalise more than 250 legal technical instruments into the national legislation, policies and practices. The 26 Committees cover areas such as structural reform, trade, investment, sustainable development, governance, digitalisation and others and will assess Romania's legislation, policies and practices.

Romania was well positioned *vis-à-vis* the OECD even before the start of the accession process, participating in 10 committees as a member, in 12 as an observer and in 15 as a guest. As the profile of the country shows on the OECD official website, Romania has joined a significant number of OECD bodies and legal instruments, participating as an associate or member in more projects and bodies than any other partner country. From the start of the accession process, Romania participates in all OECD working formats.

According to official information,¹⁴ by July 2024, Romania has acceded to 84 OECD legal instruments out of almost 500. For the purpose of comparative analysis, Romania has acceded to 7 decisions (which are legally binding on member states, except those which abstain at adoption) and 45 recommendations (considered political commitments), while France (member state) has acceded to 58 decisions and 324 recommendations. As for international agreements (legally binding documents within the Organisation), Romania has acceded to 3 of them and France to 10. Compared to Bulgaria, which has also been included in the same list of countries to have opened accession talks with the OECD in 2022, Romania is in an advantageous position. Bulgaria has acceded to only 67 legal instruments, including 7 decisions, 34 recommendations, and, like Romania, 3 international agreements.

5. Romania's Accession to the OECD, Major Foreign Policy Objective

Major and strategic objective of the Romanian foreign policy,¹⁵ the accession to the OECD implies integration into the group of the 38 'rich countries' with democratic systems of government and market economies.

Joining the OECD is justifiably considered to be the most important moment

¹⁴ Data collected via the OECD platform – “OECD Legal Instruments”, <https://legalinstruments.oecd.org/en/>.

¹⁵ Ministry of Foreign Affairs of Romania, “Organizația pentru Cooperare și Dezvoltare Economică”, <https://www.mae.ro/node/1478>.

for Romania in terms of foreign policy after joining the North Atlantic Treaty Organisation and the European Union.¹⁶ The OECD is the focal point of the world economy, with member states and key partners setting global quality standards in trade and investment¹⁷ and covering about 70-80% of world trade and investment.¹⁸ Romania would achieve, through membership, an increased level of modernisation and development.

The effects of the accession can be seen in the OECD's role itself:¹⁹ it helps member countries advance reform programmes, builds a fair and strong world economy and is the leading body on policy-making in areas such as combating corruption, corporate social responsibility, taxation, transparency and others.

Even with reference to the pre-accession period, it has been argued that the course of negotiations can have a 'catalytic effect' on public policies,²⁰ as it is the time to accelerate the implementation of long-awaited reforms. Although reforms and alignment with the standards of economically developed countries represent an advantage in themselves, regardless of whether or not one joins an international organisation, reforms are often perceived as concessions made by the state. This is not the case with OECD membership. There is a theory that the changes initiated when the accession process begins are positive *sui generis*.²¹ The state, and therefore its citizens, have a lot to gain from the pre and post-accession process, given the implementation of reforms, alignment with the standards of economically strong and stable states, increased liberalisation and democratisation.

Accordingly, among other things, joining the OECD has a positive impact on

¹⁶ Ministry of Foreign Affairs of Romania, "Organizația pentru Cooperare și Dezvoltare Economică", <https://www.mae.ro/node/1481>.

¹⁷ Maria Iglesia, "The Benefits of being an OECD Member", available at <https://conexionintal.iadb.org/2016/01/29/costos-y-beneficios-de-formar-parte-de-la-ocde/?lang=en>.

¹⁸ Republic of Latvia Ministry of Foreign Affairs, "The OECD and Latvia", https://www.mfa.gov.lv/en/oecd-and-latvia?utm_source=https%3A%2F%2Fwww.google.com%2F.

¹⁹ Ariane de Saeger, "L'OCDE face aux défis de la mondialisation", *Culture Économique*, 2015, 50 Minutes, n. 8, available at <https://univ.scholarvox.com/catalog/book/docid/88857792>

²⁰ Geneva Network, "Is the OECD ready for Colombian membership?", available at <https://geneva-network.com/wp-content/uploads/2018/04/OECD-and-Colombian-accession.pdf>, p.3.

²¹ Canuto, dos Santos, 2021, cit. supra.

the country's risk classification,²² which would attract foreign investment and lead to a faster and more effective absorption of European funds. Likewise, other effects of accession include: increased economic growth, sustainable development and European economic convergence.

With OECD membership also comes an increase in the variety of products imported by a country.²³ The same advantage applies to exports²⁴ – with greater exposure to trade, productivity among domestic producers will increase, improving their efficiency and taking advantage of more export opportunities.

From a market point of view, the association with an organisation like the OECD pays off in terms of investor confidence, with member countries benefiting from lower interest rates. A country's reputation, as measured by its credit risk rating, rises or falls depending on its association with regional or global economic organisations.

The OECD's mission is to help countries find solutions to common problems through international cooperation, exchange of best practices and dialogue. Joining the OECD is a clear choice to be part of an international organisation that brings with it standards that must be met and respected, as well as benefits in terms of the state's reputation. In addition, the membership of an organisation that includes the world's strongest economies would give Romania the opportunity to participate in a constant dialogue and exchange of practices with other states, with the goal of strengthening political and economic reforms.

The objective of integrating a state into a particular organisation is based both on a desire to associate with a particular group of states (with a set of characteristics towards which the candidate country is aiming) and also a need to work with them in various areas. An example is one of the many dimensions on which OECD membership is based, transparency. Thus, countries wishing to join undertake to provide information to the Organisation's experts, exposing their work to public assessment.

²² Davis, 2016, cit. supra, p. 15.

²³ Robert C. Feenstra, Hong Ma, “Trade Facilitation and the Extensive Margin of Exports”, *The Japanese Economic Review*, 2014, available at <https://onlinelibrary.wiley.com/doi/abs/10.1111/jere.12031>.

²⁴ Cordeiro Luciana Machado, Campina Ana Claudia Carvalho, “Avantages et inconvénients de l’adhésion du Brésil à l’Organisation de coopération et de développement économiques – OCDE”, 2021, available at <https://www.nucleodoconhecimento.com.br/droit/ladhesion-du-bresil>.

In addition to the accession assessment missions, countries also participate in the OECD's peer review mechanism, which is based on information provided by countries in order to ensure the OECD's main operating mechanism: the review of state policies, which is designed to determine whether or not the Organisation's standards are being met.

6. Conclusions

Being part of a club of the world's most developed economies, in a space of permanent dialogue with them, allowing the exchange of common visions, policies and principles, as well as having access to reports and analyses conducted by experts of the Organisation are the main reasons why the OECD is a specific international economic organisation.

The association with a group of countries such as OECD members brings with it the implementation of important reforms, direct access to each other's expertise, compliance with deadlines for specific assessments and technical reviews by OECD bodies, and the tendency to increase transparency and liberalisation. The very specificity of the accession process brings important changes. It goes without saying that achieving the goal of accession would not be possible without the long-desired but long-abandoned reforms.

At the same time, membership implies the responsibility of being part of a group with common goals, standards to be met and positions to be taken accordingly. All of these lead to increased international visibility, stronger economic cooperation, more investments and increased societal resilience.

The specific nature of the Organisation, the importance attached to membership, and the openness of public institutions to this objective reflect Romania's desire to overcome the problems that it has been facing for years, the goal of effective governance and the alignment with OECD standards, therefore being on the road to economic progress.

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