THE SOCIAL HISTORY OF ROMANIA

CĂTĂLIN ZAMFIR

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Victor SPINEI

This book is issued online first and it will be published in a print format at a later date. In this way, we think that the time it takes for important discoveries to reach the research community and the public is significantly reduced.

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Abbreviations List

A.L.D.E. – Alliance of Liberals’ and Democrats’ Party
A.U.R. – Alliance for Romanians’ Unity
W.B. – World Bank
N.B.R. – National Bank of Romania
C.M.E.A. – Council for Mutual Economic Assistance
A.P.C. – Agricultural Production Cooperatives
C.E.P.E.C.A. – Centre for Improvement of Enterprises’ Management Staff
D.N.A. – National Anticorruption Directorate
F.D.S.N. – Democrat Front of National Salvation
I.M.F. – International Monetary Fund
F.S.N. – National Salvation Front
I.A.S. – State Agricultural Enterprise
I.C.C.V. – Institute for Quality of Life Research
I.M.A.S. – Marketing and Surveys’ Institute
N.I.S. – National Institute of Statistics
I.N.S.C.O.P. – National Index of Populations’ Services and Consumption
I.R.E.S. – Romanian Institute for Evaluation and Strategy
I.R.S.O.P. – Romanian Institute for Public Opinion Survey
I.S.E. – the Institute of Education Sciences
N.A.T.O. – the North Atlantic Treaty Organization
M.E.B.O. – Privatisation scheme Management Employee-Buyouts
N.G.O. – Non-governmental Organisation
P.C.R. – Romanian Communist Party
P.C. – Conservative Party
P.C.U.S – Communist Party of the Soviet Union
P.D. – Democratic Party
P.D.A.R. – the Agrarian Democratic Party from Romania
P.E.R. – the Romanian Ecologist Party
P.I.B. – Gross Domestic Product
P.N.L. – National Liberal Party
P.N.Ț.C.D. – National Christian –Democratic Peasants’ Party
P.R.M. – Greater Romania Party
P.S.D. – Social Democratic Party
P.S.M. – Labour Socialist Party
P.U.N.R. – Romanian National Unity Party/National Unity Party of Romanians
P.U.R. – Romanian Humane Party
R.S.R. – Socialist Republic of Romania
S.E.D.A. – Sustainable Economic Development Assessment
S.R.I. – Romanian Intelligence Service
U.D.M.R. – Hungarian Democratic Union from Romania
U.E. – European Union
U.K. - United Kingdom of Great Britain
U.P.B. – Polytechnic University of Bucharest
U.R.S.S. – Union of Soviet Socialist Republics
M.G.I. – Minimum guaranteed income
There are several “histories”. A political history: political events that influenced the course of social life. An economic history about economic structures, and economic indicators. Sciences and arts have also their own histories: the history of literature, the history of painting, the history of Romanian science, of physics and sociology.

This book offers yet another type of history; the social history of Romania. It is a history of the Romanian society, about how people lived throughout historical contexts. Naturally, the economic and political frameworks are used, but inside them all, the Romanian society evolved.

The Romanian population developed in time, lived, suffered, and hoped caught between the domestic conditions generated by its whole history and by the dominant international contexts that pursued, as a matter of course, other interests.

Two historical objectives of highest significance governed the last two centuries of Romania’s history: building up the national Romanian state, and exiting the state of underdevelopment.

Building up the Romanian population into a Romanian state was a latent desire. In favourable conjectures, opportunities crystallised that the Romanians attempted to fructify. The Romanians’ dream of creating their own state was faced with the opposition of the external forces represented by the neighbouring empires, none of them favourably bent: the Ottoman Empire, the Austro-Hungarian Empire, and Russia. Meanwhile, France, Great Britain, and Germany extended their interests as well, over this area.

By the beginning of the 19th century, the Romanian population lived in Moldova, The Romanian Country (Wallachia), Bessarabia, Dobrogea (Dobrudja), Bukovina, Transylvania, and Banat. From among them, only the Romanian Country and Moldova were under Romanian administration, however depending on the Ottoman Empire. Transylvania, Banat, and Bukovina were part of the Austro-Hungarian Empire, and Bessarabia was part of the Russian Empire. In this area, Romania succeeded to become a state in two-steps: the Union of the Principalities in 1859 in Little Romania, and by 1918, achieving the Greater Romania. At different times, the country suffered painful lessening interventions, with long lasting historical effects.

The second historical objective was Romania’s exit from the state of underdevelopment, which was conceived right from the beginning as modernisation after the European model.

Romania’s modernisation underwent for the past two centuries various phases, showing distinct logic.

Over the 19th century took place a hesitant process of dismantling the feudal society. Advancement was achieved in the sphere of institutional building by assimilating European models: the adoption of a Constitution comparable with top European levels, of a complex legislative system, and of an elected Parliament. Moreover, of special relevance was the swift cultural progress that exceeded...
by far the precarious social-economic situation, by means of important cultural institutions, like universities and the Romanian Academy. Modernisation by creating the capitalist structures was the major contribution of the years 1920-1930, as it was still in incipient stages. Institutional development continued by implementing universal suffrage as the foundation of modern democracy. Culture and science underwent a true boom. Then the Second World War interfered.

The modernisation process of the country continued at high pace, but under the conditions of Soviet control over an important part of Europe, and Romania was part of it. Capitalist development was disrupted by a unique social experiment in history: a structural reconstruction of the society based on the Soviet communist programme that lasted somewhat more than 40 years.

The Romanian Revolution of December 1989 presented a new context and a new issue: how to manage the process of changing the society structured by the communist model into a society corresponding to the Western capitalist model, and the transition programme.

The transition was finalised after 15 years, and we enter into a new, post-transition period. The last 13–14 years represent the beginning of a new process of exiting underdevelopment: the re-launch of capitalist development as member of the European Union for Romania, starting from a society that suffered the devastations of the transition process, which was characterised by Nicolae Belli as more destructive than a war (N. Belli, 2001).

The initial goal of the book was a social history of Romania over the last 100 years: 1918-2018. However, we soon became aware about the necessity of a first chapter, even if brief, dedicated to the first period of modernising Romania, the 19th century. Thus, Chapter I is devoted in a synthetic form to this period. The following chapter refers to the interwar period, and to the developments on the social and political scene of the respective time. Chapter 3 covers the communist period, while chapter 4 analyses the social and political evolutions of Romania’s recent history after 1989.

The book’s suggestion is to go beyond the political events and the in-depth analysis of the economy, and to reflect over the unique historical experience of Romania: the succession of great historical attempts of committing to projects of structural change and development realised in international contexts that laid inevitably their fingerprint. Classic history proposes learning mostly ethically from the past. Sociology proposes understanding better the past and learning about how to build a better future. Therefore, it is necessary to explore the deep structures and processes of the Romanian society. Any profitable learning must be opened to analysing successes and failures as well, strategic errors, and smart initiatives of the past. We attempt to identify the social pattern of Romania’s evolution, and to extract the profound meanings of a process oriented always on collective historical aspirations that were nevertheless achieved in contorted contexts triggered by events that often interfered with brutality: wars, foreign interventions, domestic shortcomings, and failures.

The book is constructed around the existing information that is more solid in certain fields, and scarcer in others. We are indebted especially to the outstanding effort of Victor Axenciuc who arranged orderly the economic and social indicators of Romania for better than a century and half: 1862-2000.
The decision about a synthetic presentation of the almost two centuries of social history for Romania generated the issue of selecting the topics. Inevitably, some were placed at the core of the analysis, while others were approached fleetingly, or even bypassed.

Lots of information taken over from various sources is presented. However, we preferred to avoid integral presentation of the data and, instead, to select only the relevant data for our analysis. We added also some processing to highlight the significances that answer to the logic of our analyses. Therefore, the data presentation, even though taken over from other sources, is entirely our own syntheses.

The present book was written in record time of only one year and a month: April 2017 – May 2018. Many colleagues from the Institute for Quality of Life Research of the Romanian Academy were involved and had diverse contributions, from creating the indicators’ database and gathering relevant information, to pouring over a huge literature, and in point contributions to clarifying some analysis components. Throughout the period of writing the book, several discussions and meetings took place in which crystallised relevant insights of all these co-authors who were involved depending on their interests. Several sectoral studies were realised as background of the book, and that are not included as such, but will be published independently. The book in its entirety was written by Cătălin Zamfir for meeting the necessity of style unity in analysis and presentation.

Certainly, the book contains also some debatable ideas leading also to criticisms.

Professor Doctor Cătălin Zamfir

Director of the Institute for the Quality of Life Research, Romanian Academy
CHAPTER 1 THE 19TH CENTURY: LITTLE ROMANIA

“Forsaken people at crossroads of violent storms one century after another that ravage and forever beat these places of alluring plenty and prowling armies ... Fit for the heights of civilisation but forced to live time after time wandering restlessly.”

N. Iorga, 1940, 1

THE SITUATION OF THE ROMANIAN SOCIETY BY THE BEGINNING OF THE 19TH CENTURY

The Romanian society was characterised by a state of underdevelopment, of impoverished feudalism, tending to be reduced to a mere external exploitation device of the Ottoman Empire, or of the Austro-Hungarian Empire. The dependence on the Ottoman Empire isolated the Romanian Principalities from Europe: economic, political, and cultural relations were oriented on the inner-workings of the Ottoman system.

Already by the 16th century, the Romanian population was impoverished systematically by the exploitation of the great empires. The taxation of the Romanian population was by far more severe than for other populations.

Table 1 Amount of state duties, per inhabitant, by the end of the 16th century

<table>
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<tr>
<th></th>
<th>Gold coin</th>
<th>Wheat (kg)</th>
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<tr>
<td>England (1600)</td>
<td>0,25</td>
<td>21.5</td>
</tr>
<tr>
<td>Poland (1580)</td>
<td>0,14</td>
<td>10</td>
</tr>
<tr>
<td>Wallachia (1590)</td>
<td>2</td>
<td>134</td>
</tr>
<tr>
<td>Moldova (1590)</td>
<td>1</td>
<td>67</td>
</tr>
<tr>
<td>Transylvania (1590)</td>
<td>0,4</td>
<td>40</td>
</tr>
<tr>
<td>Ottoman Empire (1581)</td>
<td>0,5</td>
<td>60</td>
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In the subsequent centuries, the 17th and the 18th century, the taxation for the Romanian population remained at high levels as compared with the other European countries.

The peasantry was kept into a state of poverty, meeting but the subsistence level. Thus, it was not an outlet market that could stimulate the development of crafts and towns as in Western Europe. A large part of the resources produced by farming was transferred for consumption outside the country.

Feudalism along with the underdevelopment of crafts and towns hampered severely the development of social forces that would have promoted the modernisation of the Romanian society. The structure of the Romanian population was imbalanced, as well: a huge mass of impoverished peasants (over 80%), and boyars (aristocracy) oriented on own welfare interests, but also transformed into a tax collection mechanism for the state, and for the taxes demanded by the external exploitation.

For centuries, dependent on the three neighbouring big powers, the Romanian population submerges into a state of chronic social-economic underdevelopment.

The centuries’ old difficult situation of the Romanian population led also to coagulating dreams, and future designs for the Romanian society.

The Dream of a Nation

Throughout the first millennium, on a broad territory framed by the Danube in the south, by the Dniester in the east, and the Tisza in the west and north, a united population was crystallised joined by a common language, the Romanian language, and by a culture that, beyond its diversity, was of astonishing unity.

In the entire Europe, the populations with ethnic profile strengthened into nations and found expression in national states.

The Romanian population had a difficult crystallisation into one national state because of its unfavourable geographic positioning between three great empires, all three fostering expansionist policies: the Ottoman Empire in the south, to the East, the Russian Empire, and in the west and north the Austro-Hungarian Empire. Placed in this hostile situation of permanent warring, the Romanian population coagulated with difficulty into two states during the 15th century: Moldova and Wallachia (the Romanian Country). Inside the Carpathian Arch, Transylvania, Banat, Bukovina and Crisana had fluctuating status: they were included into the Hungarian Kingdom up to 1541, while afterwards Transylvania became a distinct principality, even if vassal to the Ottoman Empire. By the end of the 17th century, this principality fell under the Habsburgs’ dynasty ruling. Even though the majority of the population in Transylvania was Romanian for centuries, it was subjected to an inferior status in relation to the Hungarian (Magyar) minority.

Moldova and the Romanian Country (Wallachia) managed to survive as states but in a permanent conflictual state with the great Ottoman Empire, and ended as vassals up to the end of the 19th century. Great Moldova suffered most due to the conflicts with the other neighbour: Russia pillaged in 1812 half
of the territory, Bessarabia. By the end of the Second World War, Romania lost next to Bessarabia also half of Bukovina. In Transylvania, the state expressed interests foreign to the Romanian population that had its aspirations unacknowledged.

Although divided politically and administratively, the Romanian population developed national Romanian self-consciousness, an own culture, joined by a common language. Despite inauspicious external conditions, the union into a great Romanian community was a permanent more dreamlike state, than a programmatic one. The design of Mihai Viteazul (Michael the Brave) remained in history as the first political attempt to unify the three territories in one unique Romanian State.

The Union of the two principalities in 1859 by creating the first Romanian State was a crucial act in Romania’s history.

**The Programme of a Modern Romania of European Level**

Romania’s modern history began with the first decades of the 19th century, much later than in the European west.

The international context of the Romanian Principalities changed radically: the Ottoman Empire began its retreat and Europe started its entrance.

The wars of the time marked the commencement of the decline for the Ottoman Empire. Its sovereignty over the Romanian Principalities was maintained, but it became more and more formal, rather than effective. The European West increases its influence on Eastern Europe: politically, economically, but even more swiftly and deeply on the mentality. Even before western goods reached Romanian markets, the ideas penetrated. The young Romanians instead of travelling to Istanbul chose Western universities, especially in Paris. When they returned home, they brought with them not that many European goods, but more western lifestyle and even more significantly, a new social and political vision. By entering into contact with the effervescent intellectual environment of the mid-19th century, the young Romanians were captivated by the revolutionary dreams of the Occident. Thus, they were not shaped by the bottom-end, but by the high peak of European ideas related to social change.

The domestic economic structure begins its change: the closed rural economy, oriented on self-consumption and paying taxes opened up to the economic market, and to European goods, stimulated by the contact with Western Europe. The institutional ideas and examples of the West are assimilated rapidly in the consciousness of the intellectuality. The archaic feudal relations entered into dissolution and triggered the process of shifting towards a modern society as result of the contact with advanced societies, in particular France and Germany. The wealthy class has new aspirations, but the peasantry seems to be the great looser of this openness towards Europe: it paid by even more marked poverty for the new European aspirations of the boyars.

At the beginning of the 19th century, the Romanian population is caught into true social turmoil. Most active social segments were the peasants and the intellectuals. What were the aims? First of all:
independence. But then again, it became increasingly clearer that the first step for modernising the Romanian society was endowing peasants with land and dissembling feudal structures. Capitalist forces were still poorly developed. The cities’ population involved in handicrafts joined them, but their social force was still developing.

In 1784, five years before the French Revolution, a mass of Transylvanian peasants led by Horia, Closca and Crisan revolt frightening the ruling. The programme of the peasants’ uprising was focused on modernising a rural society by abolishing the feudal system: *the lands of the aristocrats be divided among the peasants, the aristocrats should no longer be landholders and pay taxes just like the common people, and live by having jobs paid by the state* (I.A. Pop, 2016, 114). The uprising was brutally supressed with a harshness that continued to last like a black spot in history as the leaders of the uprising were “drawn and quartered”.

In Transylvania, the social reform programme is doubled by a national programme: acknowledgement of the rights of the Romanians who, despite representing the majority, were oppressed by the Magyar minority.

1821. The programme of the Revolution of Tudor was based on the following ideas: *the right of the people to oppose repression, the principle of national sovereignty, abolition of foreign domination, removal of all feudal privileges, and merit based positions, not based on wealth. Moreover, reform of the justice system, of the administration, of education, constituting a national army and fiscal reform* (I. A. Pop, 2016, 116).

The Revolution of 1848–1849, in all three Romanian Countries “outlined the modernisation programme for Romania up to the year 1918” (I.A. Pop, 2016, 116). In the context of the time, a generation was shaped committed to the rapid change of Romania: Nicolae Balcescu, Alexandru I. Cuza, Vasile Alecsandri, Mihail Kogalniceanu, Ion Heliade Radulescu, Christian Tell, Costache Negri, and Stefan Golescu. From the perspective of the time, Nicolae Balcescu was the one who imposed himself as visionary revolutionary leader, and as a remarkable thinker regarding the horizon of the national Romanian project.

The programme of the Revolution from 1848 contained four categories of objectives. **National:** gaining the freedom of the Romanian Countries from foreign domination, cultural and social-political union of the Romanians. **Institutional:** modernisation of the state based on the Western model, adopting European institutions and legislation for providing the functioning framework for a modern society, and economic liberalisation. **Social:** freeing peasants from their dependency status and endowing them with land, abolishing the duties of the peasants to the boyars, of taxes of any kind (working days or days of working dues), as only one taxation on behalf of the state was to be implemented. Feudalism was to be abolished. All levels of education were to be delivered in the national language. **Liberal:** democratisation of the society, democratic freedoms and rights, citizens’ rights, freedom of the person, freedom of the press, equality in the face of law, and abolishment of corporal punishments.
The generation of 1848 fulfilled its duty. This generation proved to be a new kind of intellectuality with a modern vision of European level and promoting enthusiastically the necessary reforms: the creation of the Romanian State, its endowment with modern European institutions, and significant advances in the field of culture. It is the time when development programmes are outlined for the social-economic modernisation of the society.

**Romania Is Born**

1859. The programme of 1848 for modernisation is taken over and applied in the seven years of Alexandru Ioan Cuza’s ruling, as he was supported by personalities shaped by the climate generated by the Revolution of 1848. The pressure for achieving the Union grows increasingly stronger. Alexandru Ioan Cuza is elected ruler of Moldova and then in Muntenia, as well. The Great Powers are faced with an accomplished fact. The first State with the name of Romania is born. However, the new Romania is still Little Romania. Transylvania is part of the Austro-Hungarian Empire, and Bessarabia is annexed by the Russian Empire.

The new ruler together with the new political forces widely promotes a modernisation programme. The State adopted right at the beginning an institutional structure according to the highest western level. A new legislative system was advanced by taking over legislation from various European countries: France for the civil code, Switzerland for the civil procedural code, and Italy for the commercial code. Thus was created the modern European framework for the social life functioning. In 1866 is adopted the first Constitution of Romania which was almost an integral copy of the Belgian Constitution which was regarded as the most advanced constitutional legislation at the time.

By inscribing on its frontispiece the principle of national sovereignty and by leaving unspecified in articles the dependency relationship with the Ottoman Empire, the Constitution of 1866 represented the political-legal form of displaying the independence of Romania at the level of international relations. It stated the democratic principles for the functioning of the Romanian state, such as: the principle of national sovereignty, of powers’ separation, and representative governance, and Constitution’s supremacy. By this fundamental document, Romania achieves a true opening and is the first constitutional State of South-Eastern Europe. This is achieved under the conditions in which – as noticed by C. Stere in a discourse held in the Romanian Parliament after 1918 – “Bulgaria was not born yet, Serbia was a small vassal state, and the Habsburg monarchy lived as result of the 1848 uprisings under an absolutist regime (…) while Russia was shifting to modern institutions, but not constitutionalism” (C. Stere, 1923, 173).

The Agrarian Reform an essential objective of the entire social-political movement was triggered by secularising the wealth of monasteries (1863) and land endowments for peasants (1864).
In the Ruler’s Message from December 1859, the ruler Alexandru Ioan Cuza mentioned specifically as priority the construction of bridges, channels, railways and other ways and means of transportation and warehousing (V. Axenciuc, 1999, 53), regarded as vital infrastructure for the functioning of a modern society.

A new, multiparty political system is adopted, with a Parliament constituted based on elections, a legislative forum that elects also the government. The main cultural and scientific institutions are established: the universities from Iasi and Bucharest. Based on the French model, the Romanian Academy is set up.

The innovative movement by the mid-19th century had as main achievement the creation of a modern state, of new institutions and, socially, the formation of a new, European level intellectuality.

Nonetheless, Romania’s modernisation collided with a chronic gap: extremely quick changes in the institutional and cultural sphere and bottlenecks in the economic and social sphere.

The reforming ruling of Cuza reached its limits. The incapacity of the agrarian reforms’ package of the years 1864-1866 to eliminate the great landholdings and the strong boyars, a frail capitalism in its incipient development stages generated all a new political configuration called at the time “the monstrous coalition”. Cuza was forced to abdicate and the general option was for another formulae: resorting to a foreign ruler. Carol (Charles) I, Prince of Hohenzollern-Sigmaringen related to the Prussian ruling house. The hereditary system represented the hope of avoiding permanent power struggles. The king was supposed to function as a political arbiter but also to have executive powers.

The new ruler, and subsequent future king, relied on a political coalition dominated by the still powerful boyars. The political stability by the end of the century expressed, actually, the incapacity of continuing socio-economic changes. Against the reforming boom of the ‘60s, for the remaining almost half of century, a period of political abeyance encompassed the society. The conservative State reduced to almost a minimum the pace of reforms slowing down the development of Romania. The Agrarian Reform which should have pushed forward strongly Romania on the modernisation path was halted much too early before accomplishing the hoped for objectives, stranded in a new feudalistic formula called by some experts neo-serfdom.

Romania still in its small borders started with institutional reforms, where the entitlement of peasants with land had to represent the end of a long history of feudalism and the beginning of town and capitalist industry development.

Around the First World War, the first half of a century for the first Romanian States ends. Which was the social state of Romania at that time?
The peasants’ question: The Agrarian Reform 1864

For the past two centuries, the situation of the peasants represented a critical issue in Romania. It proved to be much more complicated than initially considered. Ignored and treated by inadequate means, the peasantry remained a severe open issue up to today.

By the beginning of the 19th century, Romania enters into the modern era without having passed through a western-type feudalist stage. H.H.Stahl (1969) proved that the medieval Romanian villages in the mountainous and hill area from Moldova and Wallachia (the Romanian Country) had a different evolution as compared with the western European feudalism represented by the classic French model. The land was held in ownership in undivided estates (joint property). The boyar was a sort of landowner overlapping the state, holding the land in tenure together with the peasants. Neither the peasant, nor the boyar was rightful owner according to the definition of private property by Roman law. The peasant owed the boyar part of the produce, and to deliver labour for the boyar’s household. The peasants had the traditional right to small plots to work for own benefit. In conditions of land abundance, the village had joint ownership over the lands that were divided between the peasants depending on their labour capacity.

In other areas, especially in Transylvania, the Romanian villages developed more along the lines of the western feudalism model.

The Organic Regulations passed by General Kisseleff at the beginning of the 19th century clarified in an European style the regime of landownership, but in favour of the grand boyars and to the disadvantage of the peasants. The traditional feudal undivided estate (joint ownership over land) is changed into the private property of the boyar. The boyar turned into the owner of the entire land, and the peasant remained only in possession of a piece of land for own use, as given by the boyar. The situation evolved according to western feudalism. The peasantry, which by tradition had a certain type of participation to landholding, is now dispossessed of all ownership rights. The serfs representing the vast majority of peasants had only land leasing rights from the boyar, with all implicated duties.

Leaving aside these negative effects, the Organic Regulations represented a step forward in modernising the country, by implementing ‘fixed and permanent rules instead of momentous decision and whim by restricting the arbitrary, and replacing it with guiding norms, and introducing legal liability instead of irresponsibility. Thus, the idea of a State is born for the first time for Romanians in its modern understanding, as life of a whole, built on community norms, respectively laws”(A. D. Xenopol, 1896, 100).

Nicolae Bălcescu in his turn, though rather critical regarding the Organic Regulations, acknowledges their merits for instating the principle of commercial freedom and the separation of powers in the state.
The relationship between boyars and peasants was traditionally rather lax, some experts even estimating it as mild, because there was the risk of peasants abandoning the land and running into the mountains. Moreover, even the boyars’ lifestyle was close to the one of the peasants. The openness to the West changed rapidly the boyars’ lifestyle: new models of life, new needs. Who wants to understand these changes, is best and enough informed by reading Vasile Alecsandri’s comedy “Madam Chirita”. The peasantry was the one to pay for the changed lifestyle of the boyars’ due to the contact with the West.

The 19th century is characterised from the beginning by harsher circumstances regarding the peasants’ situation. The number of days of work on the land of the boyar registers rapid increases. If by mid-18th century the number of owed labour days was 12, in 1805 the number had increased in both Romanian provinces to about 30 and even 40 days of work. The boyars ensured by various other means the additional exploitation of peasants’ labour: thus, the labour days in Moldova amounted to 44 days per year for the peasant who had 4 oxen, and 46 days for the one with two oxen, and 56 for the poor peasants. At the same time, in Muntenia it was of 56 days for the peasant owning four cows, 58 for the own with two cows, and 60 days for palmas (L. Patrascu, 1978, 15).

While land was still in abundance, landownership was not an issue. However, the increase in the numbers of rural population began to generate a new issue: insufficient land. The Agrarian Reform, land entitlements for the peasants turned into a pressing issue, a core objective for the modernisation programme of the Romanian society.

In 1859, the new ruler, Alexandru Ioan Cuza, established the Commission for Land Entitlements consisting of peasants and boyars. The representatives of the peasants asked land entitlements for peasants representing two-thirds from the plots of the landholdings and freeing the peasants from feudal servitude as to ensure the independence and economic viability of the peasant household; the boyars were supposed to remain with one-third of the landholdings. The grand landowners wanted to maintain the boyar landholding to two-thirds. Additionally, they showed concern that were the peasants to receive larger plots of land, this would have been the seed of an economically independent middle-class farmer ownership, hence the peasants would no longer have shown willingness to work also on the boyar landholdings and this meant the economic bankruptcy of the latter. The negotiations remained without any outcome.

Cuza, because of the opposition displayed by the conservative majority from the Romanian Parliament dissolved the Commission and adopted the new rural law by decree in August 1864. The law provided for the differentiated entitlement with land for socmen depending on the number of traction livestock in their ownership, hence on the production capacity of each peasant. The distributed lands could not exceed two-thirds from the farming plot of the respective landholding. The law dissolved at the same time the work and payment duties of the peasant (socage, tithes, and other labour duties). The peasant was supposed to become landowner, independent and free. The land title was not free of charge, as the peasant had to pay to the boyar a compensation, which created a new dependency.
The Agrarian Reform of 1864, adopted under conditions of massive pressure exerted by boyars generated a hybrid economic and social structure that pushed Romania into a chronic crisis for the ensuing half of a century. Landowners continued to hold about 70% of the farmland, pastures, and meadows (M. Barbulescu, D. Deletant, K. Hitchins, S. Papacostea, P. Teodor 1998, 381), while peasants received insufficient land plots. The fragmentation of landownership followed, and it aggravated in time. The peasants received, on average 3.8 ha. In time, the holdings diminished substantially due to increases in rural population. The calculations of G.D. Creanga (1907) concluded that in the conditions of traditional farming, 3 hectares of land could not ensure the subsistence necessary. For a normal life a peasant’s family required at least 5 ha of land, but not even this amount allowed for covering the other expenditures of a peasant household and much less the accumulation of capital required for modernising agriculture. Even properties of 5 hectares made households dependent on the additional land obtained from the landowners or leaseholders. The necessary land required for the financial independence of the peasant household was estimated to 6 or 7 hectares for 1 family. Only households with over 10 hectares delivered enough farming produce so that obtained amounts from selling them could deliver enough money for covering expenditures and for generating profit to be used for improving production and other investments.

The data regarding the structure of ownership by the end of the 19th century and the beginning of the 20th reveals that the peasants who represented over 99% of the farmers owned less than half of the total farmland (G. D. Creanga, 1907, XLVI–XLVII). The 4171 owners holding more than 100 ha totalled 3,810,351 ha (54.7% of the total) while 920,939 peasants with properties of up to 10 ha owned 3,153,645 ha (45.3% from total).

C. Garoflid (1907; 1917) estimates that a peasant together with his family could work under the conditions of extensive farming of the time a plot of 13 hectares. His conclusion is that the land plots attributed to peasant families during the times of various agrarian reforms had an anti-economic effect because they did not provide for enough land to render profitable the work of peasant families, thus maintaining the extensive character of Romanian agriculture with negative effects regarding mechanisation and intensification of farming.

The entitlement with lands of the peasants by the mid-19th century was insufficient completely. On medium- and long-term, an explosive social-economic situation was created: a mass of peasants with insufficient lands in ownership that were subjected to erosion processes. Nonetheless, they were almost exclusive owners of the working means for farming (cattle, carriages, tools), against a reduced segment of boyars who had in ownership almost two-thirds of the land but, including here the leaseholders, did not dispose of these means. The great landowners and leaseholders had only 4.9% of total horses and 80% of cattle. The landless peasants had also 8.1% of horses and 6.7% of cattle, that is even they had more than the great landowners did. The same situation is encountered also regarding fixed assets, as small landholding held 91.8% from total ploughs, 90.2% of the harrows, 89.7% of the sowing machines, and 97% of the carts (L. Pătrașcanu, 1978, 46).
Actually, feudalism was not terminated in the 19th century; it took a new and much harsher form. The peasant was freed from the feudal duties to the boyar, but the dependence on the boyar increased even more because of the insufficient land plots. In order to survive, the peasant was compelled to take loans from the boyar for both surviving and paying off the debts by leasing additional land. In this manner, the peasant is obliged to deliver labour for the boyar. It is what C. Dobrogeanu-Gherea calls *neo-serfdom*, respectively feudal labour relations overlapping a supposedly capitalist property\(^1\). The lands’ scarcity, under the conditions of rural population increase led to even deeper fragmentation of existing lands and peasants’ impoverishment. The neo-serfdom beyond theoretical and ideological debates expresses a new social ownership and social exploitation relationship confirmed by the peasants’ intensified revolts by the end of the century and by the stagnation of agriculture into traditional farming techniques.

The land surfaces attributed to peasants’ families during the various agrarian reforms had an anti-economic effect because these reforms did not provide for sufficient land to render profitable the labour of peasants’ families. The little peasant household lacked the necessary resources for abandoning the traditional agricultural technology. Agriculture was relegated to perpetuating the extensive character of Romanian agriculture.

The new dependency took this time a ‘legal’ form, by *contracting* the surplus necessary land. The regulation of the new form of dependency of the peasant on the boyar was realised based on the *law of contracts* that set the contractual duties of the peasants to the boyar. In time, the harshness of the peasants’ duties increased. An example: the peasants are compelled to work with priority the lands of the estate holders, to the detriment of their own lands. The law of 1866 provided for a new form of binding the peasant to the land: the prohibition for the peasant to trade labour force for an owner from another locality as long as the peasant had the duty to deliver work for the owner from the locality where he lived. The same law provided for the obligation of the local authorities to impose the full compliance with their bargains by the peasants, and through a change of the year 1872, the owner even gained the right to bring forcefully the peasant to work, by resorting to help from military forces (dorobanti).

One of the most vehement critics of this law was the great magistrate and political personality Nicolae Basilescu. He considered that by promulgating the law of farming contracts the equality of rights written in the Constitution of 1866 was severely infringed as this law eliminated the peasants from the scope of common (civil) law subjecting them to a special law and special jurisdiction (N. Basilescu, 1914).

The living standard of the peasants was among the lowest across Europe, and the aggravation of the social situation in the rural world was favoured by the very low prices for crops, the pulverisation and dispersion of agricultural lots, the lack of the agricultural inventory, and by practicing farming with

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\(^1\) The initiator of this concept, Constantin Dobrogeanu-Gherea (C. Dobrogeanu-Gherea, 1910), launched the most significant critique regarding the Romanian agricultural system of the 19th century.
“eyes heavenwards” by depending only on nature. “The situation of peasants in 1914 was not radically different by the one during the times of the Regulations” one century before (G. Iacob, 2003, 36).

To the worsening of the Romanian peasant’s condition contributed also the taxation policy. The money required for developing the capitalist infrastructure (roads, railways, industrial investments, etc.) were obtained massively from taxes imposed to peasants, as grand landowners were exempted or paid only symbolical taxes. Patrascanu proves this situation based on clear data: in 1906 the estates of over 500 ha had to pay taxes on income of 26,15 lei per hectares, the estates between 100 – 500 ha had a tax of 30,41 lei, while the little property (under 10 ha) had to pay 37,35 lei as taxes (L. Patrascanu, 1978, 28-30).

Romania became by the beginning of the 19th century one of the large exporters of farming produce, which will create the myth of Romania as “Europe’s pantry”. However, the living standard of the peasantry was among the lowest in Europe.

Peasantry’s poverty reflected in the precarious health state and education. The lack of medical assistance, the low number of physicians, the absence of hospitals and dispensaries led to the emergence of extremely severe diseases like tuberculosis, pellagra, and syphilis, on the background of malnutrition of the rural population. The living conditions in the villages were precarious as well; many lived in earth houses or constructions with only one room. The entire family inhabited the same room, sometimes together with the livestock, and the majority of houses were built from adobe and covered with straw and reed.

The agrarian policy of the Romanian state in the second half of the 19th century respectively for 50 years, was not of strengthening the independence and the development of peasant households, but to heighten their vulnerability in relation to the great landowners. The outcome of this policy was ensuring the necessary labour force for the grand estates, with minimum costs.

The legislation having as rationale to protect the uneducated peasant prohibited the sale of the land and had actually as effect a new form of binding the peasant to the land he owned, implicitly making him dependent on the boyar. Another effect of this interdiction to sell the lands was the breaking into pieces of land plots. The inherited land plots were in the majority of cases placed at far distance one from the other. The peasant was obliged to till first the lands of the boyar, and thereafter they spent a lot of time going back and forth from one land plot to the other, hence the low production of the respective plots.

Nonetheless, the Agrarian Reform did not solve the structural issues of the Romanian society: the feudal boyars were the owners of two-thirds of land and they increased in strength. The poverty state of the peasantry became more marked. Another effect was also avoiding the process of turning into proletariat the peasants as waged employees of the boyar (S. Zeletin, 2005).

The outcome of the reform was freezing the agriculture into chronic underdevelopment: the enrichment of the boyars and an impoverished peasantry incapable of developing strong households.
Entitlement with compensations burdened the peasants with debts to the boyar, annihilating the development chance of small peasant households.

The boyar did not turn into the capitalist manager of agricultural production, interested in modernising the agriculture, but was content to lease the land to the poor peasant who had the rudimentary production means of farming: livestock, ploughs, and carts.

In the relationship peasant-boyar, as of the 19th century emerged a new link: the leaseholder. The leaseholder becomes the manager of the boyar’s lands and ensures the fulfilment of the duties by the peasants. The pressure on the peasantry increased considerably, their situation being significantly harder compared with the times when the relationship peasant-boyar was direct, without mediation. Beyond their duties to the owners of the lands, the peasants had to ensure additionally also the benefits for the leaseholders.

A secondary effect of entitlements was also the decrease in the migration trend from agriculture of the surplus labour force. The peasant became dependent on his small land plot, which he could no longer sell and leave: hence, a new form of binding the peasant to the land. At the same time, the town could not absorb the agricultural surplus labour force because of the insufficient process of developing the industry.

Pinned into a state of severely increasing poverty, the peasants could not turn into significant consumers on the economic market and, in this manner, into strong supporters for developing handicrafts and industry’s beginnings. The few financial resources concentrated into the hands of the feudal class were used rather on the Western Europe’s markets than on the domestic one.

The situation was different in the Romanian provinces that belonged to the Habsburg Empire where, as result of the Agrarian Reform from 1848 a significant freedom was given to the peasants, and they were offered sufficient land plots while wide meadows and common forests were delineated ensuring thus the independence of the small landowners against the great landowners. On the other hand, these provinces had large plots belonging to big estates, but even a larger number of agricultural proletariat, and this stimulated migration, especially to the United States. The effect: the overpopulation from agriculture was lower in this area than in the Old Kingdom.

Leaving aside the positive changes in important fields, the end of the 19th century and the beginning of the 20th century was characterised by a worsening in the situation of the peasants. The period is overfilled by peasants’ riots. Over 10 peasants’ movement are recorded, from among which stand out due to their amplitude the one from 1888 and, in particular, the rebellion from 1907.

The 19th century was dominated by the peasants’ issue. Throughout this entire century, the peasantry remained pinned in a state of agricultural underdevelopment. The coexistence of large properties of land with a big mass of insufficient small properties generated a system of neo-feudal exploitation that worsened continuously. The peasantry represented, for the entire period, over 80% of the country’s population, from among which 700,000 had no land at all, and about 300,000 had lots
smaller than two ha, which did not allow, at least, for subsistence agriculture. (which did allow only for subsistence agriculture.

**The beginnings of industrial modernisation**

A more important contribution, even though also frail, had the industry and handicrafts. The clearest indicator of modernisation is represented by the population employed in the two sectors, respectively agriculture, and industry. The data show a two times increase over a 50 years period, which is small for agriculture, but also a much higher increase in industry of about seven times. However, the more rapid growth of industry has a marginal impact on the economic and social structure of the country. By the end of this historical cycle, the industry does not comprise more than 5% from the total population employed in the economy. In 1914, Romania was still an **agrarian country**.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population employed in agriculture</th>
<th>% of total population</th>
<th>Population employed in industry</th>
<th>% of total population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1862</td>
<td>1596</td>
<td>98.6%</td>
<td>22.9</td>
<td>1.4%</td>
</tr>
<tr>
<td>1913</td>
<td>3250</td>
<td>95.2%</td>
<td>165</td>
<td>4.8%</td>
</tr>
<tr>
<td>Growth</td>
<td>203.6%</td>
<td></td>
<td>729.5%</td>
<td></td>
</tr>
</tbody>
</table>


The liberal governments, which succeeded one another by parliamentary castling throughout the reign of Carol I adopted some measures for encouraging and protecting Romanian industry. “Despite enforcement limits, the legislation for protecting and encouraging national industry ensured the conditions for creating and developing an important number of industrial enterprises” (G. Platon, V. Russu, G. Iacob, V. Cristian, I. Agrigoroaiei, 1993, 135).

<table>
<thead>
<tr>
<th>Year</th>
<th>1866</th>
<th>1893</th>
<th>1901</th>
<th>1915</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total industrial enterprises</td>
<td>236</td>
<td>403</td>
<td>625</td>
<td>1149</td>
</tr>
</tbody>
</table>

*Source*: V. Axenciuc, I. Tiberian, 1979, 238.

Some industrial branches, such as miller’s trade, sugar processing, oil extraction and processing, wood processing are well represented and relatively well technologized, while other industrial branches, like metallurgic industry, machine-building, and chemical industry continued to be quasi-inexistent by the beginning of the 20th century.
The modest increase in industry was mainly because of lacking domestic capital, and because of the rather modest domestic market. Foreign capital gained, thus, an important weight at the time. By the beginning of the 20th century, foreign capital represented 80% of industrial societies’ capital, respectively 40% of the banking capital. In oil industry, foreign capital held 94.5% from the total capital of this important industry (G. Platon, V. Russu, G. Iacob, V. Cristian, I. Agrigoroaiei, 1993, 136).

During this period, the transport infrastructure develops as well, especially the railway infrastructure, which is assumed as a priority by King Carol I. A modernisation process is triggered for transportation means, roads, bridges, rails, probably more due to the pressure of Romanian’s economic integration in the European economy. Between 1869 and 1915, were built 3554 km of simple rails, with 404 stations and 39 stopovers. The endowment was of 932 locomotives, 1497 coaches, and 25736 wagons (V. Axenciuc, 1999, 55). In 1895, the rail connection is finalised between Romania and Dobrogea, as the bridge from Cernavoda is built, a masterpiece of the Romanian engineer Anghel Saligny, and unique for the entire South-Eastern Europe.

If, from 1869 to 1880 the first railways from Romania were built by concessions in favour of some foreign companies, thereafter, the entire railway network was bought back and developed autonomously by the Romanian state with Romanian engineers, but with imported rolling material and financial means obtained based on loans from abroad.

The road network increases from 3219 km in 1879 to over 28000 km in 1916 (I. Mamina, V. Nicolae, 1983, 198).

This modernisation process was focused on the accelerated development of infrastructure and had important costs paid mostly by the peasantry. The financial obligations of the taxpayers increased from 8.2 million Lei in 1864 to 38.7 million in 1901, and increasing to 78 million Lei in 1914 (N. Marcu, 1979, 198).

Even though economic progress was achieved in the Romanian principalities, the development gaps inherited against the developed countries of Europe could not be surmounted.

The Romanian bourgeoisie was still taking shape as social class, was poorly developed with preponderantly allogeneic elements among its ranks, and this represented a permanent source of social tensions.

The new capitalist class was in incipient stages, and the boyars’ class, in coalition with the King, becomes a new source in blocking the capitalist launching of the country.

The peasantry rebels often against the exploitation of the boyars, but cannot turn into a factor of capitalist development. Considering this bottleneck in the capitalist development, Zeletin stated bluntly that the ruination of the country is owed to both boyars and peasants alike, as the boyars maintained the feudal structure, while the peasants were helpless victims of this structure. (Ș. Zeletin, 2005, 238).

Towns begin to develop, but at slowed down pace because of the underdevelopment of the entire economy. The western European towns had turned into important centres for handicrafts’ and,
thereafter, for industry. This happened only very late in the Romanian case. Most Romanian towns were small commercial centres, and only few developed as industrial centres, as well.

**The dynamics of the economy**

The economy did not develop at the expected rate. Agriculture’s underdevelopment hindered the development of the town and of the industry/handicrafts, as well. A poor peasantry cannot generate an incentivising consumption market.

In the second half of the 19th century, the data indicate continuing economic growth. Romania’s GDP increased in this half of a century a bit more than 3.6 times.

Figure 1 Romania’s GDP between 1862 and 1914 (annual averages), thou. USD PPP 2000

![Graph showing Romania's GDP between 1862 and 1914](image)

*Source: V. Axenciuc, vol I, 2012, p. 37*

Regarded from another perspective, the economic increase seems modest. GDP increase per inhabitant is much less, of only 87%. It was rather an extensive growth, by increasing the population of peasants and the farming lands, and less an intensive growth.

Table 4 GDP dynamics and per inhabitant for the period 1862-1914, USD PPP, 2000

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP millions</th>
<th>GDP/inhabitant</th>
</tr>
</thead>
<tbody>
<tr>
<td>1862</td>
<td>2264</td>
<td>100%</td>
</tr>
<tr>
<td>1914</td>
<td>8192</td>
<td>361.8%</td>
</tr>
</tbody>
</table>

*Source: V. Axenciuc, vol I, 2012, p. 37*

Table 5 Population and farming lands’ growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Population dynamics</th>
<th>Inhabitants / sqm²</th>
<th>Rural population %</th>
<th>Arable land (thou. ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

28
A factor with important effects during these 50 years was the growth of the population almost two times. The population surplus is absorbed to lesser extent in the urban sector, by industry and services and even by migration abroad. The peasants remained in the village, increasing the rural/farming overpopulation. The doubling of farming lands attenuated the potentially explosive social situation due to population growth.

The modest economic growth during this half of century is mainly because of the fact that agriculture did not succeed in overcoming the feudal economic and social structures, despite the Agrarian Reform of 1864. Agriculture remains rudimentary, with weak productivity, and an ownership structure that did not provide for development chances: the freed peasants of the 1864 Reform were owners of small land plots, and remain dependent on the large feudal properties under new forms.

**Romania’s social structure**

We might gain an image about the social structure of the time by using the available data regarding the distribution of incomes.

**Incomes in the rural area**

The distribution of incomes in the villages reflects the distribution of ownership over farmlands.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>% of</th>
<th>Total</th>
<th>% of</th>
</tr>
</thead>
<tbody>
<tr>
<td>1862</td>
<td>4 019</td>
<td>100</td>
<td>33</td>
<td>82,8</td>
</tr>
<tr>
<td>1914</td>
<td>7 771</td>
<td>193,3%</td>
<td>56</td>
<td>82,0</td>
</tr>
</tbody>
</table>

Table 6 Incomes’ structure, peasants, and boyars, 1909

<table>
<thead>
<tr>
<th>Categories of income (in Lei)</th>
<th>No. families</th>
<th>%</th>
<th>Average household income per category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 120 Lei</td>
<td>894 629</td>
<td>70.9%</td>
<td>52 lei</td>
</tr>
<tr>
<td>121 – 200</td>
<td>225 349</td>
<td>17.9%</td>
<td>158 lei</td>
</tr>
<tr>
<td>201 – 300</td>
<td>81 821</td>
<td>6.5%</td>
<td>242 lei</td>
</tr>
<tr>
<td>301 – 1 200</td>
<td>48 765</td>
<td>3.9%</td>
<td>493 lei</td>
</tr>
<tr>
<td>1 201 – 2 400</td>
<td>5 042</td>
<td>0.4%</td>
<td>1 437 lei</td>
</tr>
<tr>
<td>2 401 – 10 000</td>
<td>3 032</td>
<td>0.24%</td>
<td>4 860 lei</td>
</tr>
<tr>
<td>10 001 – 50 000</td>
<td>1 773</td>
<td>0.14%</td>
<td>21 830 lei</td>
</tr>
<tr>
<td>50 001 -100 000</td>
<td>293</td>
<td>0.02%</td>
<td>67 130 lei</td>
</tr>
<tr>
<td>Over 100 000</td>
<td>182</td>
<td>0.01%</td>
<td>240 429 lei</td>
</tr>
<tr>
<td></td>
<td>1 260 886</td>
<td>100,0</td>
<td>Average: 198</td>
</tr>
</tbody>
</table>

Source: V. Axenciuc, 2000, 281. Analysis realised by V.Axenciuc based on data provided by the Minister of Finances, Emil Costinescu, about the statistics of direct taxation, published in 1909. The data refer to the period before 1909.

From these data, some conclusions may be drawn about the structure of the village. It should be mentioned that the classification of ‘farmers’ that follows is realised by us, based on estimating the yearly incomes (Table 6), but, as can be seen, these reflect the break in incomes between the categories.

**Poor peasants**, with incomes under 300 Lei per year, represented the quasi-totality of peasants: 95.5% of farmers’ households, respectively, 5 408 095 peasants². The vast majority of peasants, 70.9%, had yearly incomes below 120 Lei per year, in average 52 lei. This meant 1 Leu per week, or 0.14 Lei per day, the equivalent of 1 kilo of corn (V. Axenciuc, 2000, 282). The majority of peasants lived in a state of severe poverty.

**Middle peasants**, with a yearly income between 120 and 300 Lei (24.4%), many of them were in various degrees of poverty or confronted with the risk of becoming poor.

**Wealthy peasants**, with yearly incomes between 300 and 10 000 lei, represented 4.3%, that is 56 839 households.

**The boyars**, with yearly incomes over 10 000 Lei, and these also with high differentials among them, represented 0.17% from farming households, respectively 2 248 boyar households, that is about

---

² V. Axenciuc considered in average 4.5 persons per family.
10 116 boyars. Possibly, here might be identified again the social fracture between wealthy peasants and boyars: average incomes by 21 830 Lei for ‘poor’ boyars and of 4 860 Lei for wealthy peasants.

- The grand boyars, represented 0.01% of the farmers, respectively 182 families, disposing on average of 240 429 Lei per year.
- Middle boyars, respectively 0.02% from the farmers, which is 293 families, earning on average 67 130 Lei.
- Small boyars, representing 0.14% from the farmers, 1 773 families earning 21 830 lei.

Hence, the social structure of the village was the following: peasants 5 663 870, respectively 98.3% from the farmers) and 10 116 boyars.

The distribution of incomes in the rural area is typical for feudalism, not capitalism. In a capitalist society, the distribution of incomes is of the Gauss-type: a relatively low share of the poor, a wider mass at the median of the distribution (the middle-class), and a small share of the rich. The characteristic distribution of the rural area by the beginning of the 20th century is completely different, with an ‘L-shape’. The largest share of the peasants (95.5%) has very small incomes (40.7% from total agricultural incomes), a very thin middle-class, 4.3%, and the 0.17% rich landowners, who had 40.9% from total farming incomes.

The ratio between the incomes of the poorest peasants (70.9%) and the incomes of the most rich category (0.01%) is huge, respectively of 1 to 4 624.

The peasants who did not have enough land, but owned the farming means were compelled by the mechanisms of farming agreements to work on the lands of the boyars who had two-thirds of the total farming lands.

Based on these data, Axenciuc concludes, “The polarisation of rural properties and incomes up to 1909 highlighted the gap between the material situations in agriculture and the fundamental reason for the revolts. ...The most striking disproportion is found in the case of the last category (incomes over 100 000), respectively the one of the grand landowners who numbered only 182, respectively 0.014% from total rural landowners, whereas their incomes totalled 17.4% from total incomes, almost as much as the 894 629 peasants together). (V. Axenciuc, 2000, 281-282).

After half of a century since the peasants’ entitlement, they were only formally independent owners of land against the boyars, and feudalism was still not abolished by taking another form, respectively neo-serfdom.

**Incomes in the urban area**

The available data refer only to citizens from the urban area with various types of property (V. Axenciuc, 2000, 283). Next to them is found a large part of the town population without properties having, as a rule, much smaller incomes.
Table 7 Owners in the urban area, 1909

<table>
<thead>
<tr>
<th>Categories of incomes</th>
<th>Number of owners</th>
<th>Share %</th>
<th>Average income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 120 lei</td>
<td>52 722</td>
<td>41.6%</td>
<td>72 lei</td>
</tr>
<tr>
<td>121 – 200</td>
<td>18 666</td>
<td>14.7%</td>
<td>160 lei</td>
</tr>
<tr>
<td>201 – 300</td>
<td>15 669</td>
<td>12.4%</td>
<td>258 lei</td>
</tr>
<tr>
<td>301 – 1 200</td>
<td>28 657</td>
<td>22.6%</td>
<td>626 lei</td>
</tr>
<tr>
<td>1 201 – 2 400</td>
<td>6 431</td>
<td>5.1%</td>
<td>1 695 lei</td>
</tr>
<tr>
<td>2 401 – 10 000</td>
<td>3 969</td>
<td>3.1%</td>
<td>4 212 lei</td>
</tr>
<tr>
<td>10 001 – 50 000</td>
<td>485</td>
<td>0.4%</td>
<td>17 913 lei</td>
</tr>
<tr>
<td>50 001 – 100 000</td>
<td>33</td>
<td>0.03%</td>
<td>66 242 lei</td>
</tr>
<tr>
<td>Over 100 000</td>
<td>10</td>
<td>0.01%</td>
<td>235 500 lei</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>126 642</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>Average: 550</strong></td>
</tr>
</tbody>
</table>

*Source: V. Axenciuc, 2000, p. 283.*

We notice that the distribution of incomes is maintained relatively similar to the one from the rural area, but with some differences. In the urban area is observable a trend of shifting towards a modern distribution.

The poorest, with incomes below 120 Lei are fewer than in the rural (41.6% against 70.9%), and with somewhat higher incomes (72 Lei per year, against 52). However, if we take into account that in the villages the cost of living is lower, we might assume that poverty in the urban area is much more severe.

The share of urban ‘rich’ with incomes over 10 000 Lei per year is slightly higher than in the rural: 0.44% against 0.17%. The very rich, with incomes over 100 000 are very few: 10 families, against 182 in the rural. Probably, these data express synthetically and clearly the degree of transitioning from feudalism to capitalism.

In the urban area the share of the middle-class increases (310 Lei – 10 000 Lei), respectively 30.8%, against below 4% in the rural.

The incomes’ average in the urban is substantially higher: **550** Lei, against **198** Lei in the rural.

The difference in incomes is maintained: the richest in the urban area have the same level of incomes as in the rural area. The ratio between the lowest and highest incomes in the urban area is somewhat smaller than in the rural. Nonetheless, the difference is not high: **1 to 3 271** against **1 to 4 624**.
The social structure of the town was the following: **poor owners**, 391,756 (87,057 persons); urban middle-class: 175,756 (39,057 persons) and ‘the urban rich’ 528 families (2,376 persons). To the class of the urban rich must also be added a probably majority part of the boyars who had also residences in town.

**School situation**

As vital demand of the modernisation process, school begins to receive increasingly more significant political support, as it is considered as one of the most important factors for exiting underdevelopment. An increase in literacy is registered, but which is hindered by the poverty of the peasants and the gap between the developing town and the backward village. The school, by involving a large number of teachers and professors, represented the most important occupational source for the new intellectuality, much more than industry.

The law of public instruction (1864) proclaimed the obligation and gratuity of charges for primary education, and established three levels of education, respectively primary, secondary, and tertiary. Primary education had a duration of four years, secondary education eight years, and tertiary or higher education three years. During the reign of Cuza, is established the first university in the country, in Iasi, in the year 1860, followed by the university from Bucharest, in 1864. Thereafter, ensued the National School of Beaux Arts under the management of Theodor Aman, the School of Veterinarian Medicine, The Superior School of Sciences, and the Superior School of Letters.

The education reform is continued in the times of Carol’s ruling, but it slows down for a couple of decades. After the law of education from 1864, much later, by 32 years, in 1896 was adopted the law of primary and normal primary education, and then ensued the law of secondary, and tertiary education in 1898. In 1899 was passed the law of vocational education, followed by the kindergartens’ law in 1909.

Literacy in the rural area has a dramatic situation: 78% were illiterate in 1899 (L. Colescu, S. Manuila, 1944, 103).

On the Census from 1899, the share of literacy was by 22% from the country’s population. After the time of Spiru Haret as Minister of Education, the Census from 1912 recorded the leap in literacy by 40%, and from these, 106,713 had higher education (M. Rizea, 2012, 254). Practically, the literacy of population in Romania almost doubled in just 13 years. At the level of the rural population, in 1899, literacy was of just 15.2% but in 1909 the share increased already to 34.7%. Nicolae Iorga resonated

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3 The urban poor are more numerous, as here must be included also those lacking any properties, and who are practically all poor.
4 By 4.5 persons in average per family.
5 According to Tudor Visan Miu, Spiru Haret şi reforma sistemului educațional: Model pentru contemporani [Spiru Haret and the reform of the educational system: Model for contemporaries] (www.tudorvisanmiu.ro).
with most Romanians when he said at the Teachers’ Congress from 1907, “whenever I talk about him (e.g. Spiru Haret) for showing respect, please stand up!”

**Religious life**

The three censuses preceding the interwar period (1859, 1899, 1912) reveal a confessional structure marked by a wide orthodox majority. Thus, in 1859, from the total population of 4,424,961 inhabitants, 94.89% were orthodox, 3.03% Hebrews, and 1.02% Roman-Catholic. In 1899, the population grows in numbers to 5,956,690 individuals, from among which 91.52% orthodox, 4.48% Mosaic (the second ethnic and religious community as size from Europe after that in Austria, 4.6%), and 2.5% Roman-Catholic (a decrease is noticed in the numbers of the Orthodox community, and a noticeable increase in the share of the last two). The Census from 1912 mentions a total number of 7,235,320 inhabitants, without essential changes for the confessional inlay (S. Negruți, 2014).

Even though the relationship of the Orthodox Church with the State was throughout the entire history mostly of mutual support, according to the Byzantine tradition, the process of modernisation imposed a series of legislative measures that had a strong impact on the Orthodox Church. Among the latter, we mention the secularisation of monasteries’ wealth in 1863, which is also known as the Law for the secularisation of the wealth of the monasteries, and imposing the “Organic Decree for Regulating the Monastic Schism” in 1864. Thereafter followed the unification of the two Orthodox Churches from the two Principalities into a single national body, the establishment of the Synod of the Romanian Orthodox Church also in 1864, and the passing the “Law for appointing the Metropolitan Bishops and the Eparchy Episcopes in Romania” from 1865.

The relationship of the Romanian Orthodox Church with the Romanian State by the end of the 19th century and the beginning of the 20th was of mutual support and influence for achieving a common purpose, respectively “the spiritual unity and the national unification of the Romanians” (His Sanctity Daniel, 2015). In the history of the Romanian Orthodox Church, two events were of particular significance at that time: the acknowledgelement of self-ruling in 1885 and elevating the Church to the rank of Patriarchate in 1925.

**Social-political deferment: the conservative/liberal governance rotation**

The constructive enthusiasm of the 1848 generation led to implementing some institutional reforms that would constitute a great leap in modernizing the country.

Soon, the progress slowed down to a bottleneck due to maintaining under new forms the feudal structures. Once Alexandru Ioan Cuza was removed from reigning, the epoch of rapid reforms and enthusiastic social changes ended. A new period was entered for the ensuing half-century, dominated by the political and social coalition between the still strong feudal forces of the grand landowners and the new and still frail capitalist forces. The coalition relied on mutual acceptance: the boyars obtain solid
political support for the new feudal forms, and the developing capitalism received a new institutional framework favourable to its development, including state support. The price paid by the new capitalist forces, including for their political representation, was to abandon the initial anti-feudal orientation. The outcome of this half-century was a State frozen in neo-serfdom forms that were soundly instated and capitalist forces that enjoyed the modern legal framework of functioning with the support of the State, but accepting orderly the limitation of their growth, due to the survival of the feudal structures. The main reformer was replaced by Carol I, a King who assumed the role of arbiter for keeping the balance between the two forces, but clearly biased in favour of the boyars.

The economic growth was modest and it was mostly due to the extensive increase in agriculture: more land cultivated, more peasants, but increasingly poorer. The vast majority of the population was living from an agriculture with no signs of modernisation, while the peasantry entered a process of impoverishment.

The implementation of a democratic state, based on a plurality of political parties, was also only partial. The census suffrage system was a source for excluding from the political process a huge segment of population, thereby supporting the conservative orientation of the parliament.

A state of social and political deferment spread out. Projects for launching the development of the Romanian society are recorded, but they are rather modest. It became increasingly clearer that the village was maintained in underdevelopment by the neo-serfdom exploitation that had turned into a hindrance on the road of developing the capitalism. The lack of will in eliminating feudalism obstructed the future.

From political perspective, the social-economic coalition of feudal and capitalist forces was expressed in the famous governance rotation of conservatives and liberals. The interchange at governance created a durable balance, and room for promoting the interests of the two forces but, also, their mutual limitation.

The Romanian political arena is structured in this period on a couple of ideological directions.

The conservatism expressed the vision of the feudal forces, and promoted the ‘small steps’ and the ‘evolutional’ path strategy, supporting a gradual modernisation of the economic and social-political structures, without quick changes.

Conservatism found sociological and political support in the theory of the “groundless forms”. In 1868, T.Maiorescu publishes an article that generates an important cultural and political orientation “Against today’s direction in Romanian culture”. In this work, he blames the implementation of some institutions and models copying western ones, and, in the same time, lacking an adequate ground in the mentality and cultural level of the Romanian people (T. Maiorescu, 1989).

In literature, the initiation of the Junimist (Young Intellectuals Movement) had a significant impact. High quality standards were introduced, and the shallow ‘imitation’ discouraged.

In politics, the theory of groundless forms represented a substantiating ideology of conservatism. Titu Maiorescu was for half-century one of the leaders of the conservative orientation. The conservative party contested, basically, the justification of the institutional reform programme of forty-eight on behalf
of an organic and well-prepared evolution. Thus, it hindered or even blocked the continuation of reforms at a sustained rate. It was the conservative forces’ ideology of calling upon wisdom for promoting the acceptance of the social state with no desire of changing.

The theory of *groundless forms* answered to real disappointment just as well. The gap between institutional ‘forms’ taken rapidly over from the West and the ‘background’ of social reality was becoming increasingly more frustrating, as the latter gave no visible signs of changing as expected. The adoption of new institutional ‘forms’ did not generate a visible process of changing the ‘background’, respectively the economic, social and political processes. On the other hand, it justified the passivism as expression of the powerlessness in continuing the change reforms.

From the positions of the liberal romanticism, Zeletin formulated another critique. The dominant culture by the end of the 19th century, in Zeletin’s opinion, was the result of the intellectuals who also had their roots in the peasantry, and hence protesting against the new capitalist processes. This intellectuality expressed “the atmosphere of rural sentimentalism, of cultural romanticism and hate against the bourgeoisie renewal” (Ș. Zeletin, 1925, 238).

**Liberalism** was the political orientation that proved complementary, and not opposed to conservatorism. Liberals promoted economic initiative, individual freedom, including freedom of expression, free market rules, state support for economic initiatives, and guaranteeing private property, political equality, rule of law, democratization of political life, and the creation of strong middle-class, along with free and compulsory education. The liberal programme was based on the formula “by ourselves” which had as purpose to mobilize the creative and productive forces of the country for the progress of the Romanian society. This principle did not reject foreign capital, but supported, first, the strengthening of the domestic capital by measures of protectionist nature, which would ensure the progress of the country. *The liberals* opted for protecting and encouraging the industry based on *state* intervention and protectionist custom tariffs’.

The weakness of internal capitalist forces explains their compromise with the conservative ones. The Romanian bourgeoisie did not have the capability of imposing deep socio-economic changes, but rather was satisfied by the cohabitation with the strong feudal structures.

**Socialism.** Especially under the influence of the socialist movement from Russia, there was also a presence of the socialist theme as solution to underdevelopment, represented mainly by Nadejda and Gherea. The publishing of Gherea’s book, *Socialism In Backwards Countries* stirred some interest, which was extinguished completely later on, after the negative experience of the Soviet revolution. C. Dobrogeanu-Gherea proposes a programme for re-launching and modernising Romania, respectively: equal and direct universal suffrage, progressive taxation on incomes, 8 hours working day, Sunday leisure time, and accessible credits for peasants, etc. For Gherea, the modernisation of Romania was represented by *industrialisation* as *sine qua non* condition for Romania’s future (C. Dobrogeanu-Gherea, 1976).
Zeletin formulates similar critiques regarding Romanian socialism of the time to the ones about conservatism. It is also a type of rural reaction against the bourgeoisie, an expression of the critique of the Romanian capitalist society by our intellectuals, nurtured in the rural environment and mentality only dressed up in the Marxist phraseology (Ș. Zeletin, 2005, 237).

**Traditionalist trends**, Disseminationism (`sămânătorism` in orig.) and popular ones headed by N. Iorga and C. Stere, have presented yet another programme for the development of Romania.

By displaying manifest particular sympathy for the peasantry, Iorga proposed to respect tradition, considering that the imitation of some foreign models is a fact contrary to “national spirit”, and which lead to loss of the identity shown throughout the centuries. For the great historian, the village was the liveliest expression of the organic structures, and any change had to be achieved by “full compliance” with the latter. As the “repository of high moral values”, the village ensured in an agricultural society modelled by culture, the natural evolution of a nation.

Disseminationism had higher influence in the years 1904-1906. After this time, the trend loses from its significance.

A related agrarian trend with Disseminationism was the popular one (“the love for the nation” - `poporanism`, in Romanian, in orig., represented by the theoretician Constantin Stere from Bessarabia. As opposed to the Disseminationism, the popular movement did not limit itself only to formulating some ideas about “moral rebirth”, but acted in practice for the enforcement of some reform projects by supporting, together with the liberals, the achievement of the agrarian reform and the passing of universal suffrage. By rejecting the idea that the industry represents the key to the development of the country, C. Stere emphasised the important role of agriculture, and considered that ignoring and failing to solve the agrarian issue would generate negative consequences for the economic progress of the country.

**The cultural boom**

In the second half of the 19th century, perhaps as reaction to the political and social deferment, occurred a true boom of Romanian culture and science. It is the time when the Romanian novel asserts itself through the classics of Romanian literature, Mihai Eminescu, Ion Creangă, Vasile Alecsandri, Ioan Slavici, Ion Luca Caragiale. The literature of the time expresses the psychological and moral state of all social classes and categories: peasantry, intellectuality, the small bourgeoisie of the towns, small towns and villages, of the land lesers and bailiffs, and of the grand landowners. It is the time when great painters gain notice, for instance Nicolae Grigorescu, and important philosophers, like Titu Maiorescu or Vasile Conta. The same happens for personalities in the field of science, like Grigore Cobălcescu, Gregoriu Ștefănescu (geology), Carol Davila, Nicolae Kretzulescu, Victor Babeș (medicine), Bogdan Petriceicu Hașdeu, Moses Gaster (linguistics), Alexandru Papiu-Ilarian, A. D. Xenopol (history), Henri
Coandă (engineering), Nicolae Titulescu (legal sciences), while the biologist Grigore Antipa begins his activity.

The intellectual elite, educated at the level of the European one, was the most active factor in the process of social change, by the end of this century.

The disappointment regarding the outcomes of the change process embraced various cultural shapes, from the visionary and nostalgic romanticism of Eminescu, to mocking criticism, but at its roots painful, as in Caragiale. Caragiale represented the peak of criticism about the outcomes of blocked reforms. The impasse of Romanian society’s reforms took, in politics, the shape of political pettiness.

The dramatic circumstances of the peasantry gains notice and consideration as it explodes in the shocking rebellions of 1888 and 1907. The expression of concern begins to be exposed in literature, as well as the picturesque images of the peasant dominated by his grim hopelessness. The series of paintings “1907” by Octav Bancilă is a poignant expression of the time.

The end of the period offered an intertwinement of understanding the tragedy of the village, for instance in the masterpieces of Slavici, and the hilarious situation of Caragiale’s town, all on the background of social and political demoralisation, but also of firm commitment to promoting high-quality art.

* * *

The reforms launched by the mid-19th century, were the backbone for establishing the modern Romanian national state. The programme of the movement of 1848 for modernising the country based on assimilating cultural and institutional values from advanced countries was accomplished. Throughout the ensuing period, significant attempts can be identified of bringing up for public debate new social-economic directions for the development of the country.

The last part of the 19th century provides the image of an excessively slowed down change process. The survival of feudal structures hindered this process. The peasantry paid the heaviest price for this slowness in changes. The failure to solve the severe issue of the peasantry was the most important factor of pinning Romania in underdevelopment.

Around the outbreak of the First World War, the social situation of Romania became explosive. The increase in the numbers of rural population was the most significant additional factor in the deterioration of the peasants’ situation. Peasants’ impoverishment became increasingly intolerable. After half of a century since the Agrarian Reform, it became pressing to implement a new agrarian reform to substantially entitle the peasants. However, politically, because of the force of feudal structures, the accountability regarding the emergency nature for solving the issue of the peasants was blocked.

M. Manoilescu (1942) formulated a clear estimation of the situation. Romania had, by the beginning of the 20th century, a one hundred years’ backwardness against France, and two against
England. Romania’s national income in 1900 was about 200 Lei gold per inhabitant. The similar amount was considered for a British citizen around 1700, and France had the same level by 1800. Between Romania and the England of the year 1700, and the France of 1800, there was also a comparable share regarding rural population that is one town inhabitant per four inhabitants in the rural area.
CHAPTER 2 THE INTERWAR PERIOD: ROMANIA 1918-1945

The first half of the 20th century – a new historical chance for Romania?

The beginnings of the 20th century: the Romanian population is faced with difficult questions in need of solutions, but also with opportunities.

The Romanian State was constituted in the 19th century (1859), won its definitive independence from the Ottoman Empire (1878), and gained international acknowledgement as an independent state. Romania became effectively part of Europe. Nonetheless, important parts of Romanian population were still included into the Austro-Hungarian Empire and in the Russian Empire.

However, from outside came the First World War with its enormous destructions for Romania. Yet, the war had an important outcome in speeding up the process of Romania’s economic development: the establishment of the national unified State opened a new historical opportunity. Gathering the entire Romanian population inside the national borders represented the accomplishment of the fundamental national, political, social, and cultural project: Greater Romania.

From the economic perspective, Romania was still an agrarian country. The industry, which opened the opportunities for rapid development, was still at its beginnings.

The peasants’ question was in a process of worsening. The domination of the neo-feudal structures was a strong hindrance on the path of Romania’s development, not only in the case of villages, but also for towns and industry.

Despite its underdeveloped economy, in Romania occurred a true intellectual boom in culture and science, as the country aligned to the high European standards.

How would Romania succeed in overcoming the complex issues the country faced in the first half of the 20th century and take advantage of the new opportunities?

From the territorial perspective, Romania became the tenth state from Europe, and as population, the country was ranked as eighth. Based on the General Population Census from 29 December 1930, Romania’s population numbered 18,052,896 inhabitants on a surface of 295,049 km² and an average population density of 61.2 inhabitants per km², against 44.3 inhabitants per km² at European level.

The expectations of the population were very high. Optimism was the generalised sentiment, as it was expected that Romania would remove rapidly the underdevelopment state, and would be circumscribed to the level of the developed European states, as it had turned into an important state as territory and population. The projection was that the new national potential would ascertain itself in all fields of social life.
The construction of Greater Romania was the main objective after the war. First, as result of including the new Romanian regions and the creation of a unitary economic, institutional, and cultural structure.

The strengthening of the new Romania was achieved on the background of eliminating feudal structures that had succeeded in surviving throughout the 19th century, and of overcoming the underdeveloped state of the country, and by circumscribing firmly the country on the modernisation path.

The ensuing 20 years were dedicated to development, however, not lacking extremely difficult issues.

**The impact of the two world wars on Romania’s development**

In the first half of the 20th century, Romania had to face two world wars brought upon the country from abroad. The period began with the First World War and concluded with the Second World War. Both wars brought massive destructions to the country, and changed radically, as well, the social context.

The outbreak of the First World War in 1914 faced Romania with an extremely difficult option: the TRIPLE ALLIANCE (Central Powers – Germany, Austro-Hungary, and Italy) or the ENTENTE (The Triple Entente – England, France, and Russia). King Carol I supported the alliance with Germany. However, the decision in favour of the alliance with England, France, and Russia won, motivated mainly by Romania’s objective of including within its national borders the territories inhabited by the Romanian population, and also based on the guarantees offered by the Entente.

The Romanians went to war in 1916 and they “crossed the Carpathians” in the general enthusiasm generated by the opportunity of creating *Greater Romania*. Enthusiasm proved to be not enough. The Romanian Army was not technically prepared to challenge a strong army, like the German one. Moreover, the material and technical support provided by the allies proved to be not really what was promised. The Revolution of 1917 and Russia’s unilateral withdrawal from war created a new situation: Romania found is self left alone on the Eastern front.

The German troops riposted harshly and occupied large parts of the Romanian territory. Fiercely, the Romanian Army managed to block the German advance on the alignment Focsani-Namoloasa-Galati, and to stabilise the military situation.

1918: The end of the war. Romanians achieve the accomplishment of their dream: *Greater Romania*, realising the unification based on the fervent decisions of the population from Transylvania, Banat, Bukovina, and Bessarabia.

Romania was one of the most war-affected countries. The GDP per inhabitant decreased against the one of 1913, the peak year before the war, to 60.7%, in 1920. The immense population losses due to deaths, injured veterans, goods’ destruction placed Romania second only to Germany regarding the highest rates of human lives loss, with a population deficit by 14% in relation to the population by the
beginning of the conflict (D. H. Aldcroft, 2006, 86). Numerous population households in the rural area were ravaged by the war or damaged. The livestock also showed drastic decreases by 59% against the pre-war period. The situation was just as worse in the Romanian provinces integrated into the new Romanian state.

The German occupation exploited the economic resources of the country; the destructions affected massively the oil production, the main industrial branch of the country left with only half of the output before the war at its end. Industrial production reduced to one third against the one prior to the war. The railway system turned largely non-operational and exports of agricultural products were at a quarter, against the period preceding the war, as well.

Up to the period after 1922, the destructive effects of the war continued to be strongly felt. Numerous peasants who participated to the war had died or returned home injured or as invalids. The agriculture recovered rather slowly. In 1920, were cultivated only 8 million ha, as compared with the average of 13 million ha in the period 1911-1915, and the harvest was by only 65% of the one corresponding to the years 1911-1915.

In particular, the southern part of the country had a rather difficult economic recovery after two years of systematic pillages by the occupying forces. All the other fields of life, such as industry, transportation, communications, banking system were disorganised or deeply amputated.

Thereupon followed 20 years of peace, and then another war broke out: “territorial dismemberments, huge war expenditures, damages and the burden of economic ruin and foreign debt threw back the global production, expressed per inhabitant, by seven decades up to 1947…” (V. Axenciuc, 2012, 94).

**The population of Greater Romania**

The entire modern period of Romania is characterised by the significant increase in the population numbers. This increase was recorded also before the war: in the Old Kingdom, the population was by *7.904.104* inhabitants in 1912, which meant a doubling of the population in the 50 years’ time interval since the establishment of the Romanian state. The demographic increase continues also in the interwar period. Romania’s population would count, according to V. Madgearu’s estimates, to about 20 million inhabitants by 1940, respectively by 4.5 million more inhabitants than in 1920 (V. Madgearu, 1940, 25).

<table>
<thead>
<tr>
<th>Territory</th>
<th>Little Romania</th>
<th>Greater Romania</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>138.000 Km²</td>
<td>295.049 Km²</td>
</tr>
<tr>
<td>Population</td>
<td>7.9 millions</td>
<td>1919: 14.7 mill.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1930: 18.0 mill.</td>
</tr>
</tbody>
</table>

*Source: Statistical Yearbook 1930.*
Ethnic, religious and language structure of the population

Romania was one of the relatively homogeneous states regarding the ethnic profile. Even though the Romanian population was in majority, with a share of 72%, a significant proportion of the population represented a wide number of ethnic minorities. Three minorities showed significant shares: the Hungarians - 8%, the Germans - 4%, and Jews - 4%, to which are added other minorities, but with lower shares: Ruthenian-Ukrainian, Russians, Bulgarians, Turks-Tatars, and Roma.

Table 1 Ethnic structure of Romania’s population, 1930

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>%</th>
<th>Rural %</th>
<th>Urban %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romanian</td>
<td>71.9</td>
<td>75.3</td>
<td>58.6</td>
</tr>
<tr>
<td>Hungarian</td>
<td>7.9</td>
<td>7.1</td>
<td>11.2</td>
</tr>
<tr>
<td>German</td>
<td>4.1</td>
<td>3.8</td>
<td>5.3</td>
</tr>
<tr>
<td>Jewish</td>
<td>4.0</td>
<td>1.0</td>
<td>13.6</td>
</tr>
<tr>
<td>Ruthenian-Ukrainian</td>
<td>3.2</td>
<td>3.7</td>
<td>1.5</td>
</tr>
<tr>
<td>Russian</td>
<td>2.3</td>
<td>2.0</td>
<td>3.4</td>
</tr>
<tr>
<td>Bulgarian</td>
<td>2.0</td>
<td>2.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Turks, Tatars,</td>
<td>1.6</td>
<td>1.7</td>
<td>1.2</td>
</tr>
<tr>
<td>Roma</td>
<td>1.5</td>
<td>1.5</td>
<td>1.1</td>
</tr>
<tr>
<td>Others</td>
<td>1.5</td>
<td>1.7</td>
<td>2.9</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>


Under the conditions in which some Romanian provinces had been formerly part of the neighbouring empires for long historical periods, on the territory occupied historically by the Romanian population were moved important ethnic groups, Magyars and Germans. To these was added the migration of other ethnic groups, one of the most important being represented by Jews. The Roma settled as well on the Romanian territory, turning in time in an important ethnic group. However, they had the statutes of slaves from the half of the 14th century and up to the half of the 19th century.

In certain regions of the country, such as some towns from Transylvania, and Banat, the Romanian population was represented to lesser extent in the urban area. For instance, in Cluj, the Romanian population was by 35.7%, in Timişoara by 31.2%, Oradea, 34.7%, Constanţa, 26.3%, and Sibiu 34.8% (D. Georgescu, 1937, 78). The ethnic minorities from these regions (as is the case for Hungarians, Germans or Jews) were settled/ migrated at various historical times for practicing some handicrafts, professional or commercial activities, and they were, based on their trades preponderantly urban.
populations, as compared with the majority Romanian population employed mainly in farming and amassed in the rural area.\(^6\)

Next to the official language of Romania, the ethnic groups also used their own language: Hungarian, German, Yiddish, Ukrainian, Bulgarian, Turkish-Tatar, and Roma.

A diversity of religious cults existed, as well. The Orthodox cult was most spread out (72.6%), to which were added other cults: Greek-Catholic (7.9%), Catholic (6.8%), Mosaic (4.2%), Protestant (3.9%), Lutheran (2.2%), Muslim (1.0%), Unitarians (0.4%) (D. Georgescu, 1937, 71).

**The interwar political system**

In the ensuing period after the First World War, significant changes occurred in the Romanian political system. In 1923, a new Constitution was passed based on the Constitution from 1864. The main change was the implementation of universal suffrage instead of the census suffrage. Romania was among the first states introducing universal suffrage, though only for men actually, already as of 1918. The implementation of universal suffrage was expected to bring about an increased participation of the population to the political decision and to eliminating the political monopoly exercised by the old oligarchy. As outcome of the Agrarian Reform from 1918, the feudal system shrank substantially as property and economic and political power, however, without being completely abolished.

Considering these political reforms, the interwar Romania is regarded by some analysts as a period of exemplary democracy, wrecked by communism. However, the things might not have been as they seemed. The Romanian sociologist Mattei Dogan, one of the most prestigious sociologists at world level, proposes a different characterisation of the democracy for those times, based on trustworthy databanks, which he calls a mimicked democracy.

The political interplay was different from the expected one: power rotation was not decided by polls, but by the King. "In Romania, power rotation was decided by the Crown...the King could revoke the government without the vote of no-confidence of the Parliament. A new government was appointed that demanded immediately from the King the dissolution of the Parliament... new polls were held. The new party in power based on the volition of the King managed always to gather at least 40% of the national vote and thus could benefit from the majority bonus, hence gaining over 60% of the mandates up to 1937. This govern ruled for periods between one year and four, that is until revoked again by the King, without ever falling down to a minority in Parliament. Consequently, the government was not the outcome of a parliamentary majority, but it created its own needed majority. Not the King was putting pressure on the electors; the government took care of that..." (M. Dogan, 1995, 13).

Between 1919 and 1937, Mattei Dogan lists nine national polls and each time the cycle fits the description. Romania was no exception in Europe in those times. Out of 15 countries from the area, Romania with a fragile and, partially, fictitious democracy resisted the most between 1919 and 1937 (M. Dogan, 1995, 18).

\(^6\) The Hungarian state, through various means discouraged Romanins from settling into towns. A shocking case by its effects: Romanians were prohibited from building churches of stone. This is the explanation for the superb wood churches in the Transylvanian villages.
Some political practices existing already before the war survive also in the interwar period. The very important role played by prefects and the mobilisation of police and public servants in elections, the wide use of discouragement means on the opposition, the very often violent conflicts at the urns, corruption and granting benefits, and various types of financial favours after coming into power are some of the relevant examples. C. Rădulescu-Motru launched the phrase *petty political* practices, for expressing the disillusionment of the population regarding the integrity of the Romanian political system in those times.

Storm clouds gather above the fragile democracy all over Europe. King Carol II attempted to discredit, throughout the thirties, the parliament, and political parties, by imposing a regime of personal dictatorship in the period 1938-1940. In 1938, the Constitution from 1923 is abolished and replaced by a constitution that imposed the organisation of the state on corporatist bases, and according to which the king gathered all the power.

These years are dominated by the struggle between the supporters of a democratic regime after the model of western democracies, and those supporting alternative, authoritarian variants inspired by the Italian Fascism and German Nazism. This confrontation is not specific only to Romania, but is encountered in all states of the region, and in some states of Western Europe, as well. Spain is the best-known example, in this respect. The success of fascist movements in Europe encouraged the development of similar movements also in our country.

Some groups of influential intellectuals (Nichifor Crainic, Nae Ionescu) promoted critiques regarding the modern European model based on industry, urbanisation, and supported the traditional models that created amid the interwar public opinion a favourable climate to political authoritarian movements. An increase is noticed about political confusion, materialised also in the vote for the authoritarian and traditional movements in the fourth decade. The Iron Guard, a fascist party, obtains 16.5% of the votes in the polls of 1937. If we add also the 9.2% obtained by another party of the extreme right, the extreme right totalled already 25.7% of the votes. On the background of the socio-economic crisis of the thirties, the religious-nationalist mystique gained roots among various social groups: the educated youths of the towns, traditional peasant elements, rural clergy, but also representatives of the society’s periphery. Another reason was certainly the failure of the agrarian reform to create a prosperous middle-class peasantry. Yet another source for the rapid advancement of this extreme right grouping is showed by Mattei Dogan: the number of students had increased spectacularly, and they were growing more discontent as the economy provided few jobs for graduates (M. Dogan, 1995, 16).

The frailty of the Romanian democracy in relation to the western one is justifiable if we take into account the development degree of the social classes usually supporting a democratic regime, as the largest part of the population was represented by peasants. The Romanian bourgeoisie and the middle class were fragile. The working class was also low in numbers.

Even though the Constitution of 1923 abolished the restrictions for Jews, as stipulated in the Constitution of 1866 (“only Christian rite foreigners may obtain the Romanian citizenship”), under the
influence of the German Nazism, in the thirties, the latent antisemitism took violent forms sometimes. The Iron Guard made antisemitism into a core point of its politics, but is rather isolated, as compared with other countries like Germany.

The formation of a government by involving the legionnaires generated a spiral of violence. It resulted in the assassination of some prised Romanian personalities by the Legion (I. G. Duca, Armand Călinescu, Virgil Madgearu, and Nicolae Iorga). The legionnaires attempted to take over power completely, but the army intervened and the military leadership of Ion Antonescu is instated.

Assassination, torture, and elimination of political enemies are characteristic also for the institutions of the state, especially for the intelligence and gendarmerie services. The political and legal system in interwar Romania suffers from continuing degradation by the end of the thirties. This decade was labelled by some analysts as “the decade of the crisis for the Romanian democracy” (K. Hitchins, 1998, 429, Z. Ornea, 1995).

The domestic and external developments eroded even more the confidence in the personality of Carol II, who was forced to abdicate and was succeeded by King Mihai.

The political parties

During the interwar period, the National Liberal Party is the most important one. Liberalism is considered as the ideology that created modern Romania and modelled its economic, political, and social institutions.

The second important political party was the National Peasants’ Party created in 1926. The National Peasants’ Party intended, according to V. Madgearu’s theory, the creation of a peasants’ state, where agriculture and the small landowner would play an essential economic and political role, being firmly protected by the state. The representatives of the party aimed also to develop a national industry, however, they criticised the protectionist policies promoted by the liberals, as they considered that these would create an artificial and inefficient “greenhouse industry”. Contrary to the slogan “by ourselves” expressed by the liberals, the peasants’ party members promoted the “open doors policy” which presupposed the opening of the Romanian industry to competition with wares from other countries, thus triggering the efficiency increase of Romanian products.

The Peasants’ Party government led by Iuliu Maniu came to power in 1928 and promoted a law for strengthening local autonomy and decentralising state administration. The success of the Maniu Government was limited because of the world economic crisis that affected also Romania.

Leaving aside these two important parties, several new parties emerged and played an important role in the interwar political life, however, for brief periods. In the time following the First World War, the Party of the People led by army general Averescu played a major role, especially in the government from 1920 to 1921, when the agrarian reform was promoted. The party gathered a series of remarkable intellectuals but failed to remain in the political life.
The left parties played a minor role, because of the frailty of the working class in the interwar period, which counted only about 1 million persons. The core role was played by the Social-Democrat Party set up in 1927 and led by Titel Petrescu. This political force distanced itself from the Communist Internationale headed by the Soviet Union promoting the idea of gradual shift to socialism. The socialists, as opposed to communists, considered that the socialisation of production means in Romania had to be gradual, by compliance with the parliamentary democracy framework, and not by violent revolution. The popular support was low, and maximum support was achieved on the 1928 polls when the party obtained nine seats in the Deputies’ Chamber. After this peak, the popular support entered an erosion process and, between 1932 and 1946, the party had no representatives in the Parliament.

The Communist Party from Romania played a minor role, because of its affiliation to the Communist Internationale and its total subordination to the politics of the Communist Party from the Soviet Union, as the latter regarded Romania as an “imperialist” state, created artificially to the detriment of its neighbours.

Between the two world wars, the communist programme received in Romania very little attention. Communism was associated in Romania with a history of negative experiences in the relationships with Russia. In particular, the Communist Party was blamed for the antinational orientation. The annexation of Bessarabia by the USSR was an essential factor of the popular anti-Soviet attitude. The Soviet Union exerted absolute control over the national communist parties. The entrance of the Romanian Communist Party into illegality was not a significant public event. The communist programme was experimented in the Soviet Union with contradictory outcomes: nationalisation and especially the collectivisation of agriculture were perceived in an extremely negative vein. The news about the violent repressions in the Soviet Union were perceived rather with horror. The information about the reality of the communist programme implemented by the Soviet Union determined the change of the interest shown for communism into hostility. The novelist Panait Istrati an enthusiast of the communist programme went to see with his own eyes the Soviet achievements. He returned very disappointed and wrote a very critical book regarding the USSR. Marxism at one package with the Soviet model had no significant presence in Romania.

Moreover, the communist party was led by individuals of foreign ethnicity, a fact that increased the distrust of the population and the persuasion that it was an anti-Romanian party. The involvement of the communists in the anti-Romanian movements from Bessarabia triggered the outlawing of the party. The party had no significant political activity in the interwar period.

**Marxism/communism in the Romanian tradition**

Marx’s theory was publicly debated across Europe, including Romania already by the end of the 19th century.

The actual concept of Marx (as it may be found in his publications and activity) was relatively different from what is called Marxism. Marxism refers to a complex intellectual and political process founded on Marx’s concept, but changed within the communist movement. At the core of what, for over a century, means Marxism, reference is made to a theoretical and political corpus developed by the Soviet Union and disseminated politically throughout the entire
international communist movement. On the historical path of Marxism, several “Marxists” were excluded politically from the Marxist movement. The only legitimate and incontestable “Marxists” are the communist parties as concerns the Marxist analysis of their societies. The communist parties own a special position in social sciences: they are the only legitimate authors of Marxism’s development. These parties determined what Marxism is, and is not. Indeed, also some communist parties were ruled as non-Marxist and isolated politically (China, and Albania for instance). The classical texts (Marx and Engels, Stalin, acknowledged as legitimate Marxist for a time as well, and subsequently excluded. A fate shared in a milder form by Lenin also) turned into texts of reference to which were added the documents of the communist parties. In the ’70s and ’80s, any scientific paper on social issues had as compulsory references, and even opening the citations the works of Marx and Engels and the documents of the Romanian Communist Party; actually, Ceaușescu’s speeches. Gradually, Ceaușescu began to be listed in the references before Marx.

Marx’s theory already by the end of the 19th century was presented within the intellectual debates from Romania, but only by one of the thinkers taken into account. The socialist project was considered less by Romanian political parties, and only by some of the intellectuals. A certain influence of this theory is found especially for Dobrogeanu-Gherea who launched the question whether socialism is possible in an underdeveloped country (C. Dobrogeanu-Gherea, 1976).

The thirties are the decade when the right extremist parties asserted themselves, with a consistent anti-Semitic component that gained new vigour on the backdrop of discontents and frustrations stirred by the economic crisis and the failure in the rapid development of Romania. Among the promoters of the anti-Semitic trend is found Alexandru C. Cuza, who sets up the League of National-Christian Defence. The League had as main purpose limiting the influence of Jews in the economic and intellectual life by introducing the numerus clausus for this minority, fact that was accomplished (L. Boia, 2005), and by educating the young generations in the spirit of Orthodox and national values. Cuza was Corneliu Zela Codreanu’s mentor, the latter setting up by 1927 the League of the Archangel Michael, and creating its military wing three years later as well, respectively the Iron Guard, this name being the one by which the entire movement becomes known thereafter. The Iron Guard imported the model of fascist and Nazi movements with specific uniforms and display, the cult of the leader (the Captain), but also had strong national inspiration by calling upon Orthodoxy and promoting the cult of the peasant as depositary of the authentic national spirit, not perverted by the modern world based on cosmopolitanism, town, rationalism and industry.

The economy between the two world wars

Romania exited from the First World War with high hopes but also with disappointments. Some structural changes took place over these years, but they were not accompanied also by the expected economic growth.

The data show that GDP achieved the level of the year 1913 only in 1939.

Figure 1 GDP dynamics in Romania for the first half of the 20th century: impact of the two world wars – 1913 and 1947. Computed as GDP per capita, in USD PPC, values 2000
Against the GDP per capita (otherwise, we cannot compare Greater Romania 1939 with Little Romania 1913) even a slight decrease is registered: 1164 US dollars against 1253. The war was a true disaster: in 1920, the GDP per capita dropped from 761 USD, representing 60.7% from the level preceding the war in 1913. From this low level, the economic growth after the war was important: 153.3%.

<table>
<thead>
<tr>
<th>Year</th>
<th>GDPPC (USD PPP)</th>
<th>Per Cent</th>
<th>Cumulative Per Cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1913</td>
<td>1253</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>1920</td>
<td>761</td>
<td>60.7%</td>
<td>100%</td>
</tr>
<tr>
<td>1939</td>
<td>1164</td>
<td>92.9%</td>
<td>153.0%</td>
</tr>
</tbody>
</table>

Table 2 Dynamics of the economy in the period 1913-1939, GDP/per capita USD PPP, 2000

During the interwar period, Romania records some certain economic developments, but these are not spectacular as compared with other European countries. The economic gaps increased even more.

*The GDP per capita in Romania against the European average (P. Bairoch, 1976, apud B. Murgescu, p. 215):*

1913 – 63%

1938 – 51%

The GDP per capita achieved in Romania the value of **1,242 US Dollars**, whereas in Czechoslovakia, Hungary, Poland, and Greece it exceeded the threshold of **2,000 USD**. Albania was the only country with a GDP per capita inferior to the one from Romania.
<table>
<thead>
<tr>
<th>Country</th>
<th>1920</th>
<th>1932</th>
<th>1937</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>2.811</td>
<td>4.710</td>
<td>4.466</td>
</tr>
<tr>
<td>Great Britain</td>
<td>4.870</td>
<td>5.503</td>
<td>6.266</td>
</tr>
<tr>
<td>Germany</td>
<td>2.586</td>
<td>4.051</td>
<td>4.994</td>
</tr>
<tr>
<td>Greece</td>
<td>No data</td>
<td>2.342</td>
<td>2.677</td>
</tr>
<tr>
<td>Spain</td>
<td>2.044</td>
<td>2.739</td>
<td>1.790</td>
</tr>
<tr>
<td>Albania</td>
<td>No data</td>
<td>926</td>
<td>No data</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>No data</td>
<td>1.180</td>
<td>1.596</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>1.933</td>
<td>2.977</td>
<td>2.882</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>No data</td>
<td>1.364</td>
<td>1.356</td>
</tr>
<tr>
<td>Poland</td>
<td>No data</td>
<td>2.117</td>
<td>2.182</td>
</tr>
<tr>
<td>Romania</td>
<td>No data (761 in 1920)</td>
<td>1.152 (1.114)</td>
<td>1.242 (1.147)</td>
</tr>
<tr>
<td>Hungary</td>
<td>1.709</td>
<td>2.476</td>
<td>2.655</td>
</tr>
</tbody>
</table>

Source: A. Maddison, 2003, apud. B. Murgescu, 2010, p. 211. The brackets show the GDP values for Romania computed by V. Axenciuc

There are multiple explanations for Romania’s modest economic performance.

The 20 years of peace, 1919-1939, were encumbered by the absorption of the destructive effects of the war. To the recovery of the economy after the war was added also the effort of creating a functional national economy, by integrating the new provinces, which implied high costs (B. Murgescu, 2010, 224-225). Beyond the economic differences, there existed different administrative models that had to be levelled, the administrative unification being finalised by 1925. The economic crisis was an additional burden in the period 1929-1933.

The clarification of the reasons for the modest result of the Romanian economy should be sought in Romania’s economic structure, respectively the predominance of agriculture. Next to Poland, Bulgaria, and Yugoslavia, Romania was particularised by the high population share dependent on the agricultural sector: over 70% from total population was active in traditional farming. Comparatively, at European level, the developed countries recorded weights under 30% from total active population (the minimum value was recorded in Switzerland where only 6% of population was employed in agriculture), while in the neighbouring countries, like Czechoslovakia and Hungary, this indicator varied around 50%.

The war devastated more the industry. Agriculture recovered much faster than the industry, after the war, and subsequently had a modest evolution in the interwar period, as compared with other states from the Balkans, but also with the performances of the time before the war (D. H. Aldcroft, 2006, 87).
The agricultural production per inhabitant registers a decrease in the 20 years span between the two wars, and is 83.9% from the production of 1913. Industry underwent increases, but not at the expected levels, by 142%.

Table 4 Gross value added per person employed in agriculture and industry in USD, ppp 2000

<table>
<thead>
<tr>
<th>Year</th>
<th>Agriculture</th>
<th>Dynamics in agriculture</th>
<th>Industry</th>
<th>Dynamics in industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>1913</td>
<td>993</td>
<td>100%</td>
<td>7013</td>
<td>100%</td>
</tr>
<tr>
<td>1938</td>
<td>833</td>
<td>83.9%</td>
<td>10118</td>
<td>142%</td>
</tr>
</tbody>
</table>


The economic changes of the period did not alter the social structure of occupations. As compared with 1913, Romania became slightly more agrarian. After the war, the industrialisation process increased throughout the period, but modestly, by 58.8%. Employment in agriculture increased as well, but still less, by 23.7%.

Table 5 Employment in agriculture and industry in the period between the two World Wars, thousand persons

<table>
<thead>
<tr>
<th>Year</th>
<th>Employment in agriculture</th>
<th>Dynamics of employment in agriculture</th>
<th>Employment in industry</th>
<th>Dynamics of employment in industry</th>
<th>% employment in industry against employment in agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>1913</td>
<td>3 250</td>
<td>165</td>
<td>5,1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1922</td>
<td>7295</td>
<td>100%</td>
<td>233</td>
<td>100%</td>
<td>3,2</td>
</tr>
<tr>
<td>1929</td>
<td>8061</td>
<td>110,5</td>
<td>291</td>
<td>124,9</td>
<td>3,6</td>
</tr>
<tr>
<td>1938</td>
<td>9026</td>
<td>123,7%</td>
<td>370</td>
<td>158,8%</td>
<td>4,1</td>
</tr>
</tbody>
</table>


One conclusion might be drawn: throughout the period, contradictory trends emerged; the population increased, the employment in industry increased faster, but it grew, somewhat slower, also in agriculture. The phenomenon of overemployment in agriculture became more marked. This increase was to the detriment of productivity. The crisis in agriculture led to the accentuated impoverishment of the peasantry.
The 1929–1933 crisis had an important impact on the economy: inflation outbreak, unemployment, pauperisation along with indebtedness in the rural area.

The economic crisis affected especially the industry. Almost 500 hundred industrial entities went bankrupt, translated into 55,000 unemployed workers, while industrial production dropped by about 28.4 billion Lei. The prices’ drop for agricultural products has as direct consequence the diminishment of state incomes, and of the budgetary expenditures. Romania enters into the trap of chronic budgetary deficits, while the payment of the foreign debt continued growing, especially because of the loans contracted in the years 1929-1930.

The budgetary situation of Romania was difficult because of failing to collect taxes, the repercussions being that budgetary personnel went unpaid. By the beginning of the year 1933, violent strikes occurred, especially among the railway staff. The governments of the crisis’ period resorted to diminishing wages for state employees by three curves of sacrifice, in order to meet first emergency expenditures.

As opposed to western countries, Romania could not adopt harsh protectionist policies because the country depended on the imports of finished goods and did not intend to trigger hostility from the western capital providers, in particular over the period of the crisis. Nevertheless, high amounts of capital were withdrawn from our country.

The experience of the crisis determined ideological mutations; for instance, V. Madgearu already had criticised the forced liberal industrialisation policy, as he considered that it would generate an artificial and inefficient industry. After the crisis, he became an energetic promoter of the idea of creating a national industry apt to ensure the economic and political independence of the country. In addition, the liberals supported massively the development of heavy industry during their governments in the thirties.

In the year 1938, Romania achieved the maximum peak of its economic and social development for the interwar period, turning into a country where industry recorded first significant developments, though the essential branch continued to be agriculture. Nonetheless, the profits of existing industries did not evolve much over the interwar period, the highest value of production resulting from the light and food industry (52%), followed by heavy industry (37%), and the extractive industry (11%) (V. Axenciuc, 1999, 282).

The majority of interwar enterprises had a single employee who was also the owner; even in the industrial field, half of these enterprises had only one employee, which means that they were nothing else but small workshops.

Many employees were seasonal workers, “peasant-workers” with double occupational positions (farmer and factory worker). Unemployment emerged, and it varied throughout the period between 100,000 and 200,000 persons (M. Larionescu, F. Tănăsescu, 1989, 347–348).

In the industrial field, neither Central- nor East European countries had much more significant developments (A. Teichova, 1981, 178–179). Although they represented a quarter of Europe’s
Population, one third of the continent’s territory, they produced only 7-8% from the total industrial production of the continent, while the great industrial powers (Great Britain, France, Germany) achieved 67%. Paradoxically, the growth rates in the industrial field from the Eastern part of the continent were much higher than the European average: against an average by 1.4–1.6% at European level, Romania recorded a growth by 4.5%. However, the persistent issue is that this industrial growth was not fast enough for absorbing the surplus population from agriculture. Because of the rural population’s poverty, not enough industrial goods were consumed for building up a stimulating domestic market.

The concentration of capital determined the strengthening of the grand bourgeoisie, in particular of the “financial oligarchy”, including important owners and shareholders of enterprises with over 100 employees. In order to approximate their numbers it is enough to mention that 57% of total limited companies from industry were held by 3% of the shareholders by 1937, which meant a special concentration of capital (K. Hitchins, 1994, 385).

Another important aspect is the one regarding the componence of the management boards of large industrial or banking enterprises, because persons entering into their componence either had a significant number of shares, or had strong political influence. Considering that there were 4,733 limited companies numbering seven members in the management board, some authors concluded that this category counted 45,931 persons (M. Larionescu, F. Tănăsescu, 1989, 332).

In the 20 interwar years, an effective economic growth was achieved for the majority of the continents’ nations, as was the case also for Romania, but only for one decade, and it was considerably lower than in the same interval preceding the First World War. The strong growth expected for the Romanian economy was not achieved. The economy had to face Romania’s reconstruction after the war, the expansion of the administration to the entire territory, and the impact of the crisis from the years 1929-1933, and subsequently the expenditures of preparing for the next war. If significant economic growth is not recorded, as compared with 1913, nevertheless important structural changes are registered in modernising the country: the agrarian reform, and the change in the ownership structure of the rural, industrial growth, and a change in the share of the main economic sectors. The weight of the agricultural sector in GDP is in 1938-1939 of 45.2%, against 62.0%, in 1920-1921, and the industrial sector, together with trade, transports, and communications, increased in the same period from 21.7% to 26.3% (V. Axenciuc, 2000, 280).

An obvious conclusion drawn from presented data is the predominant agrarian character, the majority of the population being employed in agriculture. Soil exploitation represents a significant share also for the urban population (19.9%), which says a lot about the profile of Romanian towns, especially in the case of the small ones.

Romania’s profile improved over these 20 years, but it shows also the worsening of one structural issue: the employment growth in industry did not absorb significantly the employment in agriculture. The overpopulation of the rural grew more marked.
Agriculture: the agrarian reform as national priority

Around the first war, the social state of the peasantry became explosive. Peasants’ entitlement was increasingly stringent. The warnings were sent by the peasants’ revolts from 1888 and 1907.

The Agrarian Reform of 1864 had entitled large part of the peasantry, but not all of them. The peasants were freed, but owners of insufficient land plots. By the mid-19th century, the demographic increase worsened the situation of the peasants: peasant properties reduced inevitably their size. Maintaining a strong land aristocracy (the boyars) that owned the majority of land, had created a new form of social dependency, called neo-serfdom.

The war generated a different solution. The motivation of the peasant-soldiers could not be achieved unless committing to a new agrarian reform. The peasants wanted lands. The bravery of the peasant soldiers had to be motivated and rewarded by promising entitlements.

Already during the war, the agrarian reform became a national priority. The economic issue of agriculture and its low efficiency was not pressing, but the social question of the peasantry, respectively a huge mass of peasants with insufficient lands, or even lacking any land was indeed.

The agrarian reform was initiated immediately at the end of the war, and finalised in 1922. Expropriations were realised for about 6 million ha of land from the grand landowners, from the Lands of the Crown, of the Royal House, and of the Church (C. Hamangiu, 1913–1921; 1938); a high number of peasants were entitled, about 1.4 millions.

The agrarian reform initiated in 1918 had a very important structural impact: lowering the numbers of grand landowners up to their extinction. The principle of expropriation with due just compensation beyond the legal rationale had nevertheless a negative effect on the peasantry, as it was burdened again in debts for the entire subsequent period (L. Pătrășcanu, 1978). However, it did not solve, actually, the peasants’ issue that consisted in the excessive fragmenting of the land.

In the almost 16 years between the two world wars (1922 – 1938), the employed population in industry increased by 58.8%. However, the population employed in agriculture increased as well by 23.7%, farming lands remaining the same. These data illustrate the growth process of the overpopulation in agriculture, reabsorbed too little by the industry. Overpopulation in agriculture worsened the situation of the peasantry. The labour force surplus from agriculture generated the process of cheaper agricultural labour, a fact that made investments in new farming technologies less attractive. Romanian agriculture was maintained at the level of traditional techniques that had low efficiency.

The development level of agricultural production was inferior by far to the one in the agricultures of economically advanced countries. The agrarian reform did not succeed in generating the modernisation of agriculture, the reasons being mainly the fragmentation of farming lands, and the overpopulation from the rural areas, to which was added the indebtedness of peasants’ households. In order to cover the costs of the land, many peasants made loans and, at the outbreak of the 1929 crisis, bankruptcy hit numerous peasant households. This social state is responsible for the archaic techniques
of farming, for the low numbers of specialised personnel, and for the very low use of modern fertilizers and tools.

The low yields in agriculture were caused also by the use of the labour force at a share of about 50% from its actual capacity. We do not deal with the laziness of the Romanian peasant, as often said, but with a village population much more numerous in relation to the required labour force in the agricultural sector of that time (V. Madgearu, 1940, 48–49).

**Density of agricultural population: population involved actively in agriculture, and their dependants, per km² (V. Madgearu, 1940)**

- Romania: 112
- Yugoslavia: 157,4
- Bulgaria: 119
- Hungary: 80,6
- Denmark: 36,6

V. Madgearu (1940, 27–28) considered that the density of the agricultural population is the “most meaningful indicator for understanding the social and economic structure of a country”. In the case of the ratio with the farming plots, the density of the agricultural population increased to 116.3 inhabitants/km² in 1938. In this respect, Romania ranked on the third position in Europe. V. Madgearu concluded that Romania was faced with a “state of relative agricultural overpopulation (…) that cannot be suppressed but by emigration or industrialisation”. S. Țără (2011, 104) describes the agricultural overpopulation as a significant population surplus Romania was faced with in the interwar period. This was especially true in the rural area “triggering a series of negative consequences at economic, social, and political level: the extensive character of agriculture, plots’ fragmentation, poor crops, inefficient use of rural population’s working time, poverty, and a low educational level, etc.”

**The modernisation process: industrial development**

The time between the two world wars is placed only as the beginning of the modernisation process: overcoming the state of agrarian country and the change into an agrarian-industrial country. The country’s fundamental economic and social structure had not changed too much.

The structure on occupations of the active population placed Romania among the category of poorly industrialised agrarian countries, in 1930: 78.2% from the active population of the country was in agriculture, and the other occupational forms, including employees from public institutions, in a share of 4.6% (D. Georgescu, 1937, 71).

<table>
<thead>
<tr>
<th>Total active population</th>
<th>Farming</th>
<th>Industry</th>
<th>Trade-credit</th>
<th>Transport</th>
<th>Public inst.</th>
<th>Health Sports Leisure</th>
<th>Other cat.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thou</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The analysis of the precise situation of the workers and their numbers is rather difficult, the data being few and contradictory. Thus, the Population Census from 1930 indicated, in the chapter regarding the employees, a number of 1,022,700 persons, to whom were added 94,900 apprentices. Yet, from among these, 589,400 were in the urban area, and 433,300 persons in the rural area. An important part of the latter could not be categorised at the level of working class.

By the end of the period, in 1938, the employment in industry from total employment in industry/agriculture of 4.1% showed a modest increase against 3.2% in 1922 but, in relation to the level of 5.1% in 1913, the imbalance occurred during the assimilation of new territories was not annulled by industrialisation.

Romania, just like other countries in the area, because of the lacking of well-developed autochthonous capital, depended too much on contracting foreign loans and foreign investments. Romania’s situation was aggravated also by the fact that the gold reserves of the state were lost as result of the Russian Revolution. The demand to return the thesaurus handed over in custody during the war was rejected by Russia, and this had consequences on stabilising the Leu almost up to the end of the third decade.

The Romanian production seems to have been dependent especially on the demands of export, and much less on the demand of the domestic market. Their exports were dependent on one or two products: cereals, oil, and wood products that covered 77% of all exported goods (D. H. Aldcroft, 2006, 13). The limitation in the products that were exported determined the deficit of the trade balance, especially because imports consisted mainly out of manufactured or semi-manufactured goods, with high value added.

Industry increased over this period, but certainly not enough. It contributed to GDP with 16%, while the European average was of 33%.

Notable success was recorded only in the oil industry field, as our country was ranked on the forth position in the world, after the United States, USSR, and Venezuela. The refining capacity increased, and the majority of the production went to export; almost one third of the state’s incomes originated in taxes related to the oil industry (B. Murgescu, 2010, 243–244).

As result of the industrialisation policy in Romania, eight important industrial areas emerged (V. Madgearu, 1940), some having their origins in previous historical periods, others attempting to fructify the new advantages of the Romanian State after unification. A first area included the region Valea Prahovei with industrial centres like Ploieşti, Câmpina, Teleajen, Brazi, Moreni, Comarnic, Buşteni, Azuga, Sinaia where a strong oil industry existed, along with quarries, and wood processing factories. A second area included Reşiţa, a region rich in iron

<table>
<thead>
<tr>
<th></th>
<th>10,542,9</th>
<th>100</th>
<th>78,2</th>
<th>7,2</th>
<th>3,2</th>
<th>1,7</th>
<th>4,6</th>
<th>1</th>
<th>4,1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>1,823,9</td>
<td>100</td>
<td>19,9</td>
<td>23,4</td>
<td>12,3</td>
<td>6,5</td>
<td>18</td>
<td>4,3</td>
<td>15,6</td>
</tr>
<tr>
<td>Rural</td>
<td>8,719</td>
<td>100</td>
<td>90,4</td>
<td>3,8</td>
<td>1,3</td>
<td>0,7</td>
<td>1,8</td>
<td>0,3</td>
<td>1,7</td>
</tr>
</tbody>
</table>

resources, coal, and manganese, and where a strong metal industry was present since the times of Austrian ruling. Next, the region Turda (Câmpia Turzii, Târnăveni, Târgu-Mureş, Mediaş, Sighişoara, Zlatna) with important reserves of gold, silver, methane, salt, and stimulating the development of chemical processing industries (lime, cement, porcelain, glass factories, etc.). The area Firtzi de Jos and Baia Mare with gold, silver, copper, lead, zinc ores, the extractive industry determining also the development of the chemical and metallurgic industry. The area Ferdinand and Nadrag showing a developed extractive and metallurgic industry, and with centres in Telciuc and Călan. The region Hunedoara, displaying strong metallurgic industry; the area Cisnădie with strong textile industry, expanding to Sibiu and Tâlmaciu. The last area comprised the region Piatra-Neamţ, Băluşi and Bacău, where the processing industry developed for wood and textiles.

Important industrial concentrations emerge in Bucharest (‘Griviţa Workshops’ numbered about 5,000 employees, “Romanian Mill” about 1,300 employees at the level of the year 1938), Resita (5,500 workers at the level of the year 1926), Valea Mureşului (16,000 carpenters) or the Danube havens, gathering 22,500 workers, in 1939. To all of these may be added “Astra” Arad (1,950, in 1937), “Dermata” Cluj (over 2,000 workers, in 1935), and “Wool Industry” Timișoara (1,600, in 1924).

The process of modernisation: urbanisation and housing

In the years 1920-1930, the urban environment expanded in Romania as well, by promoting industry (1886-1938), developing urban transportation (vehicles and tramways), communications, electrification, and installing in certain areas of the town tap water, which at the time was available for 8 to 10% of the country’s population (V. Axenciuc, 1999, 295). At the same time, this phenomenon occurred also due to migration into towns of part of the village population seeking, work in the new industries, or as servants, small traders, etc. The urban environment created, thus, the premises for diversifying lifestyles.

In the year 1930, the weight of urban population increased to 20.1%, as compared with 17.8% in 1910-1912, respectively from 2.887 thousand inhabitants to 3.651 thousand inhabitants. There were a few large towns of the industrial-commercial type, and the rest were small towns of the agrarian-trade type. The population of the capital increased rapidly from 639 thousand inhabitants, in 1930 to 993 thousand inhabitants, in 1941 (A. Golopenţia, 2002, 379).

The census from 1930 provided the image of an urbanisation process still in its incipient stages (The Encyclopaedia of Romania, 1938, 154):

<table>
<thead>
<tr>
<th>Population Type</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>18,053</td>
<td>100.0</td>
</tr>
<tr>
<td>Urban population</td>
<td>3,632</td>
<td>20.1%</td>
</tr>
<tr>
<td>Rural population</td>
<td>14,421</td>
<td>79.9%</td>
</tr>
</tbody>
</table>

V. Axenciuc (1996, 17) provides yet another perspective. The higher natural increase in the rural area than in the urban one generated a slight growth in the share of rural population. According to these
calculations, the weight of rural population increases between 1920 and 1939 by four percentage points, from 77.8% to 81.8%. Despite achieved advances, the economic growth of the interwar period was insufficient for triggering a wide urbanisation process, able to change the ratio urban–rural in the population structure.

The modern urbanisation process was at its beginnings. According to the data from a sanitary survey from 1938, quoted by I. Scurtu (2001, 30), out of 176 towns, 74 lacked tap water distribution networks, and in 123 there was no sewerage. However, almost one fifth of the active population employed in agriculture resided in the urban area (D. Georgescu, 1938, 50). In 1938, the number of households with electric power subscriptions was of almost 436,000, the equivalent of only 10.5% from total households (Central Institute of Statistics, 1940, 500, 506). In towns, households connected to energy supply grew to 45% from total households in the urban area. In houses, electricity was used almost exclusively for lighting because of the low purchasing power of the population (V. Axenciuc, 1999, 380).

The housing conditions were improper in the rural area: unpaved streets, and only certain areas from Romania (Banat and Transylvania) had the main street paved with stone; public illumination lacked in the vast majority of the Romanian villages, and the public hygiene conditions, and sanitation services were completely absent.

Houses and the quality of housing represented an issue throughout the interwar period. The housing statistics realised by the Ministry of Labour in 1929 indicated that from 3.08 million houses in the rural area, 29% had wood floors, the rest of the flooring being from mud glued with manure. Regarding roofs, about 13% were made from straw, 15% were thatched, 29% out of shingle, 25% from tin, and 19% out of tiles (I. Scurtu, 2003, 159).

The housing crisis was present in the urban area. One of the first effects was the overcrowding of existing houses. The number of inhabitants per building was of 6.5 in the urban area against 4.5 in the rural area, with a peak of about 10 inhabitants per building in Bucharest. A second effect was the high price of houses and rents. In the period 1918-1938, in Bucharest, a city with 631,000 inhabitants, and 158,000 households on the census from 1930 (S. Manuilă and D. C. Georgescu, 1938, 138) were built from own funds of the population or by loan only 16,400 houses, respectively 10.4% from the total houses, the rest being older houses or improvisations (I. Scurtu, 2003, 163). In the interwar urban area were periphery districts – the so-called ‘mahala’ (slums) – as a rule consisting of improvised house constructions, with unpaved streets, without sewerage and water from public fountains. V. Manuilă (1939) left a vivid description of the more than precarious conditions of hygiene and living that predisposed to infections and illnesses in the Tei district from Bucharest, at the time, at the periphery of the capital.

The living conditions in Bucharest by the end of the interwar period are synthesised in the results of the 1941 census. Almost one million individuals (Central Institute of Statistics, 1943, 360) lived in 105,000 house constructions, comprising 266,000 flats. From the total house constructions, 24.2% were
out of timber, and the rest out of brick. From total flats, 21.1% used fountain water, the rest tap water; 53.4% used outdoors WC, without water, and the rest disposed of sewerage; 54% had electricity subscriptions; 89% used wood for heating, and the rest had radiator based heating installations; kitchens used wood as fuel. Finally, 28% of the houses had radios (V. Axenciuc, 1999, 378–379).

Urbanisation was not accompanied by an increase at the same rate of the urban infrastructure: transportation and communication networks, utilities, health care, educational and cultural services. The infrastructure deficit created complex social issues: from 175 towns in Romania in the year 1940, 104 had no tap water, 121 lacked sewerage, and 21 had no electricity plants, hence issues with street illumination and ensuring the necessities of the population. The rapid growth in population triggered also a housing crisis, the constructions being built chaotically, without a general urban vision.

**People’s lives between the two world wars**

*Peasants’ life*

For the peasantry, land entitlements represented the most important source for living. The way the peasants lived depended on how much land they had.

After the First World War, the life of the peasants changed, firstly due to the agrarian reform, and much less to industrialisation.

The agrarian reform increased the independence of the peasant, but did not provide for enough lands and, additionally, indebted many of them for the entire period.

The high numbers of descendants determines the continued crumbling of land surfaces gained as result of the agrarian reform, which meant increased problems in the peasants’ households from one generation to the other. Madgearu (1940) considered that the growth rate of the country’s population would continue to remain high also for the subsequent thirty years, and this would have meant considerable marked issues for the Romanian rural environment. Even in the conditions of even more accelerated industrial development, the industry could not take over easily the huge surplus of rural population, estimated by Manoilescu at 4 to 5 million people.

**Figure 2 Number of families (thousands) depending on land ownership, 1930**
The new distribution of land resulting from the new reform was as presented hereunder. For comparison reasons, we selected Bulgaria, a country at the same stage with Romania, and France, a country with a model European agriculture and at a higher level of stability for that time.

Table 7 Size, number, and weight of farming exploitations, after the reform of the year 1919. Comparison with Bulgaria and France

<table>
<thead>
<tr>
<th>Properties</th>
<th>Romania (1930) Households</th>
<th>Plot</th>
<th>Bulgaria (1934)</th>
<th>Plot</th>
<th>France (1929)</th>
<th>Plot</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 1 ha</td>
<td>18.6%</td>
<td>1.6%</td>
<td>13.5</td>
<td>1.3</td>
<td>25.6</td>
<td>1.6</td>
</tr>
<tr>
<td>1–5 ha</td>
<td>56.6</td>
<td>26.4</td>
<td>48.9</td>
<td>28.7</td>
<td>28.9</td>
<td>8.2</td>
</tr>
<tr>
<td>Between 5–10 ha</td>
<td>16.9%</td>
<td>20.0%</td>
<td>26.2%</td>
<td>36.8</td>
<td>18.1%</td>
<td>12.5%</td>
</tr>
<tr>
<td>10–50 ha</td>
<td>7.2%</td>
<td>19.8%</td>
<td>10.6%</td>
<td>31.5</td>
<td>24.6%</td>
<td>48.6%</td>
</tr>
<tr>
<td>Over 50 ha</td>
<td>0.8%</td>
<td>32.2%</td>
<td>0.1%</td>
<td>1.7%</td>
<td>2.9%</td>
<td>29.2%</td>
</tr>
</tbody>
</table>

In synthesis, the situation by 1919 was the following:

<table>
<thead>
<tr>
<th></th>
<th>Romania</th>
<th>Bulgaria</th>
<th>France</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor peasants, under 5 ha</td>
<td>75.2%</td>
<td>60.4%</td>
<td>54.5%</td>
</tr>
<tr>
<td>Middle peasants, 5–10 ha</td>
<td>16.9%</td>
<td>26.2%</td>
<td>18.1%</td>
</tr>
<tr>
<td>Wealthy peasants, 10–50 ha</td>
<td>7.2%</td>
<td>10.6%</td>
<td>24.6%</td>
</tr>
</tbody>
</table>

7 In this category entered farm workers, actually peasants without lands or very few persons from other categories that also had a small garden, hence could not be counted as peasants. Probably, they represented a much higher share than in the case of France.
Three quarters of the peasants were poor, a significantly higher share than in Bulgaria and France. Middle peasants (16.9% of the families) had an unstable situation. Some could accumulate land and farming capital, with the chance of becoming wealthy. However, most could become poorer because of the fluctuating conditions. Nevertheless, regarding this category, Romanian peasants were fewer than in the other two countries. The segment of wealthy peasants, with productive households from the economic viewpoint, and in development, were less represented in Romania than in Bulgaria, and at a far distance from France.

The grand landowners have special circumstances:

<table>
<thead>
<tr>
<th></th>
<th>Households</th>
<th>Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romania</td>
<td>0.8%</td>
<td>32.2%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>0.1%</td>
<td>1.7%</td>
</tr>
<tr>
<td>France</td>
<td>2.9%</td>
<td>29.9%</td>
</tr>
</tbody>
</table>

Feudalism melted fundamentally, but still did not vanish between the two World Wars. By owning one third of the agricultural lands, the grand boyars still played a role on the Romanian social stage. The grand landowners from Romania (0.8%) from agricultural households are four times wealthier (they held 32.2% of the lands) than the grand landowners from France (2.9% of the households, held only 29.9% of the lands), and those from Bulgaria (0.1% households held just 1.7% of the land). In Romania, the grand boyars are fewer than before, but hold large land properties of hundreds of hectares. The grand French landowners are more, but they do not have grand properties, most owning plots between 50 and 100 ha. The Romanian boyars did not turn into managers and investors of the modern agricultural systems, but remained exploiters of the traditional peasant farming. This is why they required large estates.

The old social relationship of neo-serfdom dependency did not vanish completely, but its importance diminished, as the peasants became more independent and holding more land. The feudal dependency of the peasants was replaced by another type of diffuse dependency, because of the insufficient land plots obtained by peasants, and to lacking capital resources.

These data support the estimate that in Romania, both against Bulgaria, and especially against France, the feudal segment survived to a significant extent. In France dominant by far are farms between 50 and 100 ha, and not the large agricultural properties. In Romania, the very large agricultural properties of over 500 ha represented 0.1% of the households, against 0.04% in France, and the former had in their ownership 17.1% of the farming land, against France where this share was of only 3.2%.

The second agrarian reform from 1921 entitled very many peasants, thus improving the condition of poor peasantry, but failed to increase the numbers of middle- and wealthy peasantry:
“The agrarian reform of 1921, by entitling peasants reduced substantially the grand land estate. The majority of the lands being after the reform in the ownership of the peasants, so that the distribution of these forms of wealth no longer display the deep discrepancies preceding the war.” (V. Axenciuc, 2000, 283–284).

Depending on the size of the land property, three large socio-economic categories of peasant households might be distinguished with distinct ways of life.

**Landless farm workers.** From among these numbering in total 495,000, farm day workers were 36,000, forestry workers 128,000, and 54,000 servants. These persons lived certainly in a state of **poverty at survival level.**

**Peasant households with less than 5 ha farming land.** In this category was the majority mass of peasantry, respectively 75.2%, that is 2.5 million households. The analyses of the experts proved that the produce of the households under five ha did not cover the necessary incomes for minimum subsistence. These households were faced with “difficult survival issues (…) at the limit of biological life, the majority faced with permanent shortcomings (…) without any actual perspective of change” (V. Axenciuc, 1999, 384). This property could not ensure the minimum decent income for living, being faced with various degrees of poverty. The poorest peasants, those with lands up to 3 ha emigrated periodically for working in the regions or towns where they could find jobs, leaving the land in the care of the other members of the family.

A clear image of the living standard of the peasantry for the period is provided by village monographs realised by the Sociological School of Bucharest led by Dimitrie Gusti. The conclusion of these researches was the predominant food characteristic of the poverty. According to D. Gusti (D. Gusti, 1968, 490), “food (…) is vicious because of excessive corn consumption, low consumption of meat, and fresh produce (only 48% of the households had milk cows), and because of the lacking skill in preparing food and very low food hygiene”. Significant in this respect is the food offered for a week in the summer of the year 1938 to a member of the Spulber family in Nereju (Vrancea country), and which he insisted on relating about in his conference about the issue of sociology. For illustration, we mention only one day of the week, respectively Wednesday: “breakfast: polenta with pickled cucumbers; at lunch: nothing; afternoon snack: cold polenta with five apples; in the evening: polenta with pickled cucumbers” (D. Gusti, 1968, 451).

Based on the monographic data gathered in 1938, from 60 villages, A. Golopenția and D. Georgescu (1941) show that peasant households were dependent on the work incomes from outside the household. The reason were the insufficient plots of land in property in relation to needs, so many hired themselves as carpenter, bricklayer, cartage, day worker on the land plots of others, leasing lands or share cropping of agricultural lands.

The peasants from Muntenia, and from Bessarabia, just like those from Maramureș or Bihor were compelled to leave periodically their villages for employment in the closest urban centres, or in other localities, for poorly paid hard work in industry or agriculture, as day labourers, or forestry workers in various public works. Even fewer of them obtained somewhat easier and better-paid jobs in the towns
of the Old Kingdom, as servants, workers in factories, or janitors. Their number was not particularly high, about 3.5% from total rural population living from non-agricultural occupations. The population supported from non-agricultural occupations represented 9.4% from total active rural population. The respective workers, however, did not earn much more than those working their own plots of land, even though there were some trades, for instance, pottery, that were known for the impossibility of ensuring satisfactory the existence of those who practiced them.

**Households with 5–10 ha:** these numbered 455,900, respectively 16.9% from total. These household could provide for a minimum decent living, but could not accumulate capital that would provide for the development of the household, investments, and ensuring protection against climate or social disturbances. Hence, these had a higher degree of vulnerability.

Hence, it results that for covering basic needs, peasant households’ with less land than 10 ha resorted to parsimonious food, or poor clothing, or make loans, or consume from the substance of the household selling either cattle or land. The studies show that the level of consumption achieved by the respective household is far from satisfying: food represents 6/7 from households’ expenditures that had less than 3 ha, ¾ for households with 3 to 5 ha, and slightly below 2/3 for households with 5 to 10 ha (A. Golopenţia, D. Georgescu, 1941).

**The wealthy peasants’ class, with 10–50 ha:** these were about 139,800, but represented just 7.2% from total households. These households had a reasonable prosperity level and chances of economic growth.

Thus, the Romanian peasants remained preponderantly poor even after the Agrarian Reform from 1919-1921. Though the majority of entitled peasants improved their circumstances, the peasantry as social class had permanently a common issue: the extremely difficult life. They had land plots below the necessary, were always under the threat of pedoclimate factors, lacking capital and, additionally, having to pay for the gained land, and most of them forced to take loans from boyars or from banks.

The state of the Romanian peasantry depended not only on the available farming land, which was of **3.9 ha** in the years 1930-1935, but also on the working means for the respective land, mainly domestic cattle. The technology of Romanian agriculture was placed still at archaic levels, the main working means being the horse and the ox. The cow and the sheep were the main source of meat food. The destructions generated by the war were hard to recover because of the peasants’ poverty.

In 1935, the number of horses and ox for 100 ha (A. Golopenţia, 2002, 406):

- **Romania:** 35
- **The Netherlands:** 109
- **Denmark:** 93
- **Belgium:** 88
- **Germany:** 71
- **France:** 45
In 1935, modern means were still exception; a small number of tractors is recorded, respectively 4.7 thousands, and nine thousand steam machines for replacing working cattle. In the Romanian agriculture no soil improvements were performed, and the investments were very low, actually reduced to purchasing tools and some agricultural machinery.

Madgearu concluded that “the structure of peasants’ exploitations (...) due to the predominance of small ones, with insufficient expansion for ensuring the maintenance of one family makes even more severe the phenomenon of farming overpopulation (V. Madgearu, 1940, 30-32). Both Madgearu and Garoflid talk about the breakup of properties. “The small property heads towards breakup, and next to this fragmentation is added the dispersion of plots in several places (C. Garoflid, 1938, 585). Madgearu classifies Romania in the category of “peasant states, characterised by the predominance of the small farm exploitation type.” (V. Madgearu, 1940, 31).

Mihail Manolescu provided a graphic image of the social consequences due to the high density of the agricultural population and to the fragmentation of agricultural properties: “To aim at creating a happy peasantry (...) means wanting the impossible. To make out of the parcelled property and from the extensive peasant work a social ideal means to desire for our peasant not the situation of the French or German one, but the legendary misery situation of the Chinese peasant…”.

Peasants’ farming households were far from economic profitability. The gross income of peasants’ farming exploitations originated as follows: 35.2% from cereals, industrial plants and food plants, 22.2% were from raising livestock, and 41.5% from other side incomes, such as paid work, cartage, crafts’ and trading activities in 1935. When also the attempts to increase incomes by auxiliary activities failed (this happened more frequently in Moldova and Bessarabia, but also in many villages from Muntenia and Oltenia), the peasants resorted to drastic cuts in food consumption and clothing (A. Golopenţia, 2002, 321).

Based on the researches performed by the sociologist Anton Golopenţia and his team in 1940 (60 villages researched by the royal student teams), it results that because of the extreme poverty peasants were forced to earn also “some non-agricultural side incomes”. However, even so, the living possibilities were so low that “they barely covered the most imperative needs”, respectively food and clothing. In households owning exploitation of less than 10 ha, only food expenditures exceeded the agricultural income. As result, obtaining some additional incomes was not an issue concerning the increase of welfare, but of survival.

However, the necessary total expenditures per person could not be ensured, not even by households with 3 to 5 ha of land, or those with 5 to 10 ha (A. Galopenţia, 2002, 317).

Another indicator of poverty is the number of children forced to work for increasing the incomes of their families. In September 1940, from among the 190.000 workers employed permanently to work in agricultural exploitations, 54.1% were men, 35.7% were women, and 10.2% were children. At country
level, the family members from each third family of peasants are compelled to work as day labourers or permanent employees for other individuals for money or products. Their majority found work in their own village, but some left for other more distant locations.

The increase of agricultural production by agriculture intensification was hindered also by lacking outlet markets that was triggered especially by lacking roads and means for motorised transportation of the products on more distant markets. This had as effect that the peasant sold his produce in his immediate proximity, where produce saturation occurred, as he was not able to transport the produce where they were needed. The lacking infrastructure caused the fragility of the Romanian market, as there was inexistent uniform demand and supply at country level The social situation of the Romanian peasantry becomes clearer if related to the one in other more developed European countries: yearly incomes of an inhabitant from the Romanian rural area were in average around 8.000 Lei, while in France, a peasant earned the equivalent of 60.000 Lei, and in England of 80.000 Lei (I. Scurtu, 2001).

Urban life

The development of towns was characterised by an increasingly marked social and architectural polarisation.

Petty and middle, respectively commercial bourgeoisie, along with the financial and industrial bourgeoisie in particular after 1934, represented a new social class, more active at social, economic and political level.

M. Manoilescu (1942) provides the clearest image of the size and composition of interwar bourgeoisie. The Romanian bourgeoisie included grand industrialists (about 3.000), grand merchants (2.000). To these were added bankers (1.500), and grand farmers (10.000), a category comprising the grand landowners with estates of at least 100 ha, and who, to their vast majority, were the former boyar landowners. The latter were included among the bourgeoisie as outcome of the agrarian reform (grand farmers were 0.4% from total landowners, but controlled almost 15% from cultivated land; private diploma engineers (1.500); private economists (1.500); rentiers (inactive individuals) from the above mentioned categories (1.500). It results a bourgeoisie total of 22.500 persons, representing 0.1% from total Romanian population by the end of the interwar period that means a total of 0.4% from the entire population, if we count also the members of their family (the typical family numbered four members in the interwar period. About 44% from the total bourgeoisie is represented by the former boyar landowners.

M. Manoilescu adds to the bourgeoisie furthermore the category of “pseudo-bourgeoisie”, respectively individuals with non-manual occupations and higher education, public clerks (diploma engineers, economists, high public officials), university professors and upper-secondary teachers, advocates, physicians, magistrates, army officers, journalists, writers, artists, pensioners and rentiers building up this category. By rounding up, Manoilescu totals 125.000 persons as pseudo-bourgeoisie.
Including their families, it results that less than 3% of total population and about one fifth from the urban population were counted as such. Constantin Schifirneţ, in the introductory study of the 1992 edition of M. Manolescu’s book, frames the category “pseudo-bourgeoisie” coined by Manolescu into the nowadays language of social stratification as the middle-class “neither bourgeoisie, nor proletariat, nor peasants”, where persons with medium- and high-skills are included from the urban area.

From the area of non-manual occupations, the office clerks represented one important segment but a heterogeneous one. Based on the data from the respective epoch, Measnicov (1938, 23) estimates about 255,000 total persons included here. In this segment, we find both Manolescu’s pseudo-bourgeoisie and the large mass of public clerks working in administration, but also the teaching staff (65,800 persons), the clergy (21,300), the army officers and non-commissioned officers (43,400), police, and public officers of the Ministry of Interior (21,100), technical and auxiliary staff, etc., and public officers of the public local administration (45,000).

The particularity of interwar Romania is also the fact that a significant minority of the bourgeoisie and of the middle-classes (pseudo-bourgeoisie) pertains to the ethnic minorities. Manolescu (M. Manolescu, 1942/2002, 122-125) estimated that large part of the bourgeoisie and pseudo-bourgeoisie categories were foreigners. For instance, his estimates and data for bankers and physicians indicate a weight of one-third foreigners. The high weight of foreigners varied territorially and depending on the concentration of foreign capital (M. Manolescu, 1942/2002, 122–125). Larionescu and Tănăsescu show that by 1935, over 60% of the boards of directors in the extractive industry were not Romanian nationals, and in 21 urban localities from Transylvania and Banat the weight of Hungarian, German, and Jewish industrialists reached almost 90%. This fact, together with the weaknesses of the economy and the precarious situation of the population’s incomes were at the basis of the social tensions during the interwar periods displayed at the political level by the support for the extreme right in the years 1930 (M. Larionescu and F. Tănăsescu, 1989, 337).

Spectacular increases are recorded regarding residential districts, where superb houses could be seen of the economic and political elite. The lifestyles of the rich and poor were completely different, especially at the level of the capital and large towns. The Romanian higher classes begin to consume ostentatiously, after the model described by T. Veblen (2009), by using expensive luxury cars with which they take rides at Șosea (Downtown road, approximately) or travel to their holiday houses in the mountains or at Balcic. The wish to stand out is illustrated in their appreciation of the car that reminds about the hierarchy ensured before by the possession of carriages. Large international car companies were present in Romania, and their representative firms occupied visible places on Calea Victoriei in Bucharest. The Romanian bourgeoisie, as any other young bourgeoisie, for instance the American one, underwent in the interwar period a time of accumulation that presupposed flaunting wealth. However, there was also a class of individuals who were rich and the successors of well-known boyar families and old money, who were closed to the entry of the new rich.
Despite the great appreciation for cars by the higher classes, the road infrastructure was lacking, the memoirs from the epoch being filled with overt discontent about this. Many of those travelling to western countries transported their cars with the train up to Budapest (memoirs of Grigore Gafencu, or Armand Călinescu). The rich lifestyle was displayed in the form of the housing buildings on the large boulevards of Bucharest.

Next to the bourgeoisie still in shaping, the great mass of the population from the urban area was constituted from small clerks who were employees of the state’s institutions, workers who worked for the entire day on average wages in industry or shops, but also those who were seeking jobs, and servants of the rich. All these categories were representing the towns’ paupers.

**Workers.** The working class was structured in this period as well, especially in the industrial areas from Bucharest, Brașov, Valea Prahovei, Valea Jiului, etc. Because of the modest industrial development, the working class was still incipient.

The group of workers increased in the period between the two World Wars, but with significant fluctuations triggered by the economic crisis. Together with the workers, unemployed emerged as well, the workers who had lost their jobs.

The size of the industrial workers’ class is relatively difficult to establish. V. Axenciuc estimates that the total number of employees from industry and transports is of over 700,000, in 1938, out of which the majority were workers (V. Axenciuc, 1999, 298). In his analysis about social stratification in the interwar period, S. Târă (2012, 164) places the workers at about 500,000 individuals. The training level of the personnel in industry and transportation was as problematic, as it was revealing regarding the general development level of the society: 16% illiterate, two-thirds primary school graduates, 5.5% vocational school graduates, 9.2% upper-secondary, and only 1% higher education graduates (V. Axenciuc, 1999, 298).

The towns, in particular large ones, underwent an expansion of what was known as *mahala* (slums), respectively periphery districts with very poor housing buildings, many improvisations, unpaved streets, and lacking public utilities. Here could be found persons without occupation, and ones with very low incomes, paupers arrived from villages to seek jobs. A study of the housing conditions in the Tei district from Bucharest shows that workers did not have money for decent houses (rent 400 – 500 Lei per month). However, rooms to let were 200 Lei per month, and they were nothing else than woodsheds infiltrated easily by rain and snowstorms, and at least four to five persons lived together. (V. Manuilă, 1939, 171).

An important component of the modernisation process of the Romanian society was the increase of the wage system. The wages were provided by the industrial system, on one hand, and on the other hand, by the public system mainly for public officers and teaching staff.

Wage incomes triggered important changes in the living standard for an important part of the population. The biggest advantage of the wage system was the stability of jobs and a relatively high living standard.
The wage system displayed a modern polarisation: a high share of low wages, 36.8% under 1,125 Lei, and 23.4% over 2,476 lei. However, especially wages were hit by two major inflationist waves in the interwar period.

In the year 1938, the best year of the interwar economy, the wages are placed at low levels, as shown in Table 8. Over one third of employees, respectively those with wages of up to 1,125 Lei per month lived in poverty, as the incomes were not enough even for the usual daily food. The average prices per kilo of foodstuff were rather high: 8.7 Lei bread, 30 Lei pork meat, 55 Lei salami, 39.50 Lei cheese, 11.5 Lei apples. Neither clothing nor footwear was easy to buy. 1 meter of cloth costed 534 Lei, 605 Lei a pair of shoes, while the monthly rent for a three-room flat was 1,600 Lei.

Table 8 Categories of monthly wages in the period 1934-1938

<table>
<thead>
<tr>
<th>Categories of monthly wages</th>
<th>Number of insured (thou.)</th>
<th>Number of insured (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,060</td>
<td>100%</td>
</tr>
<tr>
<td>Up to 600 Lei</td>
<td>137</td>
<td>12.9%</td>
</tr>
<tr>
<td>Between 601–1125</td>
<td>246</td>
<td>23.2%</td>
</tr>
<tr>
<td>Between 1126–1975</td>
<td>316</td>
<td>29.8%</td>
</tr>
<tr>
<td>Between 1976–2475 lei</td>
<td>113</td>
<td>10.7%</td>
</tr>
<tr>
<td>Over 2476 lei</td>
<td>248</td>
<td>23.4%</td>
</tr>
</tbody>
</table>


Workers’ wages were also differentiated. High-skilled workers had relatively high wages. The workers’ mass had substantially lower wages. The constant social pressure exercised by the migration of the paupers from the rural area for jobs in the urban made possible the periodic diminishment of wages, or maintaining them at low levels.

In periods of prosperity, the numbers of unemployed registered with placement offices was relatively low: 20 to 30 thousands before the crisis, and over 100 to 150 thousands during the crisis. Together with the unregistered persons, unemployed counted about 200 to 250 thousands, respectively one third from total employees. Few benefited of social aids. Unemployment benefits were granted only in certain conditions.

The crisis was felt especially by the drastic decrease of wages, or even mass layoffs, the lengthening of the workday and work intensification, along with the boom of credit prices’.
Table 9 Evolution of the number of enterprises, of industrial staff and wages for industrial workers in the period 1928 (calculation basis) and 1933

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of enterprises</th>
<th>Personnel (thou.)</th>
<th>Wages’ value (Bln. Lei)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1928</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
</tr>
<tr>
<td>1929</td>
<td>94,2</td>
<td>97,1</td>
<td>100,0</td>
</tr>
<tr>
<td>1931</td>
<td>91,4</td>
<td>73,4</td>
<td>70,1</td>
</tr>
<tr>
<td>1932</td>
<td>89,7</td>
<td>73,4</td>
<td>57,1</td>
</tr>
<tr>
<td>1933</td>
<td>87,9</td>
<td>89,4</td>
<td>64,9</td>
</tr>
</tbody>
</table>


Public officers, merchants, small employers. Next to peasants and workers, developed their activity public clerks, merchants, and small employers. The rural public clerks were the most, respectively 114,498, even though they had relatively low wages (the wages in the rural being the basis of the State’s wages grid). Nevertheless, they had also some administrative advantages that placed them, just like the public clerks from the urban, at the level of wealthy peasants or even similar to the one of kulaks (‘chiaburi’, respectively, “the well-offs”). (A. Goloș, 2002, 337–340).

Employees with manual and non-manual occupations of economic agents, irrespective of the ownership form, represent a very heterogeneous category. On the 1937 Census, about 1.022,000 employees were registered, from whom almost 590,000 in the urban area (D. Gusti, 1938, 54). They included the above-mentioned public clerks, but also employees in state-owned enterprises, respectively about 100,000 persons (I. Measnicov, 1938, 23), from whom almost half were employed with the railways. A similar level to the incomes of employees had the servants (almost 300,000), and apprentices (circa 95,000). Somewhere closer to proletariat than to the incomes and living standard of the middle-class were the self-employed and owners of small enterprises (327,000) from the urban area. Most often, these had small individual workshops in which they were active, as a rule, as handicrafts workers.

Regarding the living standard of urban classes, the price and living cost statistics of the Institute of Statistics from the interwar period is a good starting point. Measnicov (I. Measnicov, 1938, 25) quotes the monthly expenditures’ thresholds for a family in the middle-employees class consisting of five persons, out of whom three were children: in Bucharest – 10,500 Lei, for large towns 7,500 – 9,000 Lei, and in towns with cheaper life 5,500 – 6.000 Lei. Measnicov presents also the distribution of wage incomes for public clerks and it results that almost 80% had monthly wages under 5,000 Lei. Less than 5% from these public clerks had wages of 10,000 and over. The public clerks had to supplement their earnings from other sources, like tutoring pupils, incomes from property (rents), or corruption.

Comparable data about the situation of workers from enterprises are not available, especially regarding workers. From the data presented by V. Axenciuc (1992, 542-545) regarding nominal wages...
in industry and transportation, it results that workers’ wages were, in average, below public clerks’

wages. By comparing the wages of workers in the food, textile, and metallurgic industry for the year

1934 with the ones from 2016, it results that the purchasing power of 2016 wages is higher by 1.5-1.8

against 1934. This result is obtained by relating the prices for three basic food products eggs, milk, and

potatoes for 1934 (Central Institute of Statistics 1940: 632), respectively 2016 (National Institute of

Statistics 2017b).

The living standard of the population, especially of town folk, was affected strongly by the crisis

from 1929-1933. Over those years, unemployment increased to about 300.000, and dropped thereafter
to approximately 22.000 in 1937 (I. Scurtu, 2003, 142-143). Even more painful were the “curves of
sacrifice” as the austerity measures taken on request of foreign creditors were labelled in the respective
epoch. The three successive “curves of sacrifice” (January 1931, January 1932, and January 1933) meant
each wage cuts by 10-15%, the suspension of other monetary rights and delays in the payment of wages
and other social rights.

Overall, the resources’ distribution and redistribution system reflected the pre-industrial character
of the Romanian economy and society, in the interwar period.

V. Pasti (2006, 36) considers that in interwar Romania “the market is still a secondary distribution
mechanism”. The largest share of those employed in agriculture – a category including 78.2% from total
active population on the 1930 Census (S. Manuilă, D.C.Georgescu, 1938, 155) – participated much too
less or not at all to the market relations, and they satisfied their needs mainly by consumption from own
resources (A. Golopeţia and D. C. Georgescu, 1941). The state acted regarding the distribution of
resources by wage incomes of its employees, and by redistribution, a system still crystallising at the
time. Finally, a characteristic of the interwar society was the corruption as distribution mechanism.
Testimonials and accounts are available about this phenomenon relating the links between high-ranking
state officials and grand capitalists, such as the history about the enrichment of the industrialist Malaxa
(I. Scurtu, 2003, 151-152), and the findings of the fortunes’ control operation in the autumn of the year
1940 (V.Axenciuc, 1999, 297). Corruption at all levels affected the living standard of the entire
population, eroded social cohesion, and public mores.

The access of the majority of population to necessary basic goods for current living was lacking
throughout the period.

As compared to the consumption from the other countries, food consumption for Romania’s
population is extremely low (A. Golopentia, 2002, 385), even if it might be assumed that many of the
livestock slaughters from the Romanian rural area eluded the records, a fact which is valid to a certain
extent for the other countries, as well. From other researches published in 1945 (Roman Cresin),
regarding meat consumption for the Romanian population, it results that it increased in the time interval
1932-1939 from 30 to 53 kilo per person per year, while in the rural, it remained at the value of 18.5
kilo (2.5 kilo from rural slaughterhouses, and 16 kilo from slaughters in peasants’ households).
Table 10 Consumption of some basic foodstuff - Romania as compared with other countries, 1936

<table>
<thead>
<tr>
<th>Foodstuff</th>
<th>Great Britain</th>
<th>USA</th>
<th>Switzerland</th>
<th>Germany</th>
<th>Belgium</th>
<th>France</th>
<th>Czechoslovakia</th>
<th>Italy</th>
<th>Romania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meat (kg)</td>
<td>65.1</td>
<td>57.5</td>
<td>45.3</td>
<td>43.6</td>
<td>41.2</td>
<td>36.6</td>
<td>25.4</td>
<td>16.1</td>
<td>13.6</td>
</tr>
<tr>
<td>Sugar (kg)</td>
<td>43.7</td>
<td>42.8</td>
<td>33.6</td>
<td>22.5</td>
<td>26.1</td>
<td>23.5</td>
<td>24.4</td>
<td>7.0</td>
<td>5.5</td>
</tr>
</tbody>
</table>


Another indicator showing the poverty state of Romania’s population by the beginning of the most prosperous year of the interwar period – 1938 – is the number of persons per one car, respectively 565 persons. For the same period, there were four persons per car in the USA, seven persons in New Zealand, eight in Canada, nine in Australia. In Europe, there were 19 persons per car in Great Britain and France, 59 in the Netherlands, 44 persons per car in Germany, 45 in Switzerland, 99 in Italy, and 144 persons per car in Czechoslovakia (Statistisches Jahrbuch, 1938, apud A. Golopentia, 2002, 389).

All data lead to the conclusion that poverty affects the vast majority of the interwar population in both villages, and towns.

Social inequality

The Romanian social life in both urban and rural area was strongly polarised.

According to the available data regarding the year 1938, the taxpayers’ situation was the following (V. Georgescu, 1992, 218):

- 716 millionaires (out of whom seven with yearly incomes over 10 million Lei); the yearly level of Romania’s prime-minister was by 1 million Lei;
- 4 800 had yearly incomes around one million Lei;
- 70,529 persons had an yearly income of over 100,000 Lei;
- 304,400 taxpayers had between 20,000 and 40,000 Lei.

If we add the category of public clerks with over 60,000 Lei per annum, as well the higher ranks of kulaks we achieve a share of 3-4% out of the country’s population with a very high living standard, while the rest of the employees “struggled to survive from one day to the other” (S. Țâră, 2012, 188).

Table 11 Hierarchy and differentiation regarding average income and the number of taxpayers

<table>
<thead>
<tr>
<th>Income category</th>
<th>Number of taxpayers</th>
<th>Average income</th>
<th>Total income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thou. Lei</td>
<td>Thou.</td>
<td>%</td>
<td>Thou. Lei</td>
</tr>
</tbody>
</table>
The polarisation of the Romanian society was synthetically the following: three quarters of the taxpaying population had global yearly incomes between 10,000 and 50,000 Lei, while 4,800 (0.05%) individuals had global yearly incomes of one million Lei, and over. Social movements, in particular workers’ strikes, represented a consequence of the social polarisation. The social pressure on the governments was intensified during the times of economic crisis. I. Scurtu estimates that at least 50 workers lost their lives as result of the repression of the typographs’ strikes in 1918, of the general strike from 1920, of the miners’ strike in Lupeni in 1929, and of the oilmen from Valea Prahovei and of the Bucharest rail personnel in 1933 (I. Scurtu, 2003, 142).

**Education**

In interwar Romania there was marked concern displayed by all governments for diminishing illiteracy, and increasing the general training level of the population. In the period 1921-1932, the financial effort for education was considerable, as it represented 12.5% from the budget (I. Scurtu, 2001). Romania disposed by skilled teaching staff that covered the necessary in all regions of the country, and a real university and academic elite, fact which explains the performances of interwar education.

Illiteracy represented still a thorny issue for interwar Romania, despite achieved progresses. The weight of literacy registered on the 1930 Census was of 57%.

In the period 1899-1930, the number of alphabetised persons increased 2.5 times in the Old Kingdom (S. Manuilă, 1936). The population aged seven years and over (1930), registered literacy by 69.2% for men and 45.5% for women.

<table>
<thead>
<tr>
<th>10-50</th>
<th>60-100</th>
<th>100-500</th>
<th>500-1000</th>
<th>Peste 1.000</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>719,3</td>
<td>129,6</td>
<td>83,0</td>
<td>2,7</td>
<td>0,480</td>
<td>935,085</td>
</tr>
<tr>
<td>76,92</td>
<td>13,86</td>
<td>8,88</td>
<td>0,29</td>
<td>0,05</td>
<td>48,3</td>
</tr>
<tr>
<td>28,0</td>
<td>78,1</td>
<td>148,3</td>
<td>600,7</td>
<td>2,051,7</td>
<td>45 194,3</td>
</tr>
<tr>
<td>20 148,5</td>
<td>10 127,0</td>
<td>12 309,0</td>
<td>1 625,0</td>
<td>984,8</td>
<td>2,18</td>
</tr>
</tbody>
</table>

*Source: (V. Axenciuc, 2000, 285).*

<table>
<thead>
<tr>
<th>1899</th>
<th>1912</th>
<th>1930</th>
</tr>
</thead>
<tbody>
<tr>
<td>22.0%</td>
<td>39.3%</td>
<td>55.8%</td>
</tr>
</tbody>
</table>

*Table 12 Literacy in the Old Kingdom.*

*Source: S. Manuilă, 1936, p. 932.*
By 1930, in the rural area, 93% of the alphabetised persons had only primary school, and 4% had pursued a secondary school, while 0.3% had tertiary education, that is about 50,000 persons. Though primary education was free of charge and compulsory, almost one fifth of the residents in the rural area were not enrolled in any education form, and only 70% from the enrolled attended school.

The new gained provinces had different schooling levels: Transylvania (67%) and Bukovina (65.7%) and lower in Bessarabia (34%). The increase in the number of literate persons occurred, as expected, more rapidly in the urban than in the rural area (S. Manuilă, 1936, 940).

During the interwar period, only primary education was free of charge and compulsory. This fact is mirrored in the structure of literate persons after their training degree: 85% primary education, 8.6% secondary education (but almost one fifth of them in the urban area), 3.2% vocational education, 2.1% higher-education, and 0.5% other types of higher-education (S. Manuilă and D. C. Georgescu, 1938, 142–146).

The modernisation process comprised all spheres of social life, but in this period school participation seems to have known the highest rate.

<table>
<thead>
<tr>
<th>Training level</th>
<th>Agriculture %</th>
<th>Industry %</th>
<th>Trade %</th>
<th>Other professions %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illiterate</td>
<td>50.0</td>
<td>21.4</td>
<td>15.9</td>
<td>24.6</td>
</tr>
<tr>
<td>Extramural training</td>
<td>0.5</td>
<td>1.4</td>
<td>2.4</td>
<td>1.7</td>
</tr>
<tr>
<td>Primary</td>
<td>47.5</td>
<td>63.9</td>
<td>57.5</td>
<td>43.5</td>
</tr>
<tr>
<td>Secondary</td>
<td>1.1</td>
<td>8.3</td>
<td>15.8</td>
<td>18.0</td>
</tr>
<tr>
<td>Vocational</td>
<td>0.4</td>
<td>3.8</td>
<td>6.3</td>
<td>5.9</td>
</tr>
<tr>
<td>University</td>
<td>*</td>
<td>0.3</td>
<td>1.0</td>
<td>3.9</td>
</tr>
<tr>
<td>Other higher education schools</td>
<td>*</td>
<td>0.4</td>
<td>0.7</td>
<td>1.5</td>
</tr>
</tbody>
</table>

* below 0.1%

Source: S. Manuilă, 1936, p. 955.

The main reason of early school leaving was poverty, for the rural area. Many poor peasants did not have the money for sending their children to school, as it presupposed important expenditures from the peasant families’ budgets, in order to provide for clothing, stationery, etc. To these considerations is added the use of child labour during peak periods in agriculture. Last, but not least, we must consider that because of lacking infrastructure in winters, some pupils would have had to walk very long distances.

I. Scurtu presents a dismal picture about the level of graduation. In 1921-1932, were enrolled in rural schools 16 million pupils, from among whom graduated only 730,000, at a yearly average by 70,000. The situation is similar for towns, where 2,270,000 pupils were enrolled, but only 174,000
succeeded in graduating. For state secondary schools (secondary schools, upper-secondary and high schools), the number of enlisted pupils was of 1,243,911, from whom graduated 96,000 (I. Scurtu, 2001).

For C. Rădulescu-Motru (1937/1998, 21–24 “the discrepancy is catastrophic” in higher education: The Faculty of Law, 122 thousand students, 8,673 bachelors; the Faculty of Sciences, 41 thousand enrolled, 2,875 bachelors; Letters, 58 thousand enrolled, 5,232 bachelors, polytechnic schools, 11,579 enrolled, 1,588 graduates. Moreover, in the period 1925–1938, the yearly number of baccalaureates varied, but never exceeded the threshold of 20,000, most often their numbers fluctuating between 10,000–15,000, in relation to a population aged from 15 to 19 years of age of over two million (Central Institute of Statistics, 1940, 55, 282–283). Low graduation rates might be considered also in another key, respectively as structural effect of overpopulation expressed in the surplus labour force reserve, and available jobs related to the development stage of Romanian capitalism in the interwar period.

Significant differences existed between the historical regions and the situation of the family. According to the analysis of the peasants budgets’ for 1938 (A. Golopentia, D. C. Georgescu, 1941, 289), one of the studied households from Transylvania spent yearly 3,663 Lei for clothing, 172 Lei for school, 47 Lei for church, 21 Lei to buy books and magazines, and 2,013 Lei for various other expenditures. For households below 10 ha, the school expenditures varied around 100 Lei, with a minimum of nine Lei in Bessarabia and a maximum of 3,466 Lei in Banat.

A significant increase occurred also at the level of higher education: the four large academic centres (Bucharest, Iaşi, Cernăuţi, and Cluj had, in the year 1913/1914, a number of 7,532 students, and in the university year 1933/1934 this number had grown to 32,201, respectively five times more students. In Bucharest, their number increased six times. The average dropped from one student to 1,408 inhabitants to one student to 565 inhabitants (comparable with Czechoslovakia, where the ratio is one student to 504 inhabitants, and Hungary, one student to 546 inhabitants). M. Manoilescu even considered that in interwar Romania we deal with a higher-education graduates’ inflation. The distribution of the students according to academic areas presented significant imbalances: the majority of students were in faculties with a liberal profile, the number of experts in the field of medicine, agricultural sciences and veterinarian medicine being the lowest in Europe (M. Manoilescu, 1942).

The analysis of the progresses recorded in the field of education highlight some phenomena that had a particular effect on the interwar society. An accelerated literacy process is registered for the Romanian population, but the vast majority have only primary education, especially in the agricultural sector. Even in the industrial and commercial sectors, the weight is low regarding persons with secondary and higher education. As long as agriculture was the predominant activity branch, and it used just brute labour force and none of the modern technologies, the relatively low level of motivation is explainable regarding school participation.

Health
The health state of the population was precarious and specific to an underdeveloped society. Interwar Romania presented the highest birth rate in Europe, but also the highest mortality (S. Manuilă, and D. C. Georgescu, 1938, 159).

The overall image of main death reasons is specific to the pre-modern period, with predominant illnesses of the respiratory apparatus, and infectious and bacterial diseases. For instance, in 1939 respiratory apparatus illnesses and infectious diseases totalled one third of registered deaths, while heart diseases and cancer accounted for about 10%. Pneumonia and tuberculosis were particularly widespread (Central Institute of Statistics, 1940, 170-173). Alcoholism represented another medical-social issue that affected in particular the rural area. Quoting from sources of the time, Țâră (S. Țâră, 2012, 179) remarks on an average yearly alcohol consumption by 4.9 litres per person.

The picture is completed by infant mortality, where Romania was again on the first position in Europe, with 17.4 deaths to 100 live births. “This means that one fifth of the children born yearly die before their second year of life. In absolute numbers, this represents 120,000 deaths for a total of about 600,000 children born yearly” (I. Pupeza, V. Leonte, C. Gheorghiu, D. Mezincescu, 1936, 511–512). Regarding the reasons, “an impressive number die because of gastroenteritis of food origin, and of broncho-pneumonia” (S. Manuilă and D. C. Georgescu, 1938, 159).

Population’s alimentary diet underwent improvements against preceding periods (D. Gusti, 1968, 490). The studies realised by the students of Gusti’s School have documented that even though satisfying from the quantitative point of view, nourishment was vicious because of the excessive consumption of corn and low consumption of animal foods (only 48% of the households had milk cows), by the end of the fourth decade. The most striking shortcoming of peasants’ food is the unequal distribution in time, the peasant family going through winters with relatively good quantitative nourishment, and through summers with long periods of malnourishment. Milk and meat were a rarity for the majority of rural households, as the yearly consumption could vary from four to eight kilo per person. The livestock numbers (cows, sheep, and poultry) was rather low in certain areas of the country, and purchasing them from the market was out of question, especially in the case of households with small land plots.

The outcome of inappropriate nourishment is the frequency of acute gastrointestinal maladies in the first childhood, and chronic illnesses of the digestive tract in the case of adult population.

Over the entire interwar period, we assist to population increases, and the explanation of the phenomenon was the birth rate (I. Measnicov, 1937):

Table 14 Birth rate, mortality, and natural increase surplus in various countries of Europe, in the year 1935

<table>
<thead>
<tr>
<th>Ord. no.</th>
<th>Country</th>
<th>Birth Rate</th>
<th>Mortality</th>
<th>Natural growth surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Romania</td>
<td>30.7</td>
<td>21.1</td>
<td>9.6</td>
</tr>
<tr>
<td>2.</td>
<td>Bulgaria</td>
<td>26.2</td>
<td>14.5</td>
<td>11.7</td>
</tr>
</tbody>
</table>
3. Hungary | 20.8 | 15.2 | 5.6
4. Poland | 25.9 | 13.9 | 12.0
5. Portugal | 28.3 | 17.1 | 11.2
6. Spain | 25.2 | 15.3 | 9.9

Source: Own processing based on the data from I. Measnicov, 1937, p. 158–159.

The precarious health state was also due to the lacking of medical assistance. The majority of peasants, leaving aside lacking money, also displayed reticence, even distrust against physicians. In 1936, only somewhat more than one fifth (22.2%) from infant deaths before turning one year old were consulted by a physician. From total population, about 60% of deaths occurred in the absence of any medical treatment. The vast majority of births occurred in the care of some persons with no medical notions. Moreover, in 1936, the weight of these births was of 63% in the rural area, against 0.7% assisted by a physician, and 37% assisted by diploma midwives (I. Pupeza, V. Leonte, C. Gheorghiu, D. Mezincescu, 1936, 513).

Sources disagree regarding the number of physicians. The authors of the Encyclopaedia of Romania (1938: 514) estimated 10,000 physicians in total. Constantin Gheorghiu (C. Gheorghiu, 1937, 81) provides a total by 7,162, and the Statistical Yearbook from 1990, a total number of 8,234, from among whom 570 dentists. The situation of the villages was catastrophic from this point of view, and Gheorghiu (1937, 81) estimated that only 1,935 physicians worked in the rural area, caring for a population of 15.5 million inhabitants in the villages.

The number of physicians was the lowest from Europe. In Romania, there was, in average, one physician for 12,300 inhabitants, as compared with France where there was one physician per 1,697 persons, Greece had a physician per 1,727 individuals, Belgium one per 2,344 persons, Sweden one for 2,980 inhabitants, Bulgaria for 3,059 persons, Poland for 3,289, or Yugoslavia with one physician per 3,568 individuals (I. Scurtu, 2001).

The provinces with the highest degree of modernity (higher training level, property structures generating higher incomes, etc.) benefitted from a higher share of physicians, in relation to the number of inhabitants. Nevertheless, out of the historical provinces, only Banat (with one physician per 3,735 inhabitants) was ranked on positions closer to the other central or eastern-European states (Poland, Bulgaria, or Yugoslavia):

<table>
<thead>
<tr>
<th>One physician per</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dobrogea</td>
</tr>
<tr>
<td>Oltenia</td>
</tr>
<tr>
<td>Muntenia</td>
</tr>
<tr>
<td>Region</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>Moldova</td>
</tr>
<tr>
<td>Bessarabia</td>
</tr>
<tr>
<td>Bukovina</td>
</tr>
<tr>
<td>Transylvania</td>
</tr>
<tr>
<td>Crisana-Maramures</td>
</tr>
<tr>
<td>Banat</td>
</tr>
</tbody>
</table>

Source: C. Gheorghiu, 1937, p. 82.

From the perspective of the sanitary system, Romania was placed, probably, on the most disadvantageous position compared with the other European states, including the neighbouring countries, as the number of persons that benefited from health insurances was very low. Health expenditures were at a satisfactory level only in the case of average households from Transylvania and Muntenia (A. Golopenţia, D. C. Georgescu, 1941, 290), respectively 2,500 Lei in Transylvania, 500 Lei in Muntenia, while in the other provinces the expenditures for treating illnesses were identified with extremely low amounts of five to 10 Lei.

**Religious life in the interwar period**

After the accomplishment of the Union in 1918, the religious reality from Romania undergoes a marked effect of diversification rendered concrete in the religious denominations’ multiplication, based on the emergence of neo-protestant movements. The Orthodox Church remains the main religious actor of the Romanian society that represents the numerical majority, and its relationship with the State is constitutionally regulated by the Act from 1923, which stipulated the character of “Romanian” Church, hence national and “dominant” Church (the cult of the majority). According to the Constitution, the Orthodox Church must share the character of Romanian and national church with the Greek-Catholic Church that had only a primacy status against the other religious denominations acknowledged by the Romanian State. The intersection between the Transylvanian orthodoxy with the one of the “Old Kingdom” represented, in fact, the encounter of two development traditions of the ecclesiastical room: one of autonomy (the Şaguna model), and another, of submission to the power of the State. Imposing the church organisation system used in Romania since 1866 was ascertained by the “Statutes for Church Organisation” from 1925, which promotes centralism, dependency on the State, and the interference of the political in the Church’s dealings, and the diminishment of the laymen’s role in the internal decisional deeds (P. Brusanowski, 2007). The whole relationship of the Church with the State is dominated by a type of antagonism. It requires independence with respect to internal “affairs”, justifying it by appealing to the religious liberty specific to modernity, but demands simultaneously from the State.
guarantees for protecting its role as mentor of the “Romanian soul” and factor generating cohesion in the new territories (Vartolemeiu, 1921).

The main way of supporting, but also controlling the ecclesiastic room are the wages for the clerical staff. Many articles written by the beginning of the twenties highlight the existence of some open public debates regarding the issue of supporting financially the Orthodox Church and decrying the deplorable state in which the majority of priests lived who were remunerated with amounts much under the average of the budgetary personnel (Ş. Cioroianu, 1922; C. Coman, 1922). The changes in Art. 323 from the “Law of Laymen Clergy” stipulate the co-payment of religious services, the believers being obliged to bear a certain contribution. Nevertheless, neither State, nor Church (dispossessed of its lands, and important economic resources already in Cuza’s time) were ready to assume independent positions, the byzantine “symphony” generating joint benefits of mutual support. The contribution of the Orthodox Church in the project of building up the nation was repaid by the State with its dominant position in the hierarchy of religious cults, and by providing it with an important role within the social dynamics. In fact, this relationship alters ontologically the Orthodoxy. The nation is shaped as a theological subject by significant members of the Romanian theology and culture, the religious ecumenicity, and pluralism are tainted, and the Orthodoxy becomes “Romanian”. An important element in this approach of partnership between State and Church is represented by the presence of icons in public schools and the teaching of religion in them, as well as by the interest shown by the intelligentsia to consider religious aspects as topics of privileged research.

The Law for the General Regime of Cults was passed in 1928, the first modern law in the field of religious freedom in Greater Romania. Even though it implemented a values’ and prestige hierarchy among the Cults acknowledged by the State, according to the criterion of numerical importance and of the Romanian ethnicity, the law still represents an important moment in ensuring freedom of religion and conscience in Romania. In article 21 of the Law was stipulated the Statutes of the Orthodox Church, as its organisation was established by special law, and the names of the other eight Cults acknowledged by the State. These were the Romanian Greek-Catholic Cult (United), the Catholic Cult (Greek-Ruthenian, and Armenian), the Reformed Cult (Calvinists); the Evangelic-Lutheran Cult, the Unitarian Cult, the Armenian-Gregorian Cult, the Mosaic Cult (with its various rites), and the Muslim Cult.

The Orthodox confession is acknowledged by 13.108.227 de persons, representing 72.59% from total population, while the Greek-Catholic Church had 1.427.391 members, about 7.90% of the population (in overwhelming majority of Romanian ethnicity). The Adventist and Baptist Churches (with a low number of followers, about 80.000) are the new actors joining traditional cults, however, without generating any significant religious impact. Orthodox theologians sanction their involvement in the autochthonous room by using characterisations based on the notion of “sect” (L. Tănase, 2008), as they regarded these more as a threat to the integrity of the State, than as religious danger through conversion of believers.
On July 20th 1927, the Patriarch of Romania becomes member in the Regency constituted after the demise of King Ferdinand I, together with Prince Nicolae and the Chairman of the Court of Cassation. His participation to the Regency institution generates complaints, some proeminent figures of the interwar elite labelling it as illegitimate. Nae Ionescu, interwar philosopher and publicist, leads an active press campaign in the paper Cuvântul by publishing a series of articles blaming the decision of the Hierarch, attitude he substantiates on the appeal to the Orthodox cannons and tradition.

Although the interference of the Patriarch Miron Cristea in the democratic game creates wide debates, his incisive attitude against the socialist danger – an ideological trend from Moscow – meets the support of the political and church majority.

The overall complete picture of the religious life in the interwar period cannot neglect the support granted by part of the Orthodox clergy and followers to the Legionary Movement, at least for its beginnings, up to the emergence of the anti-Semitic ideological transgressions. In its ranks could be found a considerable number of students of the Faculties of Theology, priests, and representatives of the intellectual elite. Nichifor Crainic or Nae Ionescu are important ideologues who found in the Iron Guard the materialisation of a social theology, by setting the Romanian Orthodoxy and nation at the level of the legionary political platform.

Culture

The interwar period is often regarded as the “golden time” of the Romanian culture. The evolution of culture between the two World Wars is marked by a series of historical, political, social, and economic factors that explain the impetus in literature, arts, or journalism. Economic development and modernisation make their presence fully felt, and mark the institutionalisation of some tendencies and trends that existed in the preceding period already. On the other hand, the Great Union brings inside the borders of the country territories that had a different cultural history than “Little Romania”. Greater Romania avails itself of many more economic resources that can be converted and used for science, arts, or mass-media, but must also meet the cultural diversity that resulted from including within the national borders some territories of higher ethnic and religious diversity than Little Romania. It was both chance and challenge for the Romanian society. The outcomes were soon shown, and they promoted Romania among the countries that had major contributions to literature, arts, or philosophy.

Institutional development

The process of setting up and developing cultural institutions began in the second half of the 19th century and continued with wider scopes on the background of economic development, and the increasing wider opening of the country to the West. While the economy supplies resources, the West supplies ideas and know how required for setting up cultural institutions. The reign of Carol II represents the maximum peak in this respect. A series of institutions are established and developed with the
function of promoting the national culture. Among these is counted the Union of Royal Foundations, which brings together five foundations with a role in promoting art and literature, the Society of Writers from Romania, the Trade Union of Beau Arts, the Society of Composers from Romania, or the Society of the Architects from Romania.

An essential role in developing Romanian culture is played by the university system. At the universities from Bucharest, Iaşi, Cluj, and Cernăuţi, set up by the mid-19th century, initiate new specialisations, such as Medicine, Pharmacy, Law, or Agricultural Sciences, while the Polytechnic Institutes are established in Iaşi and Bucharest, along with new universities in Timişoara, Oradea, and Chişinău. At the same time, the numbers of students increase significantly. For instance, the Faculty of Letters from Bucharest was attended by 754 students in 1920, and in 1930 their numbers grew to 5 275 (Statistical Yearbook, 1930).

**Literature, arts and music**

The period between the two World Wars brought Romania at the forefront of the literary and artistic life at international level. It is not just about an increase in the volume of literary and artistic production, but a qualitative leap that makes Romanian authors and artists known at international level. The leap occurs in all artistic fields, and its impact is felt for a long time. To the classics of Romanian literature active in this period, and from among whom we mention Alexandru Vlahuţă, Octavian Goga, George Coşbuc, Mihail Sadoveanu, Liviu Rebreanu, Camil Petrescu, and Cezar Petrescu, is added the group formed around the Criterion Association who would make the Romanian literature known in the entire world. Among the young from *Criterion* are counted Mircea Eliade, Emil Cioran, Eugen Ionesco, Mihail Sebastian, Constantin Noica, Hagi Acterian, Zaharia Stancu, or Eugen Jebeleanu.

Fine arts record also remarkable progress. It is the period when Nicolae Grigorescu, Ştefan Luchian, Gheorghe Tătărescu, Theodor Aman, Ion Andreescu, Nicolae Tonitza, Gheorghe Petraşcu, Theodor Pallady paint and have their works exhibited in the country and in European galleries. Next to them are added the great sculptors like Constantin Brâncuşi, and Dimitrie Paciurea. In music, notable contributions have composers like George Enescu and Dinu Lipatti.

**Theatres.** In 1938, there were 18 theatres in Romania, according to the Statistical Yearbook from 1967. The first Law of Theatres in our country had been passed in the year 1910, and around the First World War, there was a theatre in Bucharest and Iaşi, Hungarian theatres in Cluj, Oradea, and Arad, and German theatres in Timişoara and Sibiu. Moreover, in all regions there were ambulant theatres (in Bessarabia, Bucharest, and in Cluj – the Society for Romanian Theatre Fund, etc.). (G. Platon, 2003).

**Libraries.** In the year 1938, 3 100 libraries were recorded of all kinds, respectively national, public, school and university ones, documentary libraries all over the Romanian territory.

**Cinemas.** By 1938, 388 cinemas existed. The beginnings of cinematography in our country are found in the year 1911 when the first Romanian long movie was realised, *The War of Independence*, but
foreign movies already were played in the few existing cinemas. The film company Leon Popescu was among the most prolific supporters of Romanian theatre and movies. (G. Platon, 2003).

**Museums:** 83 museums were established by 1938, for natural and technical sciences, history, ethnographic, art, and miscellanea museums.

This is the time when a series of cultural institutions are established, with the role of preserving and valorising the national patrimony, such as the Village Museum, the National Antiquities’ Museum, the Community Museum of Bucharest, and the National Museum for Natural History. A series of research institutes are created as well, institutes that held in time and are functional still today. From among them, we mention the Institute for World History Research, the Phonograph Archive of the Ministry of Cults and Arts, and the Romanian Social Institute.

**Books.** Just in 1938 were printed 2,300 book titles.

**Press and mass-media**

The massive alphabetisation process of the population by the end of the 19th century, and the beginning of the 20th, as well as the development of the transportation infrastructure that facilitated the territorial dissemination of printed press leads to a boom of written press between the two World Wars. Both daily papers and weekly journals are published, and from the first category, we mention *Universul (the Universe)* which reached 244,400 copies in the year 1942, followed by *Curentul (the Trend)* with 126,800 copies. Added to daily press are literary journals such as *Universul Literar (Literary Universe), Curentul Literar (Literary Trend),* or the *Revista Fundațiilor Regale (Review of Royal Foundations)* in which publish prestigious authors of the time.

In 1927 is established the Phone and Radio Broadcasting Society from Romania and in November 1928 the first release of Radio Romania is realised. The interest for radio programmes is high and the number of subscriptions increases rapidly from about 7,000 in 1928 to 300,000 in 1938 (Statistical Yearbook, 1938). Nevertheless, the access to radio programmes is still low according to the statistics of the time, as only 7% of the population had a radio and a subscription in 1935. For comparison, France had at the respective time five million subscriptions, Germany and Great Britain each eight million, and in the United States existed already 26 million subscriptions. The emergence of the audio media system and the take-off of written press have a major significance in increasing the general level of culture and information, and in strengthening the national identity in Greater Romania.

Even though the interwar period is called the “golden age” of Romanian culture, it must be taken into account that cultural dissemination was rather limited. Illiteracy and lacking financial resources hinder the access of the majority of the population to literature and arts, to scientific knowledge and information. The situation is particularly critical in the villages where elderly generations do not know to read, the press arrives with difficulty, and radios are very few.
Profile of the Romanian nation

The effort of crystallising self-consciousness of the Romanians generated particular interest for the topic of the *Romanian nation’s psychology*. Prestigious intellectuals of the time paid special attention to identifying the character and social features of the Romanians: Dumitru Drăghicescu, Constantin Rădulescu-Motru, Mihail Ralea, and Mircea Vulcănescu.

Approaching the Romanian profile was typically sociological, respectively identifying the historical conditions for Romanians’ evolution, which laid their fingerprint on the psychology of the Romanian nation. The psychology of the Romanians was considered as a historically dynamic state, with existing good and bad traits that needed to be promoted or improved in their quality by important factors of social development.

D. Drăghicescu (1907/1996) analyses the cognitive and behavioural “inheritance” from the Dacian and Romans, from Slavs and other wandering tribes, but also from the “dominance of Empires”. The Dacian were “strong willed and smart, brave and cruel”, they despised death and believed in immortality, while the Romans were “organised and disciplined” and endowed with “practical spirit”. The Slavs were “extremely adaptable, but hard to organise”, “superstitious and gullible”, while Barbaric invaders enhanced “shrewdness”. The Phanariots imposed a trait like “duplicity”.

C. Rădulescu-Motru (1910/1937) provided a picture of the favourable traits, and qualities that were “the welcoming sense, the hospitality, tolerance, the zest for justice, and religiosity”. The defects identified as generating inadequacy to the future are “the egocentric individualism of Romanians”, often “anarchical and gregarious” as opposed to the “western individualism” that “creates social values and institutions”, and is “structured by strong communities”. Others are “lacking work perseverance”, followed by “hearsay”, and self-inconsistency, and also the “lack of commercial spirit”, as all are regarded as flaws, hindrances in our adjustment to modernity.

M. Vulcănescu (1937/1943). The specificity of the Romanian dimension of existence derives from “Romanians fundamental temptation” which is “opposition”, that is their tendency of showing antagonism “to almost anything…negation, resistance for Romanians does not refer to existence, that is to the “fact of being”, but to the essence, respectively to “a certain way of being”. He discovers certain trends, “lures” incorporated into the history of the Romanian nation. “The Roman temptation” translated into the psycho-moral trait of “consistency” and the presence of “character”. The “Byzantine lure” signifies traits like “fastidiousness”, and “greatness”, while the “Slav temptation” is synonymous to “religiosity” and “emotiveness”. The “French lure” means “expressivity” and “imitation”. The “German temptation” implies “metaphysical sense”, and “self-search”. The “Hebrew lure’ means “trade” and “arts”. The “Balkan temptation” is visible in “expressing tenderness”, and “mahala” (slum). The “Hungarian – Polish lure” is showed by “vanity”, etc. For the Romanians, there is a predominance of the category of possible over the category of reality, as the consideration is that our adjustment to the world is different from the one specific “to the actualising metaphysics of the Occident”. The conclusion
was thus drawn: “even the poor meaning of the idea of reality for the Romanians, eminently illustrated by the phrase “in truth” has the nature of highlighting that in the Romanian ethos the world “is definable” rather as “an infinity of possibilities” than as “an aggregate of real, present, actual things”.

**Heading where and how Romania?**

The Romanian intellectuality showed particular interest for exploiting the development directions of the new country, Greater Romania. Even though there existed consensus about the fact that Romania had crossed over, in the 19th century, a rapid process of social and economic change, related to European standards, Romania’s situation was precarious. There were strong controversies about the possible directions and paths to follow by Romania.

**Thinking trends**

Two streams of thinking with impact on arts, philosophy, and political orientation make their presence felt. The main question they attempt to give answers to is about: the path to follow for social development. Does it mean taking over the western model or the return to the values of the traditional Romanian State? Both are the continuation of thinking trends that existed in the Romanian space already from the second half of the 19th century, however, the economic impetus and the development of institutions of the State determine their change from simple literary circles organised around some journals, to political and cultural orientations, with significant impact on the political and social life.

*Synchronism* bears the message of pro-European political forces crystallised around the Liberal Party, and has as its main promoter Eugen Lovinescu. This thinking stream supports Romania’s integration into the European cultural room, by synchronising the values specific to the Romanian space with the European ones. The emphasis is not on assimilation in the European space, but on integration, by maintaining the national specificity. If Eugen Lovinescu is the exponent of *Synchronism* in the field of aesthetics and literature, Ştefan Zeletin promotes this thinking stream in the field of economy, as for both authors the country’s modernisation was the outcome of implementing western capitalism. Considered in the wider context, the Romanian synchronism is the equivalent of modernism, or of the contemporary pro-globalisation movements.

In opposition to *Synchronism* is placed another thinking stream, widely represented in the Romanian room, and extremely influential, both in the arts’ and politics field. The core idea around which various orientations are crystallised is to protect the national specificity and the structures of the peasants’ society of the traditional type, as it represents the cradle of the Romanian civilization. Thus, the opening to western world and accepting models of capitalist type lead to losing the national specificity and to moral decay, with severe consequences on the Romanian society. This thinking stream originates in the ideas promoted by Titu Maiorescu and Societatea Junimea (Young Intellectuals’ Society) by the mid-19th century, and received substantial support from intellectual in the Romanian
territories included into other countries before the First World War, as they fought for maintaining the national specificity and the union with Romania. This orientation undergoes particular development in the interwar period, in the context in which Greater Romania builds up the national identity as new established State, and on the backdrop of extreme right movements’ exacerbation at international level that created a climate that inevitably left its fingerprint. Among the representatives of the various orientations subsumed to this stream are counted Nicolae Iorga, Alexandru Vlahuţă, George Coşbuc, Duiliu Zamfirescu, Ştefan Octavian Iosif (Sămănătorism). Nichifor Crainic, Pampil Şeicaru who represent other streams-like (Gândirism), Nae Ionescu and his disciples, among whom are included Mircea Eliade, Emil Cioran, Constantin Noica, along with Petru Comarnescu (Trăirism), and Virgil Madgearu, Constantin Stere, Mihail Manoleseu, Gheorghe Zane (Ţărănişti). The representatives of the stream covered a wide range of fields, from literature to economy, and from history to the political sphere, that made the impact of this stream on the Romanian society to be very large.

The representatives of the two streams contributed both to the controversy of ideas and opinions that led to the development of economic, sociological, or political thinking, and to the institutional construction of modern Romania. The interwar period is, thus, not only a period of intellectual effervescence, but also one of institutional development based on the ideas and projects born from the debates around the ideas about how the country should develop, and which would be the best path.

We cannot avoid taking account of the cultural boom of the time, the wide group of intellectuals of high universal value and lots of originality showed inclusively by promoting the national specifics at European level. Here we encounter, among others, Constantin Brâncuşi, Mircea Eliade, Eugen Ionesco, Emil Cioran, Camil Petrescu, Mihail Sebastian, Tristan Tzara, Constantin Noica, Vasile Pârvan, and George Enescu.

The European model versus the traditional Romanian model

The representatives of the European ideals had as starting point the idea that Romania belongs to Europe and has no other development option but to pursue the capitalist and democratic development model already underwent by the developed states in the western part of the continent. Traditionalists considered that the states from the eastern part of the continent have own specifics, including their own historical evolution different from the western one, thereby emphasising the agrarian character of the Romanian economy, as well as the social and cultural inheritance distinct from the Western European urban and industrial model.

Achieving the European society model

Based on an economy of the capitalist type, the differences against European programmes unfolded on two axes:
❖ **Open economy** versus **closed economy**; Zeletin (2005) impressed by arguing that industrial development had to be the priority of any Romanian government, as he considered that it might be achieved only if the Romanian industry in its incipient stages is protected against the competition of much better developed economies. Voinea (1926), and Madgearu (1940) on the other hand, were in favour of opening to competition on the world market. Hence, protectionism generates economic inefficiency and corruption; the industries created thus presuppose a high cost for the society, and fail in generating technological development, and will have a debilitating management.

❖ **Pro-state** versus **anti-state**, respectively the degree to which the state should play or not a role in promoting economic development. The majority of interwar thinkers were the adepts of the active involvement of the state in economic development. For instance, even Madgearu who was a vehement critic of forced industrialisation policy as promoted by liberals reached the conclusion of supporting state intervention in developing national agriculture and industry, by the end of the fourth decade.

A group of pro-European thinkers were also those gathered around the magazine “Romanian life”, especially Mihai Ralea and Garabet Ibrăileanu. During the interwar period, the magazine represented an ample space for debates about the national specifics in European context.

### The mechanisms of Romania’s social development

- **Assimilating the European Model.** Two personalities of high intellectual calibre exerted their influence: the literary critic Eugen Lovinescu, and the economist and sociologist Ştefan Zeletin. The two thinkers analysed the reasons determining the capitalist development of Romania and agreed on the fact that the beginnings of the modernisation process are found in the 19th century, as Romania entered into the world capitalist circle that was further consolidated under the political aspect by the liberal Constitution from 1866. The divergence between the two regarded the mechanisms of this evolution.

  For Lovinescu, the catalyser of change is the penetration of Western Europe’s ideas (a cultural mechanism), while for Zeletin were predominant the economic factors that triggered subsequently mutations also at social level, including here also the field of ideas.

  Lovinescu develops “Syncretism”, a theory he applies also to Romania: the less developed states copy (integrally, in a first stage) the models from more developed countries, and in the subsequent stage the critical integration emerges, which is adjusting what is considered as required. According to Lovinescu, Romania had achieved, after 1920, the required level of development for shifting to the second level.

  Zeletin considered that the development of the Romanian bourgeoisie was the outcome of external factors, as it pursued in broad lines the development model of western bourgeoisie. The Romanian bourgeoisie is, indeed, the outcome of copying the Western model, however, its emergence was not due to the import of ideas, but of English commodities, and thus he emphasises the importance of economic
factors in the development of bourgeoisie, a fact that determined his accusation as being a Marxist. The development of the bourgeoisie allowed for the emergence of that economic class that guided the process of political modernisation in Romania after the model of western democracies, and to this class Zeletin attributed an essential role also for the period after the creation of the national state. The bourgeoisie class had to create the organisational framework for developing national industry, a process of utmost importance for the future evolution of Romania. This process should have unfolded under the coordination of capitalist elite, considered Zeletin as one of the promoters of the theory of development by protecting the Romanian industry, respectively protection on the autochthonous market, and supporting its development by the financial effort of the entire society.

- The option for the third way. The peasants’ trend, with high political influence at the time, attempted to answer the question about how an agrarian society might progress as to bring as many benefits as possible to the peasants’ class. What needed to be assimilated as useful for the peasant and in accord with the spirit of the village, and what had to be rejected because it destroyed the Romanian rural milieu? One of the influential thinkers of this orientation was Virgil Madgearu. He begins from the idea that the peasant family household represents a distinct mode of production, being at the basis of the national economy, and at political level he aimed for shifting to the “peasants’ state”, respectively a political entity representative for the wide mass of rural population. This entity had to have a clear orientation on supporting the development of peasant households, and on the active participation of the peasants within the political system, by means of the Peasants’ Party. By analysing the situation of the Romanian peasantry from the interwar period, and as result of the agrarian reforms, V. Madgearu considered that the creation of a third path between capitalism and socialism is possible, and that it should have as basis the peasants’ class seen as distinct from bourgeoisie and proletariat. This meant also that the fundamentals of the peasants’ state should be different from the bourgeois or socialist one.

- The group of “traditionalists” reunited a wide variety of personalities or groups considering that the future development of Romania had to be done based on Romanian traditions, taking into account the preeminent agrarian character of the Romanian society, and the Orthodox tradition of the Romanian people. They saw these as sufficient reasons for rejecting any copy of the West European Model because of lacking relevance for the Romanian environment. These thinking trends were influenced predominantly by Germany, where Romanticism promoted the superiority of culture related to civilisation, and were taken over by the Romanian intellectuals who studied in this country.

One of the groups promoting the national values was represented by the magazine “Gândirea” (The Thinking) having as spearhead a couple of illustrious personalities like Nichifor Crainic, Lucian Blaga, and Dumitru Stăniloaie. The first considered that we had to deal with a continuing decay of values within the Romanian society at the time of its opening to the world by the beginning of the 19th century, and thus the return to traditional values was required, and especially to the ones of the Eastern Orthodoxy. Blaga, though acknowledging the importance of the Orthodoxy, believed that the authentic spirit was found in the rural world, unadulterated by external imports, hence the predilection for folklore,
traditions, and myths. It should be noted that, for Blaga, the ideas are developed preponderantly at the horizon of a philosophy of culture, and not from the perspective of the political ideals’ sphere. Blaga elaborates the concept of *stylistic matrix*, considering that the cultural matrix specific to Romanians is given by the *mioritic space* (an explanation of the Romanian soul based on Romanian landscape).

A thinker of particular influence at the time was Nae Ionescu, the theoretician of the *Trăirism* trend. He considered that Europe was at the brink of a new era in which the values imposed by modern science and technology would be replaced by those based on spirituality, which in the Romanian case could be ensured by Orthodoxy. He had particular influence on the young intellectuals’ group from the *Criterion* circle (Mircea Eliade, Emil Cioran, etc.). This philosophical trend will prepare the field for the development, at political level, of the Legionary Movement, which on the background of the issues generated by the economic crisis will pay a major role in the thirties.

*The Legionary Movement* represented an extremist political development. Romania was faced with a crisis regarding the confusing outcomes of development. The legionary/fascist movement, which erupted in Europe, seemed to provide a type of solution that, however, did not succeed in articulating beyond sentimental metaphors a clear development programme. The legionnaires expressed the discontent of the youths, especially of the students, but attempted to obtain the support of peasantry that was faced with a deep crisis, as well. They were present in the polls with the slogan *the man and the acre*. The Romanian legionary movement shared common features with the Italian Fascism and the German Nazism by taking over from the spirit and political support of Germany. Mainly, the legionary ideology accepts the idea of a certain mystique of the political leader as representative of the dictatorial state. However, whereas the Nazi doctrine exalts the brute force of the German individual to the detriment of Christian morality, the Romanian Legionary Movement proclaims itself as *Christian and Orthodox*. The lack of vision was paid, as it was brutally eliminated by the pragmatic army officer Ion Antonescu in 1940.

**The Gustian Programme: *sociologia militans***

Dimitrie Gusti did more than publish books or studies. He developed *a social movement* with the ambitious objective of guiding the entire development process of the country – a new direction. At the core of the programme resided the assumption of a social responsibility of the sociology: *social active sociology*. On the banner of Romanian sociology were written next to *Sociologia cognitans*, also *Sociologia militans*.

D. Gusti created *a school of sociology, institutions, and an open collective to research, by reforming sociological vocation*. The Sociological School of Bucharest relied on the optimist presupposition that Romania enjoys a space of freedom favourable to planning its future, and thus attempted to fructify the historical chance of proposing a social action programme.
We consider as useful to briefly mention the components of the Gustian Programme for Romania’s development.

1. Focusing on the empirical research of social reality. The objective of the Gustian programme was not to create a theory of the social, but to develop a methodological structure for the multi-, and pluri-disciplinary systematic description of the social reality, with the finality of achieving a sociological mapping of Romania.

2. Research objective: communities in their entirety. The Gustian programme had as initial assumption that villages developed historically as social entities, and that their research cannot be but monographic.

3. At the same time, the villages were to be the starting point for the development of the entire Romanian society. The village’s development is the key for Romania’s development.

4. Social activism. The development of the Romanian society had to begin by improving the state of the village. The mechanism of social development was to be activating the internal forces of the communities, especially of the rural ones, supported by the Romanian intellectuality mobilised and coordinated by sociologists.

5. Sociology as integrating science of all socially relevant sciences. As science of the global society of the nation, by elaborating a matrix of cooperation between experts from all fields of socio-humane sciences – geographers, physicians, economists, demographers, ethnologists, folklorists, historians, statisticians, magistrates, psychologists, experts in administrative sciences, and artists.

6. Sociologia începe să fie realizată de către echipă de cercetare. The principle of collaboration. The Sociological School from Bucharest represented a together sociological research room: it formulated a joint programme of research, with a common methodology.

7. It conferred to the Romanian intellectuality a social vocation, the assumption of the responsibility for the development of the Romanian society.

8. The mission of the Romanian sociology: to constitute itself as Science of the nation. Of course, sociology is a science of society overall, but especially in the case of a country like Romania that had to make a collective effort of exiting underdevelopment, it had to be first and foremost a science of the nation/of the country.

Dimitrie Gusti succeeded in mobilising mainly the intellectual community in a programme of pulling out Romania from underdevelopment in which, surprisingly, many believed. It is not the fault of the Gustian Programme that it was not supported by history. Many of former collaborators continued to promote in their field the Gustian vision.

What society model aimed D. Gusti at building? He did not intend to propose a model of society as objective to be constructed but, rather, a social development process supported by knowledge, hence, an open society.

The development of the social assistance system. As a component with social objectives of the modern public system, is illustrated the adoption of the Organic Regulation of Wallachia already in
89

1831 in which is set a regulation for the functioning of the first entities of social assistance. In 1881, is recorded with the town hall of Bucharest the first state service of social assistance, followed by other social support institutions. The first Census of the social assistance issues realised in Romania in 1936 identified 521 entities of social assistance, from among which 50 were public.

In the twenties, Romania was one of the first countries in the world that introduced the profession of social worker. The profession of social worker already at its debut developed as a component of the Gustian programme of social reform.

Within the Romanian Social Institute was elaborated the Law of Social Services by the Community which provided for the institutional organisational framework of public social services in 1930.

In 1927, the training of social workers was initiated based on post-high-school courses. Thereafter, in 1929, the post-high-school changed into faculty and it operated as such up to 1949.

Initiating the training of social workers at university level is owed to the Sociological School of Bucharest under the leadership of the professor D. Gusti. Renowned sociologists were professors in the superior training of social workers.

The original vision of the Romanian School of Social Assistance placed Romania at the peak of the world’s hierarchy pyramid regarding the practice of social assistance (F. Mănoiu, V. Epureanu, 1996).

The end of the hopeful period: the Second World War

By the beginning of the period, Romanians hoped that free room ensued for rapid progress and that, finally, Romania will achieve the levels from European developed countries.

Romania’s evolution in the subsequent decades, the years ’20 and ’30, was not as expected. Years of economic growth, but also years of crisis, political instability, and search for development directions. The dark clouds of war arrived, and the Great Powers divided anew the world. Confusion and concern replaced hope, and war broke out again.

The period from 1940 to 1945 pushed Romania into a new crisis. It was an extremely difficult period for Romania caught between Germany and the Soviet Union, both in political-military expansion.

In the summer of 1940, especially after France capitulated, maintaining the territorial integrity of Romania within the borders consecrated at Versailles and Trianon was again put into question. Romania felt threatened from the East by the USSR, and in the West by Hungary, as well as in the South by Bulgaria, all countries demanding insistently “borders’ redefining”. In this unfavourable context, the option of the Axis Berlin – Rome could not be overlooked by the Romanian diplomacy. Hitler’s attitude expressed in the letter addressed to King Carol II on 15th July 1940 contained tough blackmail: “If Romania, Hungary, and Bulgaria deem as impossible an understanding, then such an attitude will not contain rewards for any of the three states, but will lead to their punishment”. Moreover, the outcome
“might even be the destruction of Romania”. The solution was not even a negotiation, but a Dictate (Vienna, 30 August 1940).

In 1940, Romania suffers important territorial and population losses. The Soviet Union occupies Bessarabia, Hungary, the north of Transylvania, and Bulgaria, the Southern Dobrogea (*Cadilater*).

The Romanian population from the territories taken over by the neighbouring countries was subjected to extremely rough acts of repression, plunder, collective murders, and deportation, as in the case of Bessarabia. Romania enters into war by joining force with Germany in the invasion of USSR, on 22 June 1941. It is very hard to judge history, that is, did Romania have or not another option? Romania’s dismemberment seemed a real threat unless allied with Germany. Regaining Bessarabia was a legitimate reason for the political option. Yet, the unanswered question persists whether Romania could have ceased its involvement in war allied to Germany, after recuperating Bessarabia.

War economy emerges. The state assumes wider functions in controlling the economy. Under the pressure of the war demands, the population is impoverished, diminished often to the level of mere survival. The most visible effect: rarity of goods and diminished purchasing power.

New wage policy measures are imposed. The Minister of Finances, Al. Neagu stated, “the category that won most and where the highest percentage effort was made is the one of workers. In turn, the wages of private clerks drop because of taxation on wages”. Regarding the wage differentials in the public sector, continued the Minister of Finances, “in September 1941, the gap was 6 times, and last year (1943) it dropped to 4.9” (Romania’s National Archives, 2006, 393, 384).

The motivation for the increased attention paid to the living standard of the workers was of political nature: ensuring public order in the critical war situation. Mihai Antonescu, vice-president of the Council of Ministers in 1943, designated Ploiești (oil workers), Petroșani (miners), Grivița (railways personnel), and the Autonomous Administrations from Bucharest as the “sectors where the social factor, that is the communist bend and the emergence of unrest and use of action are most acute”. “These are agitation hotbeds. We must consider that ensuring supply is a preventative mean for ensuring public order…You must make everything possible regarding footwear and clothing. Please make all possible efforts” (Romania's National Archives, 2006, 332).

Mobilising all resources for war, including human ones, become increasingly more pressing. The Antonescu Regime sought to promote “work as national duty of each Romanian” (Decree-Law for organising national work, 1941) by marshalling the entire population for public works. At the same time, labour legislation turned harsher: the number of working hours increases, holidays are suspended, and state-owned and private enterprises are militarised, while “agricultural mobilisation” is implemented, respectively ordering the village inhabitants for agricultural works (2000, 54, 60-61, 72).

Wages, pensions, and other social benefits of the population depreciated their value. The dynamics of public officers’ wages is illustrative for the period 1940-1944.
Table 16 Cost of living index in Bucharest

<table>
<thead>
<tr>
<th>1940=100</th>
<th>1941</th>
<th>1942</th>
<th>1943</th>
<th>1944</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index of the public officers’ wages</td>
<td>106</td>
<td>94</td>
<td>96</td>
<td>87</td>
</tr>
</tbody>
</table>


High inflation, even hyperinflation as of 1944, triggered the explosive increase of the cost of living index. The only available official data regarding the actual dynamics of wages are those regarding administrative public officers. According to the meeting of the Council of Ministers from 9 February 1944, the wages in real terms for the various categories of employees within the public sector were lower than in 1940 (Romania’s National Archives, 2007, 332).

Goods’ scarcity generated the profiteering phenomenon which was present already before 23 August 1944 (Romania’s National Archives, 2008, 402), but even more intensely in the years 1945-1947 (The State Archives from Romania, 1996).

Both before, and after 23 August, the authorities attempted to compensate the price increase and goods’ scarcity by implementing thrift stores (Economat), respectively stores with special regime where workers and public officers could purchase food, wares, and wood at the official, lower prices, and by rationalising some basic items (flour, rice, sugar, etc.). Despite all efforts, inflation and racketeering were restrained decisively only by the monetary reform in 1947.

The war situation meant also the increase in social assistance requirements, especially for invalids, orphans, and war widows. Social benefits were introduce for supporting families with children with a monthly allocation of 500 Lei per child for public officers, and the obligation of the enterprises to pay to the employees 1.000 Lei/month for each child. At the same time, the social services for those fallen in war and other vulnerable categories, including free meals at reasonable prices, were provided by the Council for Patronage of Social Works.

The supply system represented the critical point of the war economy. In 1943, Mihai Antonescu, vice-president of the Council, drew attention to this fact. “If you do not supervise permanently the transports’ regime and the supplies’ regime (…) we risk a blockage, because leaving to private initiative the demand for waggons and supplies puts us at the risk that, at a given time, we will have overabundant regions, and others insufficiently supplied”.

Other significant failures faced by the population between 1940 and 1947 included footwear and clothing, because of the Army’s requirements (National Archives of Romania, 2006, 333, 337, 340), as well as firewood, also because of problems in ensuring the supply (National Archives of Romania, 2008, 487-497). For solving this issue and saving heating oil during the war, natural gas was introduced in Bucharest.
The life of the poor classes in large towns worsened brutally. After the visit to the factory “Rogiferul” of the industrialist Malaxa from Bucharest, the Marshal Antonescu related about the living conditions “as the most horrible exploitation of man, the most horrendous dirt that someone might imagine. They were shadows of humans working, not people, the exploitation of man by another man, and by destroying the human. (...) People came from the country, and made their living under the most miserable conditions possible (...) candidates for typhus and tuberculosis” (Romania's National Archives, 2006, 133).

The citizens belonging to ethnic minorities had to suffer most especially in the period 1940-1944. Under the Ion Antonescu Regime, the Jews – Romanian citizens, and in particular those from the military occupied territories were the victims of war crimes, deportation and other atrocities, nonetheless, incomparably to lesser extent in Romania than in Germany, Hungary, or Poland. The number of Jews that suffered because of this policy is estimated between 280.000 and 380.000. At lower intensity than the Jews, deported were also about 25.000 Roma, from among whom about 11.000 perished. At the same time, the anti-Semitic and racial laws initiated under the regime of King Carol II were made stricter (E. Wiesel, T. Friling, R. Ioanid, M. E. Ionescu, 2004, 388, 326). The enterprises and properties owned by Jews were “Romanised” resulting the “rapid enrichment of some capitalist elements”, both Romanian and German (N. N. Constantinescu, 2000, 52).

Romanian citizens of German origin, turned into members of the Ethnic German Group, which *de jure* received a Nazi character, were subjected to repression after the war ended. They were dispossessed of their properties and subjected to mass deportation.

The interwar period circumscribed Romania on the modernisation trajectory that unfolded in all fields of social, political, economic, and cultural life. Remarkable progresses were recorded in education, health, social protection, and infrastructure, while industrial production increased significantly and began to attract labour force from the rural area. Nevertheless, interwar Romania remains tributary to the agriculture-based economy, an agriculture marked by the feudal structure’s flaws of exploiting resources. Additionally, illiteracy is still widespread, while the demographic indicators place Romania in pre-modernity.

The boom of the Romanian culture was, for sure, the most significant phenomenon in Romania’s history.

The modernisation process will be broken by the beginning of the Second World War and subsequently redirected on completely other coordinates by the communist experiment that marked the history of the second half of the 20th century.

Taking into account the most important demographic, economic and social indicators, V. Trebici considers that Romania was still part of the underdeveloped countries category (V. Trebici, 1979, 461).
Chapter 3 THE COMMUNIST PERIOD: ROMANIA 1945–1989

The Second World War: Romania’s circumstances

In 1938, on the brink of the War’s outbreak, Romania was faced with two major strategic issues. First, the development deficit: a predominantly agrarian country, in process of overcoming the underdevelopment state, with fragmented and rudimentary agriculture, and an industry in incipient stages of re-launch. Second: the European gap. During the past century and a half, Romania was motivated by the awareness of this relative underdevelopment, and a priority objective was overcoming the underdevelopment state in relation to the other European countries. The period between the two World Wars was much too short for changing substantially the structure of the entire society.

By 1940, Romania was not an occupied country officially, but in reality, it was. The German troupes were present in the country and foreign trade had been largely integrated in the German economy, mainly oil and cereals. The Soviet Union was at the borders of the country and threatened with its territorial claims.

Already before the outbreak of the war, Romania suffered major territorial losses. In 1940, as outcome of the German-Soviet Pact, the country lost Bessarabia and northern Bukovina. Also as result of the German interests, Romania loses also the northern part of Ardeal, as the southern part of Dobrogea is surrendered to Bulgaria. Regaining northern Ardeal was the only positive outcome by the end of the war.

The war, instigated by Germany, rolled over Romania, without the country wishing it, nor being able to avoid it.

By 1945, Romania exited from the war rather as defeated country. Participating to the war in alliance with the USSR as of 23 August 1944, and up to the end of the war, only facilitated the situation of the country. The war that lasted four years disorganized and devastated significantly the economy, and the structure of the Romanian society. To this were added the important damages imposed by the USSR, translated into oil products, cereals and livestock, wood, but also industrial and rail equipment. Moreover, there were losses with long-term or even final historical effects: part of the legal territory of the country, respectively Bessarabia and northern Bukovina.

Romania exited the war as a massively impoverished country and with ruined industry.

The losses caused by the war are estimated as three times the national income of the country in 1938 (N. Belli, 2001, 49). These economic losses were recuperated in six years, by 1950. Next to the human losses and the country’s devastation, Romania paid to the two Great Powers that had waged the war the following (N. Belli, 2001):
Germany | 3.7 billion US dollars  
USSR  | 3.7 billion US dollars  
Total | 7.4 billion US dollars

The data are indicative for a shocking situation. The cost paid by Romania was second highest after Germany.

Table 1 National income per capita: % 1947 against 1938

<table>
<thead>
<tr>
<th>Country</th>
<th>% 1947 against 1938</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>0.38</td>
</tr>
<tr>
<td>Romania</td>
<td>0.71</td>
</tr>
<tr>
<td>Hungary and Bulgaria</td>
<td>0.75</td>
</tr>
<tr>
<td>Italy</td>
<td>0.78</td>
</tr>
<tr>
<td>Other European countries participating to the 2nd World War (Yugoslavia, Czech R., France, Great Britain):</td>
<td>over 0.80</td>
</tr>
</tbody>
</table>

Source: B. Murgescu, 2010, apud G. Dobre, 1996a, 1996b

The Second World War costs operated at several levels. To the economic losses must be added important human losses: 800,000 dead during the war, to whom are added the victims from the ranks of the population.

After the war, Romania’s position against the other European countries worsened. The gap against the other European countries increased. The national income per capita as share from the average of 20 European states that had also been involved in the war decreased from 34.2% in 1938, to 30.4% in 1947 (B. Murgescu, 2010).

The occupation by Soviet troupes generated for Romania a new situation with long-term effects. A social system, socialism of the Soviet-type, was implemented, and lasted for almost half of a century.

Alternatives for re-launching the Romanian society

On exiting the war, it was natural for the accountable actors to explore the possible socio-economic development directions of the country.

For an underdeveloped and war wrecked country like Romania, at the core of any programme of development had to be place the objective of development by modernisation. Moreover, the key variable of modernisation for an underdeveloped agrarian country was the rapid development of industry.

The country’s modernisation and the rebuilding of industry and its swift development pushed towards increasing the functions of the state in designing the reorganisation and take-off of the national development.

The programmes of the historical parties
Marginalised already before the war, the “historical” political parties considered as self-understood that the solution was resuming the traditional political pattern. They based their assumptions on the latent expectation that returning to the past historical course could ensure “from one step to the other” the required development of the country. However, due to the extremely difficult social-economic situation a strategic approach was required: a vision regarding the social-economic development of the country, by mobilising all available resources. The historical parties seemed to be faced, from this point of view, with a state of vision impasse, that was only worsened by the Soviet occupation.

**The Gusti’s programme**

Gusti, together with a large group of experts, resumed his initiative and launched for public debate a complex programme of modernising the country. The Gustian initiative represented a historical act: science assumed the responsibility for providing a programme of social-economic development of a country in crisis circumstances. Not only the priorities and directions of action, but also an institutional mechanism for coordinating and monitoring the process.

If the Gustian programme preceding the war was centred on mobilising and supporting by scientific means the “bottom-up” social development of the communities, villages and towns, in the new context, the key of development was now the governance. D. Gusti proposed to the political factor a social-economic modernisation and development programme for Romania. Surprisingly up to date even nowadays, the summary of the programme is presented by Gusti in an interview for the newspaper *Scânteia (the Spark)*, a newspaper of the Romanian Communist Party, in 1945.

“Our programme [of development] is still in the making [...] we focused on the following issues.

The first and, of course, the most important is knowledge about the people under all aspects of life: biologically (food, houses, social illnesses, syphilis, tuberculosis, pellagra, etc.), economically (towns’, villages’, factories life), and including the research regarding the life of the peasant and worker, as well. An experimental scientific research, the data of which should be made available to the politician, so that the politician no longer resorts to improvised solutions, but to scientific data grounded solutions.

Next to the economic life, we are interested in researching all aspects of the spiritual and social life.

Closely linked to the knowledge of the Romanian nation is the knowledge about the Romanian land.

We have today almost 3 million hectares of land that are degraded ... Valorising the Danube Delta, the creation of systematic ponds, feeding with water the regions lacking water, and so on, are all projects comprised by our programme.

A third issue is the one of discovering raw materials, of creating a Romanian pharmaceutical industry, of obtaining substances for leather tanning, of using natural fibres out
of the reeds from the Danube Delta, etc., that represent the research object of the Commission for pure and industrial chemistry.

Another issue that requires the attention of fundamental and applied research is the energy issue, with laboratory studies regarding the fuels’ chemistry (coal, natural gas, oil, etc.). Next are the plans for the country’s electrification, for the arrangement of modern electric installations, and the use of water in agriculture (irrigation), as well as the rational use of brown coal from the sub-Carpathian region.

Another Commission is concerned with the issue of building materials and reconstruction of buildings. Next, is the Commission for biology led by Professor C. Parhon that will study the biology of ages, the economy of internal organs, the way in which scrub typhus unfolds, and the issue of thyroid goitre, etc.

The council also envisages researches in the field of nuclear physics, of military technique, of agricultural and industrial production, of towns’ and villages systematisation. At the same time, it will publish an ample Romanian encyclopaedia” (Scânteia, 1945).

**Sociological research in the service of the nation.** The Gustian programme launched a vast project that would provide solid knowledge foundation for any governance programme: *the research of regions and the sociological map of Romania*. The project was supposed to be realised between the years 1948-1949.

**Establishment of the Social Institute of the Nations** (1946–1947), created after the model of the Romanian Social Institute.

As acknowledgement of the role D. Gusti played in this historical context, he was elected Chairman of the Romanian Academy (2 June 1944 – 6 June 1946). Gusti sets up the National Council of Scientific Research and formulates the National Research Programme. The coordination of the entire programme was attributed to the Romanian Social Institute.

Romanian sociologists assumed thus the impossible mission of exercising pressure on the course of history. Tacitly, it was considered that the Soviet occupation is but a transitory political situation, and that Romania will continue its evolution disrupted by the war, but based on a new vision.

D. Gusti’s offer was rejected violently. The favour granted to the eminent sociologist was refraining from arresting him, but he was dismissed from all his positions, excluded from the Romanian Academy, thrown out of his own house, thereby losing his precious library. In the presence of the professor, everything belonging to the Romanian Social Institute, including the valuable archive was thrown out in the street, carried by trucks in an unknown direction, and destroyed. Gusti was hosted for a time in the house of his former student, the Romanian language professor Constantin Marinescu in the district Câţelu (C. Marinescu, 1995).

In 1948, the institutions implemented by D. Gusti, respectively the Romanian Social Institute and the National Council for Scientific Research were terminated, just like the university chairs of sociology. It was a symbol: the socialist society did not need sociology and even felt annoyed by such a science.
The Programme of the Communist Party

As any crisis, also the one generated by the war opened new options. However, the option had been made for us, like for some other countries in the area, by the Great Powers: a new division of the world. Romania was allotted to the future Soviet Empire and, as consequence, pushed to adopt the Soviet socialism model. After the victory on Germany, the Soviet communist model was introduced by force in the countries from Central and Eastern Europe. It was no longer an issue whether this model is desirable, nor under what form. It had been already decided by history.

Due to the Soviet control, the Communist Party that it had been assumed initially that it promotes the Soviet socialist society model gained a core position within the political system. The traditional parties were invited as well, in the beginnings, to get involved in the governance of the country, but from a rather more symbolical position. Nonetheless, they were eliminated swiftly.

The role of politics in the communist programme

The political system is the key component of the communist society. Its function is to design and implement the change programme of the entire society and to manage all spheres of social life.

The capitalist society is founded on private economy with its own logic. The state plays a limited role: regulates social life, but does not change it according to a global project. In this respect, the capitalist society is an open society. Its dynamics in time is realised incrementally, one-step at a time, and the government is focused with priority on solving emerging current issues. There is no projective orientation, no programming of the future for achieving a certain model of society. The multipartite political system based on public choices provides the possibility of accumulating in time adaptive changes. Important changes are done as outcome of ‘poll-battles’.

Communism launched another type of society: the model of the communist society realised based on a designed collective action programme. The state has not only the responsibility of managing social life, but also the process of achieving the objectives of social change/development. The role of state leader belongs to the Communist Party that assumes the responsibility of establishing the social-economic development directions and objectives for the country, and of formulating the action strategy and the stages required for accomplishing the global objective. The congresses at the party, at intervals of five years each, review achieved progresses and establish the objective for the ensuing five years. The documents adopted by the party contain the social-economic development programme of the country. Additionally, the Communist Party has the role to mobilise the community in realising the communist programme. Party organizations from institutions have the role of applying the programme of the party to the activity in their institution. The secretary of the party from each institution is the political second of the institution’s director/manager.
The political management teams left their fingerprint on the way in which the communist programme was implemented, but without structural alteration to its profile. The transition from Gheorghiu-Dej to Nicolae Ceaușescu was a crucial moment. The years sixties were dominated by Dej and his team, all of them important personalities of high-skills and reform supporters. After the death of Dej and the election of Ceaușescu, a “transition” period followed, in which the new secretary general – Ceaușescu – coexisted with Dej’s team. 1971 was a decisive year when Ceaușescu took over the control of the state, and eliminated the main political leaders of the Dej generation by promoting his own team.

**Who elaborates and adopts the communist programme of social change?**

In the communist tradition, the governmental political programme is not the outcome of a democratic process of the entire population, subjected to the public debate, and supported by the scientific community, but is realised by the inner workings of the communist parties. In the case of the socialist countries, the communist programmes were not the product of internal processes, but only copies after the model practiced by the Soviet Union and adopted under the supervision of Soviet experts.

The concept of Communist Revolution was based on the thesis according to which the working class had the leading role in the process of social change, and this class was represented by the communist party. The relationship between the communist party and the working class did not presuppose a democratic relationship either. The communist party and no other party could represent the working class.

The Soviet doctrine presupposed that the communist programme is the outcome of a scientific process of analysing social reality. It is not adopted as outcome of democratic mechanisms, but adopted by virtue of its scientific truth. The communist party is considered as legitimate institution for delivering a scientific analysis of the society. It is the only institution that has the social position of representing the working class and, overall, the entire historical process of social change. The communist parties analyse scientifically the society in which they operate, and generate the social change programme. The communist model of society would be implemented by the communist party that used the state as an instrument in all spheres of social life. The entire scientific analysis is assumed as based on the Marxist theory, as it was developed by Lenin and Stalin and by the communist parties, regarded as institutions for creating the required science for the political process.

The process of elaborating and changing the programme does not take place publicly, but inside the party, and more specifically, at its top. Faced with the issues of the social change process, the communist programme was continuously adapted, clarified, and changed by the party.

*The public debate* about the communist party is replaced by *propaganda*: the explanation of the communist party’s programme to the population.


**Priority objectives**

The communist programme had as final objective *the modernisation* of the country, albeit in a communist form. The communist model of modernisation was regarded as a more humane and efficient alternative than the capitalist one.

The communist period represented a unique social experiment as amplitude: the reconstruction of a society by implementing a complex model of social organisation.

The communist programme had 14 priority directions/objectives regarding the long-term development of Romania.

1. Replacing the capitalist society with a socialist society and, in historical perspective, communist one.

2. The communist revolution had as objective a structural change of the entire society by promoting a new model of society: the organisation of a socialist economy, the abolishment of ‘exploiting’ classes, and the institutional change of the entire society.

3. Special attention was supposed to be granted to developing culture, education, health, and science: a “multilateral developed society”. Economic growth was expected to provide for the required resources, in order to develop all spheres of social life that were to be reconsidered from the perspective of the communist vision: a socialist culture and education built on socialist bases, etc.

4. A political system based on a *single party*, the communist party assuming the leading role for the entire society, based on the Constitution. The communist party was instated as the single legitimate mechanism for designing the social-economic development programme for Romania, built on the backbone of scientific analysis, in the interest of the entire society.

5. The state becomes the instrument of the communist party for organising the entire society, the economy, and all other spheres of social life. It has the function of mobilising the financial resources and redistributing them. It establishes the incomes for all the categories of population.

6. Another type of democracy was to be implemented: The democracy expressed first by universal suffrage is replaced by the internal democracy of the communist party, based on the principle of *democratic centralism* that was supposed to represent the interests of the entire community. Internal democracy of the party remains ambiguously defined, as decisions either are concentrated at the top of the party, by collegial democracy, collective leadership, or are gathered in the hands of the “leader” of the party (the secretary general of the party), by eliminating any collegial practice. This happened in the Soviet Union in Stalin’s times, and in Romania under Ceauşescu, and in Mao’s China, or Kim Ir Sen’s North Korea.

Paradoxically, the communist system could not abolish completely the mechanisms of traditional democracy, universal suffrage, and parliament. Nonetheless, this form was emptied completely of the democratic content. The parliamentarians proposed by the party are elected by universal suffrage,
unanimously. The decisions of the parliament, passed also unanimously, are prepared by the communist party.

7. Promoting another social structure than the one of the capitalist society. The “exploiting” classes of the old society, associated with private property on production means, the capitalists, the remains of the large land estates, but also the small agrarian capitalists still in formation, the ‘kulaks’, all of these are to be rapidly done away with. The new social structure will be formed by the working class, which is supposed to have the leading role within the society in alliance with the peasantry and supported by the intellectuality. The objective is to achieve in the future a society without social classes, a homogeneous society based on shared interests.

8. In Romania’s circumstances, as an underdeveloped agrarian society, the core objective is exiting underdevelopment by rapid economic growth, the central component being industrialisation, and with priority, the machine building industry.

9. The capitalist-type economy is replaced with the economy based on the socialist ownership, either state or cooperative ownership. The change in the structure of the economy is realised by nationalising capitalist enterprises and by creating cooperatives built out of the former small properties, especially the ones in the agricultural sector. Nationalising the industry was an objective to be accomplished immediately. Agriculture’s collectivisation completed the objective of laying the socialist fundamentals of the economy. However, its realisation was designed to unfold on a longer period of transition.

10. The state takes over the role of the market in organising and fine-tuning the economy. Investments, production plans, prices, and wages are decided by the state bodies.

11. Socialist economies are developed as national systems with an internal degree of autosufficiency. The openness towards the world economy is limited and controlled by political decision. Especially the economic relations between socialist countries are realised by intergovernmental policy mechanisms. In the world economy, the stakeholders are not the private economic entrepreneurs, but the states. The socialist system attempted to build his own international market that, nevertheless, is achieved by political and not economic means, respectively CMEA. This could never be similar to the European market. The intervention of the states is realised firstly by political mechanisms of negotiation, and only secondary by market mechanisms. The international economic division within the socialist system was very timid in relation to the economic integration process of Western Europe that was achieved based on market mechanisms.

12. The ultimate objective of the communist programme was increasing the welfare of the entire community based on economic progress: a balanced welfare, based on a high degree of equality, and moderate inequality during the transition period to communism. The principle of performances’ differentiated motivation is combined with the principle of social justice. Performance’s motivation was
supposed to be supported not only from an economic viewpoint, but also by non-economic, moral and political means.

13. *The New Man*, active factor of social development, but also its beneficiary, was to have a different profile from the one created by capitalism: intertwining personal interests and social interests, and an active orientation towards promoting collective welfare. This man was to be himself a “multilateral developed” personality with a high cultural and scientific level.

14. Romania, like all other socialist countries, promoted polities focused on the independent national interest, minimising the interaction within the international socialist system.

Consumption goods circulated with difficulty in the relationships between the states. Tourism between socialist countries had as secondary objective: the informal exchange of goods. Tourists from one country travelled with goods from their country, but which were in short supply in the other country. They sold them there, and bought the goods lacking in their own country. In Romania, on the beaches at the seaside, intense trade was practiced between tourists and the Romanian population. Western goods desired by the populations from inside the communist system enter less by display in shop windows and more based on “care packages” sent by relatives and friends.

Of significance is the scandal from the years 1963-1964. The suggestion of Valev, a Soviet economist, consisted in the economic division in the framework of the socialist system by political mechanisms: some states should have been focused on certain fields, and other states on other fields. For instance, it was suggested for Romania and Bulgaria to be involved with priority in the field of agriculture. The Valev Programme expressed certainly the felt need of promoting also in the world of socialist economy a certain division of economic profiles. However, the division was to be achieved not by free market mechanisms, but by political mechanisms that would have created political advantages/disadvantages, depending on the power of the states. Ceauşescu transformed the Valev Programme into an earnest political attempt of infringement on the national independence. The resistance shown against the tendencies of USSR to expand the political control over the socialist countries was expressed at somewhat more subdued levels in the other countries, as well.

**Three strategic directions of the communist programme**

- **Rapid economic growth**: due to the initial state of agrarian underdeveloped society, the emphasis was put first on industrialisation;
- **Building a “multilateral developed society”**, respectively developing not only the economy, but also the social spheres, an important part of the services’ sector: education, health, culture, sports, and leisure. Hence, a balanced society.
- **Increasing the welfare of the entire population**, with an, as possible, balanced – homogeneous distribution of welfare.
THE EVOLUTION STAGES OF THE ROMANIAN SOCIETY DURING THE COMMUNIST PERIOD

In the 45 years, the communist system transitioned five stages, each with a distinct profile.

Stage 1: 1944–1947: gradual instating of political power by the Communist Party

The most important events of the time:

● The imprisonment of General Antonescu and instating a coalition of historical parties, and of the communist party, with the involvement of King Michael: 23rd August 1944;
● The withdrawal of Romania from the alliance with Germany, and the participation together with the Soviet troupes at the anti-German war.
● The Agrarian Reform from 1944–1945: dividing the lands among peasants.
● Payment of war damages to the USSR.

After the succession of a couple of governments, a new government is instated dominated by the Communist Party on 6th March 1945. Gradually, all the other parties are excluded from power. The final point was imposing the abdication of the King on 30th December 1947.

The King’s abdication seems to have been a shock for the population. It did not mean by itself attachment to royalty/King Mihai, but rather the decisive act of changing the political regime and of instating communism.

By the end of the war, Romanians were not displaying victor feelings, but confusion and concern regarding the future.

Stage 2: 1948–1954: implementation by violent means of the economic reform and subduing actual/potential resistance of the population

During this period, three objectives were at the core of the politics of the new regime: economic reform on socialist basis, change of Romania’s social structure by eliminating capitalists and the feudal remains, and defeating/preventing social resistance regarding the implementation of the communist programme.

The socialist reform of the economy

In 1948, industry and commerce are nationalised. The system of economic planning is implemented, along with the one in which the state sets the prices. Nationalisation did not generate significant social resistance.

Socialist ownership in industry and commerce became rapidly, already as of 1949-1950, quasi-complete. Out of the personnel employed in industry, 91% worked in state-owned enterprises, and only 9% in cooperative industrial entities. Small-production private enterprises survived on the sidelines, just for some services (tailoring and footwear repairs).
Table 2 Weight of the socialist sector within the important components of the national economy, dynamics between the years 1950-1965, %

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<td>In employed population</td>
<td>25.6</td>
<td>38.3</td>
<td>80.8</td>
<td>88.1</td>
<td>89.9</td>
<td>94.9</td>
<td>95.5</td>
<td>93.6</td>
<td>93.7</td>
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<td>In fixed productive funds</td>
<td>62.0</td>
<td>74.2</td>
<td>83.5</td>
<td>86.1</td>
<td>88.1</td>
<td>96.2</td>
<td>96.7</td>
<td>97.0</td>
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<tr>
<td>In national income</td>
<td>61.0</td>
<td>62.2</td>
<td>74.2</td>
<td>82.8</td>
<td>88.7</td>
<td>95.1</td>
<td>95.7</td>
<td>96.4</td>
<td>95.5</td>
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<tr>
<td>In global industrial production</td>
<td>92.4</td>
<td>97.0</td>
<td>98.3</td>
<td>98.8</td>
<td>99.1</td>
<td>99.4</td>
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Already by 1950, industry was based almost completely on the state-ownership. In 1962, over 90% from the entire economy was integrated within the socialist system.

In 1949, the second objective of the communist reform was initiated, aimed at agriculture. Plots larger than 50 ha of the former boyars are confiscated, but also lands of other institutions, like the Church and the Romanian Academy. On this basis were established the large state-owned agricultural enterprises (SAE). The integration of the peasants in the cooperative socialist system lasted somewhat longer: 14 years (1949-1962).

Eliminating “old” social classes and actual or potential resistance

The fifties were dark years for all European socialist countries, including Romania. The initial stage of instating communism was accomplished by tough suppressive measures.

The “social and political cleansing” was performed immediately, by removing social classes and groups associated with the old regime, respectively the bourgeoisie and grand landowners, the wealthy peasants (‘kulaks’), the historical political parties and their leaders, along with those associated with Nazism, the legionnaires, but also the Germans who were enrolled with the German fascist organisations. The small bourgeoisie, that might have shown certain opposition, was also repressed or marginalised by forceful embedding into the communist system.

The former capitalists and landowners lost by nationalisation their social-economic foundations. Some emigrated. Probably, tacitly, they were encouraged to seek this way out. The main repression objective was represented by the leaders of the former political parties: they were imprisoned, and some of them died in prison. The prisons from Sighet, Aiud, and Piteşti have gained their famous ill repute, because of the cruelty with which important personalities of the old regime were treated. The “Channel” Danube – Black Sea, which began but remained unfinished, was the terrifying place of political deportations.

The legionnaires are a particular case. Terror needed clearly identifiable, distinct and obviously unpopular targets to exert itself.

The preferred instruments in this stage of implementing the communist model were imprisonments, convictions, murders, deportations, and various other forms of social repression. The
“re-education” experience from the Piteşti prison was shocking. The repression and violence were used in this period also as demonstrative exercise for intimidating the population. Staged trials were common practice in this initial stage.

The revolutionary terror as main weapon of the class struggle during the Soviet Revolution was theorised and justified by Lenin. Referring to the situation of underdeveloped Russia, torn by strong-armed groups in heavy conflict with each other, he argued that the communist change of the society could not take place peacefully, by democratic means, but only by the inevitable resort to violence.

Under the conditions of Soviet Army’s presence, the Communist Party exerted strict control over the entire society, thus making impossible any significant anti-communist movements. In Romania, for a couple of years, there were some armed groups withdrawn in the mountains for expecting the “arrival of the Americans”. However, protests were predominantly individual. Collective resistance forms were recorded mostly during the process of collectivisation in some villages, but these were just local and terminated violently.

Instating the communist model had to mitigate, right from the beginning, the lacking support of most of the population mass. Communism was associated with the negative historical experience in the relationships with Russia, to which were added the abuses of the Soviet occupation. The population was a mass that had the potential of turning explosive, and therefore the repression of groups or individuals had only a demonstrative warning role, of inducing fear. The forties and the fifties were characterised by this fear insinuation, the objective being to impel accepting the inevitable: the control of the Soviet army and disappearance of the hope that “the Americans will come”.

The tough means of repression employed during the first years since the instatement of the communist system were inevitably according to its historical logic. Nevertheless, as explicative factor cannot be omitted the transfer of practices from the USSR dominated by Stalin’s paranoid recourse to violence.

Actually, the terror was not denied by the communist leaders. Officially, it was justified as legitimate means of the class struggle. Later on, we find also a more general theoretic substantiation of the terror strategy, formulated by another communist leader, Gheorghe Gaston Marin: “Radical, revolutionary political social and economic changes cannot be done without violence against those opposing them. Later, as the culture and civilisation degree and the economic development increase, such changes may be obtained without much violence, as the collectivisation was achieved in the countries of Western Europe”. (G. G. Marin, 2000, 185–186).

**Collectivisation and peasants’ resistance defeat**

If the nationalisation of industry was achieved swiftly by a legal act, the collectivisation of agriculture was the second priority objective of the economic reform that unfolded on a longer period, and was finalised only in 1962. It presupposed compliance with the principle of individual agreement, but the vast majority of the peasants tried by any means to avoid enrolment in cooperatives.
The village collectivisation programme was faced with a social structure dominated by small landowners. In the Plenary from 3 – 5 March 1949, when the collectivisation programme was launched, the next social structure of the village was estimated: 250,000 agricultural workers, 57% poor peasants, 34% middle-class peasants, and 5.5% kulaks (M. Andriescu, 2011, 34).

In the workers’ environment, the nationalisation of enterprises had a certain social support, while in the rural area, a strong opposition to collectivisation is recorded. The Agrarian Reform from 1944-1945 had entitled, though modestly, millions of peasants. After only a couple of years, the same communist regime decided to take their lands by collectivisation. The promise of prosperous cooperatives enjoyed no credibility among the peasants. Collectivisation clashed with the strong resistance of the peasants, but this opposition could take only individual forms. The peasant could not find means to organise the fight against the political steamroller. There were villages that rioted, or small groups of peasants. Riot or collective violent opposition was employed less, while individual rejection of enrolling into the cooperative was the most usual form of opposition to the pressure of collectivisation. Moreover, despite violent means used by the power, the majority of peasants succeeded in resisting for 14 years, from 1949 to 1962. The price paid for their resistance was huge. Political activists, militia and the Securitate stormed the villages for “persuading”, actually forcing the peasants to agree the enrolment in cooperatives. The power imbalance of forces was high: the peasants resisted mainly by refusing to “sign”. The state resorted to various forms of pressure: arbitrary taxation, imprisonments, beatings and persecutions, pressures on the families up to and including goods’ seizure, forced relocations to other localities, deportation, mandatory residence, enrolment into ‘labour battalions’. “The violence degree of the peasants was relatively low as compared with the retaliation of the regime” (M. Andriescu, 2011, 53).

While in towns the class struggle had won decisively already in 1949, in the villages the situation turned desperate for the political leaders. The peasants were the vast majority of the population. Persuasion proved to be inoperative. Hence, it was doubled by coercive means: arbitrary taxation, imprisonments, beatings and persecutions, pressures on the families, deportations, obligatory residence, and enrolment in labour battalions. The ensuing years were dominated by a wave of violence directed against the peasants’ resistance, which extended throughout the entire period of collectivisation. The Decree no. 6 from 1950 provided for extremely severe sanctions for the behaviours and attitudes “endangering the regime of popular democracy, or attempt to impede the construction of socialism in the People’s Republic of Romania”. It was provided for the same regarding those who behaved “defamatory against the power of the state”. Thus, any individual opposing collectivisation turned into a criminal and had to be punished (M. Andriescu, 2001, 53). In a speech from 1953, Gheorghe Gheorghiu-Dej launched a new offensive: “the class struggle in our villages becomes more acute” (Ibid. 64).
The documents generated by the institutions of the time recorded for the years 1949-1953 about 34,738 thousand peasants imprisoned for various forms of resistance against collectivisation. In his speech from 1961, Gheorghe Gheorghiu-Dej advanced a figure of 80,000 imprisoned persons.

In only one area from the western part of the country was recorded a rapid increase in the number of arrests and convictions: 1956 – 70, 1957 – 1,308, 1958 – 1,829, 1959 – 1,499 (Ibid. 66).

From the political viewpoint, a social group was defined that turned into the object of the class struggle in the villages: the “kulaks”. These were not some wealthy persons, but well-to-do peasants, as a rule the raw models of good homesteaders. It was considered that they employed labour force and, thus, according to the communist theory they were exploiters and consequently enemies of the regime. They were the object of revolutionary violence: disproportionately high quotas, arrests, and depositions. In reality, their identification was a serious problem. They were just prosperous peasants. A clear methodology for their identification was not established. If the Secretary General of the Party stated that there are 5.5% kulaks, the local bodies had to deliver a list with 5.5% kulaks from their localities. Subjectivism and abuses were the order of the day and these grew exponentially. Finally, in this category could be included a lot of peasants who, in fact, opposed the collectivisation process.

The ideological pretence, that poor and middle-class peasants were the “natural” allies of the communist programme in their struggle against the kulaks, was far from reality. The opposition to collectivisation was present among the vast majority of poor and middle-class peasants, as well. Moreover, the kulaks were used most as examples for what happens to those resisting the instatement of the communist system in agriculture.

**Intellectuals**

The third objective in the implementation stage of the communist system was to change the inherited way of thinking and promoting a communist conscience. The population could be frightened by rudimentary means of physical violence: in the case of peasants, if they “signed” for enrolment in the cooperatives, their integration within the socialist system was concluded. The issue was far more complicated in the case of intellectuals who had another thinking way, different from the communist one. The fundamental principle of the intellectual was freedom of thinking and accepting diversity of opinions. The principle of the Communist Programme was the appropriation of the communist thinking as crystallised by the Marxist theory and by the doctrine of the communist party expressed in party documents. Their communist integration meant changing their way of thinking and accepting the communist ideology.

A monopoly was established over public communication. The *opinion criminal offence* was instituted, defined as deviation from the official way of thinking. The style contained in independent public debates was replaced by propaganda, and “explaining the policy of the party”. A large group of experts in ideological propaganda is developed, and special attention is paid to “correctness” in political
thinking and in public discourse expression. **Censorship** was set up as control institution of publications: newspapers, books, and shows. The ideology became a highly elaborated sphere, promoted institutionally, and all forms of public communication were controlled.

Throughout the first years after communism’s instatement, intellectual personalities out of which many with acknowledged prestige were declared as enemies of the regime. They were arrested, convicted, marginalised, and thrown out of the institutions in which they could have shown their competence. It is the case of remarkable cultural personalities, like Lucian Blaga and Tudor Vianu. Even more intellectuals were eliminated from the higher education and cultural institutions. Public convictions were organised, while complementary, most intellectuals accepted the historical inevitability of communism. The latter were “incentivised” to integrate into the new communist system, and gained substantial social and material advantages. Intellectuals barely out of prison were offered jobs at the level of their professional training. A typical example is Traian Herseni, former student of Gusti, and with a consolidated prestige in sociology. However, he had been part of the Legionary Movement, a behaviour regarded as extremely grave in communist times, and convicted to hard years of imprisonment. Nonetheless, he was released from prison in 1956 and received a job with a library, and after just a couple of months was employed as scientific researcher in a research institute, and sometime later became the head of the social industrial psychology section with the Institute of Psychology. He participated to and coordinated empiric sociological research, and published numerous sociology books.

The system needed intellectuals, but not dissidents, and opponents to the regime. Advantage was taken of the feeling of historical inevitability, which spread out a state of resigned acceptance. As a rule, valuable intellectuals did not change their beliefs, but by understanding the limits, they attempted to identify niches and ways for continuing their profession, thus delivering important contributions to developing Romanian culture and science. Remarkable intellectuals who could not adjust were offered discretely the possibility to emigrate.

In the field of social sciences, agreeing in principle to the communist doctrine (Marxism-Leninism and the party documents) became compulsory. In time, the break from this framework was progressive, and was concluded by jotting down few quotations from Marx, Engels, and Lenin and the party documents’, and some more or less superficial statements of conformity with the official doctrine.

Just as well, internal discussions of the party are not strictly monitored. There were no assumptions that in party meetings the members of the party might have expressed viewpoints contrary to the party policy, or formulate new ideas for debate. Ideological changes were reserved exclusively to the leadership of the party. Discouraging the expression of different viewpoints to those of the party’s leadership had involved harsh suppression forms during the first years of instating communism, manifested in political exclusions, including convictions to hard years of imprisonment, the individuals labelled as deviationists and excluded from the party.
In 1948, sociology is prohibited on grounds of being a “bourgeois science”. It is not surprising that during the first stage of communism’s instatement, sociology as predominantly empirical science of the social reality was the only prohibited science. The vocation of sociology is to research independently the social reality and explain it, possibly to propose social changes. Such a scientific discipline was unacceptable to the political system that was assumed as the only legitimate institution for analysing social phenomena. Social knowledge, in its entire variety, was replaced by an ideological paradigm as only legitimate source of social knowledge: dialectic-, and historic-materialism (the Marxist-Leninist philosophy), completed with scientific socialism and political economy, which were actually taken over from the Soviet Union.

The rejection of sociology was not a Romanian error, but a structural effect of the communist politics. The exclusion of sociology, or its mere tolerance in a marginal position, was common for all socialist countries throughout the initial stage of implementing communism.

The loaded, anti-sociology atmosphere is described by Paul H. Stahl, then a young sociologist.

“Despite all efforts of the School (Gustian School – a.n) to keep alive sociology, this fact became impossible. The attacks aimed not only at the School but also at the discipline as such were coming in successive waves...At the sociology seminar we could watch during those years how two or three students showed up together and made any debates impossible. Messengers of the absolute truth, they did not allow for any other opinion, than the official one. Gusti’s seminar, in other times so free, interesting, and vivid due to the display of a variety of opinions could unfold no longer. I remember how, at a Conference held by H.H. Stahl about the way in which the results of science are applied socially, by the end of the conference an unknown stood up and yelled «long live the alliance of intellectuals with the working class »” (P. H. Stahl, 2001, 248).

“Sociology was simply put prohibited: Why should we continue researching when essential truths were already stated by the classics of the communism? One year after the prohibition, I assisted at a seminar in the former hall of the sociology seminar. The historical materialism was debated. In absolute silence the students repeated by heart the read texts’ where not even a comma could be changed from its place without becoming a deviationist. Critiques of the time had the aspect of «accusation», or were rejected with arguments regarding the lacking citation of the party’s documents, or of the classics of Marxism-Leninism. Other arguments were that it shows the sharing of bourgeois ideas, or revisionist ones, and moreover, that it fails to highlight the role of the working class, or, «even a primary school child knows that...»”. (P. H. Stahl, 2001, 249).

The war and the instatement of the communist regime eliminated many of the top personalities of the Romanian sociology who were assassinated, imprisoned, forced to emigrate from the country.

Sociologists/intellectuals in social sciences, who were imprisoned, died or emigrated because of the communist regime: 33.


Noticeable is that sociologists, even in this extremely difficult period, did not lose their vocation as sociologists nor the hope that their field still has a future. Most of them survived as researchers with the support of their colleagues, probably also on the backdrop of discrete political tolerance. Many sociologists trained before continued their activity in research institutions with social profile, and published papers even if, initially, not under the brand of sociology. Among them, we find Henri H. Stahl, Leon Topa, Gheorghe Focșa, Paul H. Stahl, George Em. Marica, Roman Cressin, Traian Herseni, Stanciu Stoian. In the Institute of Arts’ History were active a series of former collaborators of Dimitrie Gusti, among whom we count Gheorghe Focșa, Florea Bobu Florescu, Marcela Focșa and Paul Petrescu.

Population’s state of mind

As of the beginnings, the communist programme was perceived by the vast majority of the population with fear, on the backdrop of a feeling of powerlessness. The new political style was supported by the presence of Soviet troupes, and on the open guidance of the government by Soviet experts. It was the feeling of an occupied nation.

On the historical background of the hostility against Russia, the largest part of the population was terrified by the ensuing changes: the peasants (over 70% from population) were terrified by the perspective of collectivisation. The small artisans were afraid of the perspective of their dissolution and their enrolment into the communist system, and the intellectuals alarmed by the forced adoption of the communist ideology. Passive resistance was a mass phenomenon.

Defeating the resistance was a critical issue in implementing the communist programme. There was no enthusiasm, no political support, only distrust. Persuasion (propaganda) was attempted, but the outcomes were insignificant. During this first stage, propaganda was accompanied, with a lot more
efficiency, by violent means: **terror, intimidation, and infusing the feeling of inevitability**. Social pressures, and arrest and convictions were present. It was overt demonstrative intimidation policy. From the social perspective, a state of balance was achieved during the period. The population should not act against the communist regime. The attempts to create anti-communist organisations were repressed violently. Speaking out against communism was not acceptable in formal communication, but as rule, it was tolerated increasingly more at informal level. Regarding the vast majority of the population, peasants, and artisans, the primary objective was not as much **persuasion**, but their enrolment into the economic communist system, respectively collectivisation and surrendering the small properties. After this action, the system would work on itself. Otherwise, vital was not gaining the sincere adhesion to the communist programme, but inducing enough fear and a feeling of powerlessness, and a sense of inevitability. The function was to **scare to the bones**. Most of those convicted in that times were released after a couple of years.

Intellectuals were frightened as well, but with respect to them, it was important accepting the communist ideology and its use in their professional activity. The share of **persuaded** intellectuals was marginal. Right from the beginning, behavioural split emerged. In formal contexts, meetings, radio, and television talks, or written positions, the ideological adhesion was mimicked. Nonetheless, informally, the attitude was rather anti-communist under various forms. Informal, non-communist communication discouraged the sincere honest adhesion. In this context, even convinced communists avoided expressing their beliefs. This was not just formal/informal splitting, but also in the professional behaviour. In the social field, intellectuals became aware of the existing ideological confusion and promoted the universal values of their profession by mentioning formally that everything is according to Marxism and the party documents. Published texts began, as a rule, with a few citations from the classic Marxist and party documents’ texts, and continued with the professional message that reflected the actual conviction.

The mentality of the “men under times” is updated in a generalised form. The acceptance of what is to come spreads out, along with the development of survival and solution finding strategies, even ones about taking advantage of the “times”. The vulnerability of a country like Romania that is subjected to strong but unpredictable external factors created a sense of uncertainty that strengthened the historical passivity. A state of acquiescence to the instated system takes roots, along with the attempt to make use of personal opportunities provided by it.

**Stage 3: 1954-1962: reluctant retreat from the terror/fear inducement strategy. First reform attempts**

The **terror**, led to extremes by Stalin vanquished the collective resistance to communism’s implementation. Communism strengthened sufficiently benefitting from the tacit acquiesce of the West. The world froze in the **Cold War** balance. The international and domestic context generated the historical
inevitability sense. The political process seems irreversible. The logic of evolution made violence less and less necessary. A new process of political relaxation is triggered in all socialist countries. It became obvious that the Soviet model of communism had to be reformed.

The death of Stalin unlocked the process of change. However, it provided also for a comfortable way of taking distance from the preceding period. Terror was not necessary; it was the excess of Stalin. Ideologically, communism was not ready yet to acknowledge the structural deficits of the Soviet model of socialism, nor to attempt structural change. It was by far more convenient to acknowledge personal guilt, respectively Stalin and Stalinism. De-Stalinisation provided the expedient opportunity to depart from the violence of the first stage. In Romania, de-Stalinisation was done reluctantly and controlled, and the public proof of the fact is that only by 1961, the name of Stalin’s town was abandoned for Brașov, and the Stalin Place from Bucharest received a new name.

As the popular, Nikita Khrushchev came into power in USSR, a personality seemingly open to changes, and who termed more by jokes the necessity of reforming the system, hopes were fed regarding change.

An event that subsequently will be interpreted as one of particular historical significance takes place in 1956: the 20th Congress of the Communist Party of the Soviet Union (CPSU). The arid political documents adopted by the congresses of the communist parties are immediately published and “processed” in meetings and in the public area. The discourse held by Khrushchev on the 20th Congress, and that shocked the entire world by the virulent critique of the Stalinist practices and of the terror of the time, was the only communist political document that was not made public. It was held as secret up to the time of its public dissemination by western resources. Khrushchev’s discourse seemed to have opened the path for reforming the communist system, but hindering its dissemination proves that the power groups from the Soviet Union had no such intention.

A second event of just as important historical impact was, also in 1956, the Magyar Revolution. It was an extraordinary shock. The Magyars, in the streets, demanded not reforms of the communist system, but requested violently its abolishment. It was the first open challenge against communism. Then ensued, with the involuntary assent of the West, the bloody repression of the Magyar Revolution by the Soviet army and the armies of the other socialist countries, with many people killed and many more mass-arrests.

The message was clear; the socialist system will not accept any such attempts. After 1956, the spectacular anti-communist riots were no longer predictable. Nor were any other huge rebellions recorded. There were protests, but more individual or in small groups, and as a rule, these were representative of the intellectual milieu, save for the Polish Movement of the eighties.

In Romania, there were protests of the students and of some groups of intellectuals, and debate groups were constituted that questioned the Soviet communist model, but no considerable mass rebellions occurred. The risk of social explosion in the rural area was not an actual threat up to the time of concluding the collectivisation of agriculture in 1962.
Throughout the period, the fear of anti-communist riots turned into obsession. For inhibiting any possible social movements, arrests and public trials are the effective means.

The following intellectuals are sentenced to imprisonment: Paul Goma, Alexandru Ivasiuc, Alexandru Mihalcea. Other waves of arrests comprised members of the former “Sibiu Circle” (Ion Negoșescu, Nicolae Balotă and Ion Dezișeriu Sârbu), or persons without any specific political allegiance (Teohar Mihadaș, Adrian Marino). 1959: The sentencing of over 20 intellectuals, from among whom Ecaterina Bălăcioiu-Lovinescu, professor, Dumitru Banu, journalist, Ion Caraion, poet, for the dissemination of “hateful writings”. 1960: the sentence in the trial Noica-Pillat.

Within the faculties of philosophy, law and history of the University of Bucharest trials against students and professors are organised. The students are expelled, some are sentenced to prison, while the professors are criticised (1957 and 1964).

Complementary with the relaxation of terror, some positive changes emerge.

Already in the second half of the fifties, began the strengthening of a process of asserting the independence of Romania in relation to Moscow. The Soviet left Romania. The signs of independence multiplied. The withdrawal of the Soviet troups from the country, in 1959, represented a significant act, as Romania was the only country succeeding in this respect. The public document strongly asserting Romania’s independence against Moscow was made public in the year 1964 (E. Copilaș, 2015, 146). The spectacular gesture of declaring Romania’s independence in relation to the Soviet Union relaxed the tension between party and population and allowed for establishing wide consensus around the national interest. Romania’s assertion of independence had a very positive public impact, but it had not in its nature to trigger a fundamental change in the attitude against the communist programme, but succeeded in improving it.

The last half of the fifties showed also some positive effects of the new system: mobilising national resources for construction programmes of public interest could nothing but generate positive reactions, nonetheless on the backdrop of chronic mistrust against the communist programme. The negative attitude was fed by the political processes.

The first effects of economic growth begin to be felt. The living standard improves visibly. Incomes start their increase and the market supply improves. Important social programmes are implemented, for the public, but especially for children. An emphasis was put on the importance of schooling and the rapid improvement of the school system. A free of charge public health system for all citizens was implemented. An example is the Palace of the Pioneers from Bucharest. Each district of the capital had a day in which children could participate free of charge to the various circles organised by the Pioneers’ Palace, an elegant space as symbol of the future: theatre, modelling, sports, dance, and painting. Free of charge tramways take the children from different areas, driving them from and back home. The construction of universities is initiated, along with the one of campuses, and schools. Public investments are made also in the construction of houses. Funds are allocated for cultural shows, motion
pictures, and theatre, playgrounds are arranged for children to play, and excursions, and leisure programmes in the mountains or at the seaside for children and adults alike.

An important factor of social relaxation was the rapid industrialisation. Many jobs are created in industry, and the wages become increasingly more rewarding. The working class was constituted out of former peasants glad to escape collectivisation and to obtain jobs in the new industry, and many could move to town, as they also obtained houses. Only by the end of the seventies and eighties emerged considerable protests, as reaction to the severe depreciation of the living conditions. The miners from Valea Jiului rebelled in 1977, and a new riot was in Braşov in 1987, just like the riot of the students from Iaşi in 1987. In 1977, Ceauşescu went in Valea Jiului to negotiate with the miners, but in Braşov, in 1987, the repression was harsh and the leaders imprisoned.

The second half of the fifties was characterised by pursuing ways of reform in all communist countries. Still, *History* was not favourable to this process. The reforming trends were delayed and even obstructed by the fears of the political ruling regarding social explosions like the one from Hungary.

Reform trends did not touch the structure of the political system. The key issue of the communist model was the structural incapacity of denouncing the monopoly of the single party on the change process. Therein resides the main source of the system’s rigidity. By Constitution is provided for the leading role of the communist party. However, a democracy based on choice between various programmes was not adopted, but a supposedly internal democracy of the party was put in place: *democratic centralism*. Ideologically, it was assumed that the decisions are made bottom-up by the mass of the party members, but not the population, and the leadership of the party applies democratically the polities thus generated. However, in fact, the decisions are made in a centralised manner, by the small group leading the party. Only thereafter, the decisions are “explained” to party members and the population at large.

There were no debates at the level of the communist international movement either. The differences took the shape of dramatic splits between socialist countries, with significant effects on the social situation, and on Romania, by increasing the area of free movement. Yugoslavia had decided already by the end of the forties not to integrate into the Soviet system, while the great China and little Albania forged for their own road. Gheorghiu-Dej’s Romania, and thereafter the one of Ceauşescu does not leave the Soviet system, but plays the independence card at international level, thwarting from inside several Soviet decisions. Moreover, the relationships between communist states undergo considerable changes: first, agreeing frequently more tacitly to a certain diversity in the social development paths.

*Stage 4: 1962–1971: Communism achieves maximum level of openness to reform; indices of a democritisation perspective for Romania*

The sixties were crucial for Romania. A rapid process of *modernisation* was triggered. The economy grows rapidly, and the effects on welfare are increasingly more visible. The economy is modernised due to technology acquired from the West. Massive investments, especially in industry, begin to pay off and show results. Employment opportunities within the industrial and public system are
increasing, just as wages. Shop windows become colourful with goods of much better quality and reasonably accessible. The population buys TV sets, clothing, and even cars. A successful policy is pursued in the housing constructions and in selling these units to the population under reasonable economic conditions. The consumption offer seems to get closer to the level of the one in western countries. The hope arises that the future will be increasingly better.

Apparently, the reform process of the communist system was triggered, and seemed firmly engaged on the reform path. Khrushchev’s coming into power in the USSR represented a promise of change. Not because Khrushchev had a clear reform vision, but the leadership style changed radically; crazy ideas, jokes and unorthodox deeds, knocking with the shoe on the table on the occasion of the UN gathering, or the childish frustration about being refused, out of security reasons, visiting Disneyland have played a role in making him likeable, even in Romania.

Throughout the sixties, a reaction against Stalin evolved, just as in all other socialist countries, as effect of Khrushchev’s speech that was an action for eliminating the cult of personality as symbol of the repressive practices from the past. The pictures of the leaders vanish, and especially the ones of the “Leader”. The criticism about the cult of personality is received positively by the population as a clear sign of democratisation.

The international climate improves. The cold war seems a past thing. Collaboration signs East-West become common occurrence. Promoting some reforms within the communist system brings the two worlds even closer.

The Romanian leadership is increasingly more concerned in promoting reforms and improving the democratic space. Nonetheless, moderately, develops also the sense that things depend more on us. The political climate is in détente. A sentiment of solidarity revolves around the national interest. The wish of departing from politics based on ideological schemes, coupled with the subjectivism of the leaders is proven by the underpinning of the importance of sciences’ contribution to political decisions. The rehabilitation of sociology is a symbol of change, along with giving to it the hope that it will play an important role in social development. In 1965, Ceaușescu – freshly elected as the leader of the Party – insists on making a public statement: he condemns the prohibition of sociology, and emphasises the importance of this science in developing the Romanian society.

The sense of political freedom increases. People know they may express without constraints in the informal milieus. The institution of “Securitate” is active and everybody knows this as certainty, but it seems to restrict itself just to reprimanding the attempts of anti-communist organisation. Its presence is less visible. Jokes and free speech break out venting some of the pressure, creating a feeling of civic dignity. The memory of brutal past repression begins to pale.

The opportunities of international travel increase both to socialist and western countries. However, the borders remain closed. The attempt of “running” to the West seems on decrease. Running over in the West continues to be regarded as a crime.
Social revolts are not recorded on the background of the general improvement in the living standards.

An important political document from 1967 approached for the first time the issue of profitability and of the market economy, decentralisation of economic decisions, and increasing the accountability of enterprises and encouraging private initiatives: building houses in private ownership, setting up private artisan workshops, opening restaurants and cafeterias managed by private agents. The liberalisation of the political regime was marked by various initiatives like returning to the national values, and de-Russification of culture and education. Moreover, freeing political detainees in 1964 and, after two decades of violent atheist propaganda, for Eastern 1968 were put into sale greeting cards with painted red eggs and the “Happy Birthday!” wish on them (I. Scurtu, G. Buzatu, 1999).

Gheorghiu-Dej, the Secretary General of the Communist Party gained wide popularity by his independence politics and by initiating a process of political change.

The independence policy of Romania that stimulated the openness towards the West and amplified the East/West relationships promises a chance for circumscribing the country on the path of reforms wished by it.

The Declaration of April 1964 launched forcefully the thesis of Romania’s independence against the Soviet Union, which was spectacularly reasserted in 1968. It formulated the new principles of Romania’s foreign policy: independence and national sovereignty, non-interference in domestic affairs, and mutual advantage. On this background, the plans of economic integration regarding the member states of CMEA, as well as the proposals for instituting a single military command of the Treaty of Warsaw were rejected altogether. The West makes significant gestures in supporting the independence policy of the country. Romania is regarded as a thorn in the side of the Soviets, in the conflictual context between the systems. The socialist system controlled by USSR was shaken by Romania’s policy of independence. The increasingly stronger assertion of Romania’s independence against the Soviet Union was an important factor for improving the domestic social climate.

Romania improves spectacularly its international standing. The relationships with western countries are expanded and have prestigious outcomes, such as setting up diplomatic relations with the Federal Republic of Germany (1967, and Romania is the first socialist country), or the visits to Romania of the President of France, General de Gaulle (1968), and of the President of the United States, Richard Nixon (1969). Ceauşescu’s visit to the United Kingdom receives impressive attention, as he is welcomed ceremoniously by the Queen.

The symbolic solidarity of Romania with Czechoslovakia in 1968, expressed by the decision of rejecting the alliance with the intervention troupes for repressing the Czechoslovakian reform was a factor of increasing domestic social solidarity. Romania benefitted, in this period, from a wider movement room, but failed collecting the fruits, as the personal dictatorship of Ceauşescu was instated.

All sectors of social life underwent reforms: culture, science, enterprises’ management. Many changes were based on assimilating western experience. Social sciences assimilated massively western
science patterns. It is a boom of cultural publications with an increasing lesser degree of ideology. Several Western translated books are published from the social-political and economic field.

Health and education services provide for increasing quality. University education undergoes booming development: spectacular increase of the university teaching staff, especially as young individuals are massively employed here in the period 1962-1964, and the students’ numbers grow as well, while scholarships and campuses are provided for the students.

Outstanding changes occur also in culture, in particular in the field of literature and art. The “socialist culture” programme that had dominated the beginning of the fifties is violently criticised, and replaced with art based on its own value. Art turns into a new field of professional collaboration around freely accepted and promoted values, and not on the ones imposed by ideology. The rapid liberalisation in the sphere of culture contributes to the sentiment of freedom and hope. “Proletkult” (proletarian culture), focusing on promoting the naïve image of the communist worker is completely purged from arts. Culture became a sphere with an overt critical vocation regarding the communist reality and contributing hugely to freeing the collective conscience.

The social atmosphere is softened. The preceding terror policy is in the past. The hope for a better future begins to assert itself.

After overcoming the shock of collectivisation, a state of resignation and adjustment to the new reality spreads out in the rural environment. This state is compensated by the opportunities provided by industry and by the town for many peasants, especially young ones.

The intellectuality engaged in supporting the reform process, with the wish to make society’s organisation more rational and attuned to he needs of the people. The adoption of a technocratic policy by assimilating western science was the political vision for the largest part of the intellectuality. A segment of technocrats emerges who gain leading jobs within the public system. Technocrats did not put up to debate the structure of the socialist system, but promoted a massive infusion of western expertise, of science, and of increasing the rationality degree of the whole system. The socialist system will need to reform stepwise, including here the assimilation of important components from the developed West.

On the backdrop of the continuing increasing living standard, though not spectacular, a certain stability of the way of living takes shape: a modest life, yet stable and safe. Income sources, workplace, wage, and pension are granted and predictable. People still live modestly, but the positive changes are visible. Fundamental goods are provided for, like housing, household equipment, a car is still a luxury, and though harder to obtain, it is achievable. The anti-intellectual policy is deserted. The importance of workers and of “healthy” origin diminishes rapidly. Studies become the fundamental criterion for social advancement.

Political arrests are no longer practiced. Nonetheless, based on other legal provisions and frameworks, there still seem to be political processes, but these are exceptions.
In the new context, the convergence theory launched by the French sociologist Raymond Aron becomes widely popular. The two systems, capitalism and socialism, have each its advantages, but also disadvantages. Gradually, especially under the impact of modernisation and science assimilation, the two systems converge, as each system takes over the good parts from the other one, and eliminates the bad ones. The convergence ideology was supported also by the international climate. The international relations went into a period of rapprochement. Instead of confrontation, the peaceful coexistence policy is adopted between the two systems. The Romanian translation of Radovan Richta’s book, Civilisation at the crossroads, 1970 enjoyed wide popularity in the intellectual environment by supporting with impressive expertise the programme of systems’ convergence. The book is the more important as it explored the convergent evolution directions of a communist country, Czechoslovakia, despite the violent termination from 1968.

The attitude towards communism tends to change from fearful rejection to a progressive vision: it can evolve to become better.

Beyond the obvious achievements of the years, an important source of public dissatisfaction continues to exist: the communist party holds absolute power. The concern is that the country’s state depends on the leadership of the party on which the population had no control. This concern will prove as justified.

The opening of the communist system both in USSR and in the other socialist countries, as well as in Romania, reached a crucial point – continuing reforms by deep structural changes, or the fear about the amplitude of changes beyond what was intended. The fear of change prevailed, and a new closing up spreads out.

The first sign was given by the USSR. In 1964, the reformist Khrushchev is removed and replaced by a bureaucratic leadership dominated by conservative forces controlling a slow and hesitant process of change. The negative impact was disastrous on the other socialist countries, hindering any attempt at reform.

The reforming trends culminated, however, in 1968, when Czechoslovakia attempted to develop the project of the communism with a humane face. This reforming process of the socialist system was subjected to the test of will and capacity of engaging on the path of changing.

Leonid Brezhnev, the Secretary General of the Communist Party from the Soviet Union, appreciated that the developments from Czechoslovakia and Romania endangered the existence of socialism in these states. He launched the doctrine according to which when socialism is endangered in a country, the other countries have the right and duty to interfere, by any means, including military ones\(^8\). The same Leonid Brezhnev insisted to react brutally regarding the Romanian policy of opening

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\(^8\) On 20\(^{th}\) July 1968, a Polish intelligence officer informed one of his Romanian colleagues that “Brezhnev personally, together with Andropov – the KGB head and other chiefs of the Red Army joint staff prepared an invasion in Czechoslovakia, Romania and Yugoslavia providing details like graphs, plans, ways of action. As result of the information, the leadership from Bucharest created a “group of crisis” with the mission to develop the plans of action in case of invasion.
the path for encouraging private initiatives. He accused the Romanian Communist Party of neglecting the Leninist thesis according to which private property generates capitalism, hour by hour and in mass proportion.

The American historian Larry L. Watts confirms this crucial moment. He presents the documents proving that by 1969 the Soviet leadership decided to include Romania among the deviationist socialist states, in the category of the adversaries to the Treaty of Warsaw, together with China, Albania, and other NATO member-countries.

In the context of this political generalised fear, the reform of the communist system, which was increasingly more necessary, had a difficult, hesitant, and postponed start. Nevertheless, some important social changes occurred, yet these proved as not deep enough, later on.

The openness of the communist system to change, as confuse and uncertain as it were, didn’t last but for 13 years, being circumscribed between the hope of the promised reform in Khrushchev’s speech from 1956, and the suppression of the Spring in Prague, in 1968. In Romania, the policy of independence allowed for searching reform pathways for yet another couple of years, up to 1971, when the famous Theses of July were issued.

The openness period proved just a simple wrinkle in history peppered, nevertheless, with some spectacular events. The device for maintaining the system was the adoption of new forms of bureaucratic dictatorship that combined strict control with a certain political and ideological tolerance. The history proved that structural changes were not achieved. The crisis of the communist system was just postponed, and it became obvious in the seventies and eighties. In fact, it might be asserted that in Romania the thawing of the system and the little liberalisation lasted but a bit longer than a decade. The cultural signs of openness are given by the emergence of the review Secolul XX (Century XX) in 1960, and the beginning of closing up again, due to the new Cultural Revolution, was owed to the famous Theses of July.

On Gheorghiu-Dej’s death in 1965, a personality who had succeeded in gaining popularity due to the demonstrated openness generated a difficult political situation. The hope was that already acknowledged valuable personalities would be elected. Ceauşescu, a person perceived as a rigid and culturally rudimentary person, was elected finally, after several debates, with the argument that the successor should come from the working class environment. Ceauşescu’s election generated disappointment right from the beginning. The concerns were substantiated. He continued Romania’s policy of independence, but halted the reform process.

The Soviet invasion put an end to the reform dream not only in Czechoslovakia, but also in all other communist countries. Poland underwent another change process. The Polish Labour Movement took hold of the society; nonetheless, the Soviet threat generated a fragile balance with a military government, and a strong, tolerated popular movement. In Romania, due to the Soviet pressure but by virtue of its own logic, the seventies marked the beginning for the communist regime’s crisis that was even more worsened by Nicolae Ceauşescu’s authoritarianism.
Stage 5: The structural crisis of the communist system; the end of the process of searching for structural reforms: 1971–1989

After 1968, the entire communist system of the Soviet type chose the path of putting an end to reform. The positive changes had achieved a structural limit of the Soviet communism model because of the incapacity to allow for deeper structural reform, probably headed towards convergence with the capitalist system. The entire communist system was unable to exceed this critical situation, and engaged into a process of ending and discouraging the reform attempts. Between the seventies and eighties, Romania plunges into a crisis without exit.

Any project for reforming the Romanian communist system, just as in all the other socialist countries, was ground to a halt by the international context. The Soviet socialist system seemed to be an accepted component of the world balance, by the end of the eighties. Any important change in a socialist country could not take place without the agreement of the Soviet Union. Against the various forms of Soviet intervention in the socialist countries, the West reacted just with formal protests. Ceaușescu’s blustering, though creating troublesome nuisance for the Soviet Union, was tolerated as the lesser evil against an attempt of deep reform, as the one endeavoured by the Czechs in the sixties.

The reform opportunity of the communist system was forfeited throughout the area controlled by the Soviets. The communist parties turned into preservation factors of the Soviet socialist model, blocking the change process. In all socialist countries, the seventies and eighties was the time of sinking into crisis.

Towards the end of the period, social discontent reached unbearable levels in Romania, like in all the other socialist countries. Popular movements were inhibited by two factors: resignation against the oppressive control of Ceaușescu’s dictatorship, and the feeling of helplessness against the Soviet control.

The competition with the West becomes frustrating. The East/West gap is on increase, not on decrease as expected.

In Romania, the impact of the political factor adds to it; Ceaușescu’s paranoia, his authoritarianism growing constantly, and the degradation of political leadership. The politicians open to reforms are replaced by mediocre ones, who are subjects of Ceaușescu’s family. The quality of the party’s leadership team deteriorates rapidly. Dej’s team included remarkable personalities: Ion Gheorghe Maurer, Alexandru Bărlădeanu, Gheorghe Gaston-Marin, Aurel Vijoli. This team was replaced by politicians of poor intellectual and moral quality: Manea Mănescu, Constantin Dâscălescu, Tudor Postelnicu, Ion Dîncă, and Emil Bobu.

The peak of Ceaușescu’s popularity coincides with the one of entering into the decline path: August 1968. In the loaded context of the year, when the Soviet Union interfered together with the armies of other socialist countries for suppressing the Czechoslovak change programme, Ceaușescu makes the public statement of disassociation with the military intervention, and about Romania’s solidarity with the Czechoslovak people. It was the uppermost claim of Romania’s independence against
the Soviet Union. This gesture was supported enthusiastically and prideful by the population. Yet, right at that time, emerged for the first time the certain indicative sign of resurrecting the personality cult. After good years since the disappearance of the leaders’ portraits, some portraits of Ceaușescu appeared among the enthusiast masses supporting the solidarity with Czechoslovakia. Obviously, these portraits were already primed and only the favourable moment was waited for.

The population had initially an extremely negative attitude against promoting the personality cult. As political personality, even though there were some who considered that Ceaușescu did some good things as well, overall he was regarded as a Dictator with low cultural level and accountable for the degradation of the country, especially for the seventies and eighties.

*Theses of July 1971*. We chose this historical moment because it marked spectacularly the desertion of any openness opportunity, moreover, the closing up against the historical chance of change. This closing up lasted almost 20 years. The stated objective of the *Theses* was to “intensify the revolutionary spirit in culture”. They generated shock, concern, and confusion.

The document was linked to Ceaușescu’s visit in China and North Korea (1971) where he was impressed mostly by Kim Il-sung, the North-Korean Dictator. On returning to the country after the visits in China, North Korea, Vietnam, and Mongolia, Ceaușescu asserts during a meeting of the Executive Committee of the Central Committee:

The Chinese comrades “made a revolutionary turn and, indeed, one might talk about a cultural revolution. They have done away, perhaps a bit too suddenly, but well done in my opinion – with all these petty bourgeoisie mentalities, and began anew. All their cultural activity, ballet, theatre, was set on revolutionary bases. They said: here we won’t allow the trespass of any bourgeois concepts”. Moreover, he relates, “I was impressed by the economic results of China, especially with the fact that all their achievements were the outcome of their own work, without imports, and without foreign contributions” (A. Lupșor, 2014).

The famous *Theses of July 1971* contained a confuse programme of relaunching dictatorial practices and a primitive vision about policy and culture. The new policy was commonly labelled as “the cultural mini-revolution” a parody of the “Chinese cultural revolution”. The *Theses* generated strong shock and demoralisation, especially among the intellectuals.

The literary intellectual environment reacted immediately. A group of young writers publicised a protest (Augustin Buzura, Adrian Pâunescu, D.R. Popescu, Marin Sorescu, Leonid Dimov and Dumitru Țepeneag), and Nicolae Breban, the editor-in-chief at România Literară (Literary Romania) resigned and attacked the theses in an interview for the journal Le Monde; moreover, writers of the older generations joined, like Zaharia Stancu and Eugen Jebeleanu. However, actually, none of these initiatives coagulated like in Czechoslovakia and Poland, for instance, into a significant political opposition.

The protest seems to have had some impact; in future speeches Ceaușescu refrained from mentioning the Chinese lingo that had impressed him so, and abstained from formulating, as was expected, a policy package regarding the cultural mini-revolution. Nonetheless, some measures
heading in this direction were taken. In December 1971, a law was launched prohibiting the dissemination or publication abroad of any written material that could harm the interests of the Romanian state. Romanian citizens were prohibited from interacting with foreign radio broadcasters, or journals, as these were considered as hostile to Romania. Personal typewriters were registered with the militia (the then name of police).

Many had hoped that the document would have no consequences for the Ceaușist policy. Nobody believed that a similar state as in China and North Korea could be instated. Still, grotesque forms of the cult of personality began to emerge increasingly more often. The vigorous public reactions did nothing but delay the enforcement of the Theses, and generate some hesitancy. What was obtained by resistance to launching the new policy was gaining certain tolerance as regards independent intellectual displays.

There were some other events on the same line, of finalising the closing up. The Romanian intellectuality was thus shocked by yet two other events: the wind-up in 1977 of two prestigious scientific fields, respectively psychology, and sociology.

Within the Institute for Psychology, on demand of the political leadership of the country, a transcendental meditation experiment had been done inspired by western sources. Which was the mechanism is still unclear, but Elena Ceaușescu, who widened rapidly her area of control, made a huge scandal out of it. Psychology was quickly marginalised. As the retelling went, Elena found out about the researches when people were asked to share their opinion about their bosses; Apparently, Elena Ceaușescu thought that it was about the ones “from above”, and had a fit: who makes such questionnaires? Her interlocutor, unsure about it, pointed to the psychologists. Thus, the Institute for Psychology was wound up, together with tertiary education in psychology.

Sociology was next. The sociology sections within the universities were also wound up, as the claims were that sociologists were to be trained by Ștefan Gheorghiu, an institution of the party for training politicians. In fact, sociology was done away with, as university specialisation. In the seventies and eighties, empiric sociological researches were no longer realised, with the few exceptions of private initiatives. It would be a mistake to believe that anti-sociology was pure error on Ceaușescu’s side. Marginalising sociology, under various forms and degrees, occurred in all socialist countries.

As otherwise true for the entire socialist system, a state of resignation and passive acceptance of the reform’s process blockage spread out.

The international climate becomes tense again, in the ‘70s, and ‘80s. From the supportive West regarding Ceaușescu, and which managed in creating the image of a great politician, it turned into an indifferent at best, if not slightly hostile West, as contrition expression for the contribution in creating the cult of personality.

The economic crisis. In 1971, Ceaușescu takes over control of economy, as well. Ceaușescu’s personality cult exploded and emptied the weak collegial democracy at the top of the party.
An important event occurred in 1973, as the oil prices exploded, and the world economy in its entirety had to adjust by significant restructuring. Romania and the other socialist countries were affected less, during the first years; USSR, one of the big oil producers, established the prices according to the Soviet system. Romania covered alone a significant part of its oil demand. Yet, the impact was felt, in time. The period of extensive economic growth concluded, and the stage of intensive, qualitative growth, made its entrance, with a new logic. Because of the rigidity of the socialist system, the difficulty to stimulate and assimilate the necessary investments, the socialist economy began to lose in the competition with the capitalist system. The Romanian economy enters into an intensified crisis, hidden by global data: economic growth continues through the seventies and eighties. Nevertheless, it is a crisis of decreasing economic efficiency. The gap against the West is on increase.

In the seventies and the eighties, because of the Ceaușist policy of forced industrial growth, the population paid for the crisis. The accumulation fund grows in the ‘80s to 36% from the national income, the highest rate within the socialist system. In 1978, in Bulgaria it represented 25.1%, in Hungary 30.7%, and in Czechoslovakia 24.4%.

Moreover, the political factor was added, too. The political ambition of Ceaușescu to increase industrial investments generated a boom of foreign debt, to which was added subsequently the decision to repay at an accelerated rate the debts. The export of goods increased, but at modest prices. The transfer of the economic growth costs’ to the population was not by diminishing wages and unemployment, but by goods’ scarcity, especially foodstuffs and empty shop windows. Goods’ scarcity may be treated in two ways. In the capitalist system, goods’ scarcity is treated by increasing prices: “less money, full shop windows”. In the eighties, not only Romania, but the other socialist countries as well, resorted to another solution: empty windows, queues, and ration books.

The population has money, and knows it, but cannot use the moneys for basic needs. The cost for obtaining necessary goods was paid not that much with money, but by forced consumption decrease, by increasingly more and longer queues for meat, milk, including petrol. Hospitals no longer had the necessary drugs. Save for Bucharest, the ration book was implemented for many food products. Petrol is rationalised on petrol cards.

Restrictions are implemented without any clear economic reasoning, but as overt expression of contempt against the population. Such is the example of prohibiting car traffic every two weeks on Sundays, under the conditions in which petrol was rationalised already. The standard of living collapses: empty shops, queues growing longer. The informal economy explodes because of goods’ scarcity. Purchasing rare goods on the black market booms. For services, money are paid less informally, as they lost much of their usefulness, but are replaced by foodstuffs, beverages, cigarettes, coffee. Nonetheless, money remains the means for obtaining rare products. Stories full of meaning make the rounds, without their being necessarily true: a physician receiving cigarette packages as non-smoker with the purpose of reselling them to the patients as go-between to earn extra cash.
Scarcity increased the opportunities for corruption: buying ‘under the counter’ rare goods, or the informal exchange of goods and services. The power and advantages of those who controlled the distribution of rare goods increased rapidly. The wealth of those distributing rare goods grew rapidly during the eighties.

The economy’s efficiency decrease became more marked, also because of one policy option: full employment of labour force for avoiding social rebellions, and the artificial maintenance of jobs. As unemployment was an unacknowledged phenomenon, a social protection system for this category on increase was not developed. In 1990, employment in enterprises was opened again.

Newly employed represented 4.5% in that year. Practically, all who wanted could get a job. We might estimate, thus, that in 1989 the share of unemployed registered as such was around 4%.

The effect of the crisis was disastrous for the population’s state of mind. The hope that the communist system might be reformed/improved had evaporated. Ceauşescu had lost his public credibility. The belief takes roots that the only solution for Romania to exit the crisis is to eliminate Ceauşescu. The political schism between the masses, including the technocrats who are increasingly more discontent about Ceauşescu’s leadership, and Ceauşescu’s small cronies’ group, grew. Collective despair sets in. The population begins to wait impatiently for social booms, estimated as unavoidable.

The population was sacrificed for economic growth, but this proved unable to generate either human benefit, or the economic one. Sacrificing the present for future welfare proved to be pure ideological justification for the inefficiency of the communist system.

*Arts* and *jokes* from daily conversation were the space of unrestricted freedom display.
Configuration of the Romanian society during the communist period

The dynamics of the economy

The first objective, the rapid growth of the economy with emphasis on industrialisation was achieved.

GDP increased by the end of the communist period of 50 years, **10 times** against the level of the year 1938. The economic growth is even more impressive if related to the actual starting point of the communist programme, when also the drop caused by the War had to be recovered, respectively **14 times**, against the year 1947.

Figure 1. GDP dynamics in the communist period – related to the peak of the interwar period (1935-1939), and to the collapse period after the war (1945-1947)

![GDP dynamics diagram](image)


By the end of the Second World War, the crucial issue of Romania was underdevelopment, an **eminently poor agricultural land**, far from the European standards. In these circumstances, the medium-term objective was inevitably to achieve the status of an **industrial-agrarian land** developed economically. The priority of the communist programme was the swift increase of the economy. The communist system proved a remarkable capacity of mobilising the country’s resources for launching the economy.

**Industry**

Over the communist period, industry’s growth was astounding. The highest growth was recorded for industry by **18 times**; agriculture had also a **four times growth.**
### Table 3. Gross value added per capita, total, and economic sectors, USD, PPP, 2000

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Agric.</th>
<th>Industry</th>
<th>Constructions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1935-1939</td>
<td>716</td>
<td>100%</td>
<td>378</td>
<td>262</td>
</tr>
<tr>
<td>1940-1944</td>
<td>673</td>
<td>94%</td>
<td>300</td>
<td>292</td>
</tr>
<tr>
<td>1945-1947</td>
<td>466</td>
<td>65%</td>
<td>186</td>
<td>218</td>
</tr>
<tr>
<td>1950-1954</td>
<td>1175</td>
<td>164.1%</td>
<td>585</td>
<td>516</td>
</tr>
<tr>
<td>1955-1959</td>
<td>1499</td>
<td>209.3%</td>
<td>668</td>
<td>704</td>
</tr>
<tr>
<td>1960-1964</td>
<td>2104</td>
<td>293.8%</td>
<td>741</td>
<td>1157</td>
</tr>
<tr>
<td>1965-1969</td>
<td>3103</td>
<td>433.4%</td>
<td>856</td>
<td>1944</td>
</tr>
<tr>
<td>1970-1974</td>
<td>4478</td>
<td>625.4%</td>
<td>907</td>
<td>3111</td>
</tr>
<tr>
<td>1975-1979</td>
<td>6111</td>
<td>853.5%</td>
<td>1090</td>
<td>4371</td>
</tr>
<tr>
<td>1980-1984</td>
<td>6433</td>
<td>898.5%</td>
<td>1439</td>
<td>4374</td>
</tr>
<tr>
<td>1985-1989</td>
<td>6876</td>
<td>960.3%</td>
<td>1444</td>
<td>4768</td>
</tr>
</tbody>
</table>

Source: V. Axenciuc, vol I, PIB in dolari ppc 2000, p. 51

Debates might exist in relation to the significance of the economic growth’s figures, but the dynamics of some important products provide an undebatable image.

<table>
<thead>
<tr>
<th></th>
<th>1938</th>
<th>1989</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric power kWh/inhab.</td>
<td>130</td>
<td>3276</td>
</tr>
<tr>
<td>Steel kg/inhab.</td>
<td>34</td>
<td>623</td>
</tr>
<tr>
<td>Textiles m²/inhab.</td>
<td>12</td>
<td>48</td>
</tr>
<tr>
<td>Sugar kg/inhab.</td>
<td>5</td>
<td>30</td>
</tr>
</tbody>
</table>

Romania’s political objective to turn into an industrial-agrarian country might be considered as achieved. The modernisation process had a swift rate. One of the most important indicators of modernisation is the wage in economy. While in 1950, there were 2.1 million employees, representing 25% of the employed population, in 1989 were registered 8.0 million employees, respectively 73.4% of the employed population. If we add to this also the number of persons employed in the cooperative system, we might regard that also the process of employment modernisation was accomplished.

It remains to be seen whether the economic growth achieved also brought the country closer against European standards, and narrowed the gap against developed countries. Not only the Romanian economy increased throughout this period, it increased in the entire world.
Table 4 Romania’s economic performance during the post-war period in European context, GDP/per capita, ppp, USD, Geary-Khomis 1990

<table>
<thead>
<tr>
<th></th>
<th>Romania</th>
<th>Average of 7 East European countries</th>
<th>Romania as % from 7 East European countries</th>
<th>Average of 36 European countries</th>
<th>Romania/Europea n average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1938</td>
<td>1 242</td>
<td>1 764</td>
<td>70,4%</td>
<td>3 226</td>
<td>38,5%</td>
</tr>
<tr>
<td>1950</td>
<td>1 182</td>
<td>2 111</td>
<td>56,0%</td>
<td>3 655</td>
<td>32,3%</td>
</tr>
<tr>
<td>1960</td>
<td>1 844</td>
<td>3 070</td>
<td>60,1%</td>
<td>5 316</td>
<td>34,7%</td>
</tr>
<tr>
<td>1970</td>
<td>2 853</td>
<td>4 315</td>
<td>66,1%</td>
<td>7 697</td>
<td>37,1%</td>
</tr>
<tr>
<td>1980</td>
<td>4 135</td>
<td>5 786</td>
<td>71,5%</td>
<td>9 643</td>
<td>42,9%</td>
</tr>
<tr>
<td>1989</td>
<td>3 941</td>
<td>5 915</td>
<td>66,6%</td>
<td>11 113</td>
<td>35,5%</td>
</tr>
</tbody>
</table>


Up to 1980, Romania had swifter economic growth against both Eastern-European countries and the European average, recovering the severe destructions of the war. The country approached the European level. In the eighties, the Romanian economy suffered involution, the gap against the other European countries increasing again.

Romania’s exit from the war was extremely difficult. War’s destructions were the highest, second only to Germany. Romania, during the recovery post-war years had to pay heavy war debts for the USSR, while the West benefited of American financial aid (the Marshall Plan 1947-1952) that supported the economic recovery of these countries, by advanced technological transfers from the USA. USSR had no financial resources available required for such a support programme. The support provided by the USSR was not in technology and financial resources, but in assimilating the Soviet communist system of social organisation. The American support for Western Europe had also political reasoning, according to the opinion of the experts: counteracting the influence of the Soviet Union on Western Europe, in countries of western Europe where this influence was great, for instance in France, Italy, and Greece.

Romania’s socialist economy had another structural issue as well, which was otherwise shared with all the other socialist countries: the policy of achieving a high degree of self-sufficiency. Socialist economies developed not as an actor integrated on the international market, seeking to identify the advantageous niches in the world economic division, but by closing up within an own economic system. The Romanian economy had to produce almost everything that was necessary to it. This explains why the first sector of the economy, the production of the production means, was a permanent priority, as it provided for the entire technological basis of Romanian economic growth. The second sector, respectively the production of consumption goods for the population, was always approached as secondary objective.
Agriculture

The war brought up, again, the public interest regarding the urgent need of agrarian reform. Successive agrarian reforms (1864, 1918, and 1945) have eliminated the feudal structures, but did nothing than postpone solving the structural issue of agriculture: land fragmentation and its complement, respectively the modernisation delay. The Romanian village is faced with the lack of investments, as the small farming household is incapable of accumulating capital. On average, peasants’ households had 2.4 hectares of land, and a vast mass of poor peasants had, in average, only 1.5 hectares. Such fragmentation of the land made impossible the absorption of technology, maintaining the agriculture at the level of traditional techniques with low efficiency.

However, the issue of agriculture was aggravated by the social component. After the war, enormous social pressure ensued for a new division of lands for the benefit of peasants. The new reform was received positively by the peasantry, but it aggravated the structural issue of agriculture: land fragmentation.

The only economic solution for the issue of traditional agriculture was concentrating land properties. The fragmented agriculture provided for the large mass of peasants (over 10 millions) survival conditions, but very modest ones. Western countries had solved the issue by gradual concentration of estates, and creating medium- and large households viable from the economic viewpoint, and apt to modernise. The persons no longer involved in agriculture in most countries were absorbed by the rapid development of industry, but also by the migration, especially to America.

Romania’s solution was of Soviet type: collectivisation of agriculture. Collectivisation concentrated the lands in large economic systems able to absorb modern technology. The state invested in the technical endowments used by the cooperatives. Additionally, land concentration in cooperatives did not eliminate the former small peasant landowners, but provided for all of them modest survival incomes, supplemented by their personal lots.

The nationalisation of large agricultural properties (over 50 ha of the former boyars, of the Church, and of the Romanian Academy and other public institutions) created a state-owned land fund, based on which were built the state agricultural enterprises (SAE).

By the end of collectivisation, 80% of the country’s land was included in cooperatives, in 1962.

By the reason behind the collectivisation was not a strictly economic one. It was also an issue for the socialist system’s coherence. It would be hard to conceive an industry based on socialist ownership and private agriculture. Lenin’s famous thesis ‘private property generates always and in mass proportion capitalism’ was called upon. It was not only a political thesis, but also a correct prediction. The small ownership generates a natural trend of concentrating ownership in increasing capitalist fields, as well. On one hand, the emergence of a new capitalist class in agriculture could turn into an important political actor with other interests than the socialist system. On the other hand, it could trigger the rapid
impoverishment of a large part of the peasantry that could no longer be absorbed by the new capitalist households.

Table 5 The stages of collectivisation in the Romanian agriculture

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of cooperatives</th>
<th>Number of families in cooperatives (thou.)</th>
<th>Agricultural lands (thou. Ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1949</td>
<td>56</td>
<td>4</td>
<td>14,3</td>
</tr>
<tr>
<td>1952</td>
<td>1975</td>
<td>165,5</td>
<td>713,4</td>
</tr>
<tr>
<td>1955</td>
<td>2152</td>
<td>183,2</td>
<td>905,8</td>
</tr>
<tr>
<td>1958</td>
<td>3028</td>
<td>468,5</td>
<td>1,892,5</td>
</tr>
<tr>
<td>1962</td>
<td>6546</td>
<td>3,194</td>
<td>8,862</td>
</tr>
</tbody>
</table>


During the first years of the collectivisation programme (1949–1951), huge efforts were made for persuading/forcing the peasants to enter into cooperatives, but with modest results. A couple of years of stagnation followed: in 1955, under 200 thousand families were enrolled in cooperatives. The violent repression of the resistance demoralised and, finally, the peasants agreed resigned to collectivisation. After 1958, followed a couple of years of extremely rapid collectivisation. In 1962, the political year declared as the year of finalising the collectivisation, over three million peasant families were enrolled with the cooperatives. The proof of peasants’ resignation: by the beginning of the fifties, the collectivisation process was modest, yet the violence shown against their resistance took extreme forms. By the end of the fifties, a boom is registered in collectivisation, which is no longer realised with significant acts of violence against peasants.

In 1962, 60.7% of agricultural surfaces and 76.4% of arable land were both included in cooperatives (Agricultural Production Cooperatives - ACP), while only 6.6%, respectively 4%, of these land represented not collectivised lands in mountainous and hills’ areas, all the rest being in state ownership, in the State Agricultural Enterprises (SAE).

Politically, in 1962, the socialism was declared victorious also in the villages. The peasants no longer had to oppose political aggression. The battle had been lost. Now, the problem for the peasant was to rebuild his own life in the new context.

Peasants’ fears were confirmed. The cooperatives were not free peasants’ associations based on internal democracy, but children of the state enterprises. The state had become, actually, the owner, and organised, based on specialists, the entire activity of the cooperatives. The chance for developing a collectivisation culture that might have been an important resource of economic development and of instating a healthy social system was forfeited.

The new members of the cooperatives had the possibility to work and earn in the cooperative, true, rather modestly, or they could redirect themselves to other economic activities, as a rule, in industry. Many remained in the village, the men becoming industrial employees and commuters, while the wives
could work in cooperatives: a symbiosis between agriculture and industry. They could also continue traditional work on the little land plot obtained for own needs. The excess of rural population was not eliminated by the rapid development of industry and urbanisation. The policy of closing the borders blocked peasants’ possibility to migrate, as it happened in the West during the transitioning stage from the small farmland ownership to the large agricultural systems.

The 14 years of collectivisation strengthened the negative attitude of the peasants about communism and against its institutions. Gradually, some benefits began to emerge from villages’ modernisation: electrification, paved roads, natural gas, schools and hospitals, and jobs in industry for the peasants.

Collectivisation, even if not associated with expected economic performances, provided the favourable conditions for modernising the agriculture: assimilating modern technology, science and agricultural technology, the absorption of experts, and the development of ample programmes, such as the irrigation systems, for instance.

<table>
<thead>
<tr>
<th>Year</th>
<th>Tractors (mii)</th>
<th>Combines (mii)</th>
<th>Tertiary education (mii)</th>
<th>Upper secondary education (mii)</th>
<th>Fertilisers Thou tons</th>
<th>Kg/ha</th>
<th>Irrigated land (thou. ha)</th>
<th>Investments/year thou. USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>14</td>
<td>0,0</td>
<td>3,3</td>
<td>3,1</td>
<td>6</td>
<td>0,6</td>
<td>43</td>
<td>45</td>
</tr>
<tr>
<td>1960</td>
<td>44</td>
<td>3,3</td>
<td>5,3</td>
<td>5,9</td>
<td>75</td>
<td>7,8</td>
<td>138</td>
<td>355</td>
</tr>
<tr>
<td>1970</td>
<td>107</td>
<td>23,7</td>
<td>16,4</td>
<td>12,8</td>
<td>594</td>
<td>63</td>
<td>665</td>
<td>858</td>
</tr>
<tr>
<td>1980</td>
<td>147</td>
<td>56,8</td>
<td>26,4</td>
<td>20,9</td>
<td>1114</td>
<td>117</td>
<td>2048</td>
<td>1828</td>
</tr>
</tbody>
</table>


Despite the significant modernisation of the period 1950-1989 in agriculture, as related to the situation of agriculture in the West, the gap continued to exist.

The urbanisation process
The rapid increase in the number of towns was the outcome of industrialisation. In a short period, the population of towns increased rapidly.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Villages</th>
<th>Towns</th>
<th>Towns’ population in total population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1938</td>
<td>19 934</td>
<td>16 3212</td>
<td>3 622</td>
<td>18,2%</td>
</tr>
<tr>
<td>1950</td>
<td>16 311</td>
<td>12 276</td>
<td>4 035</td>
<td>24,7%</td>
</tr>
<tr>
<td>1960</td>
<td>18 403</td>
<td>12 491</td>
<td>5 912</td>
<td>32,1%</td>
</tr>
<tr>
<td>1970</td>
<td>20 010</td>
<td>11 914</td>
<td>8 096</td>
<td>40,6%</td>
</tr>
<tr>
<td>1980</td>
<td>22 201</td>
<td>12 029</td>
<td>10 172</td>
<td>45,8%</td>
</tr>
<tr>
<td>1989</td>
<td>23 151</td>
<td>10 839</td>
<td>12 312</td>
<td>53,2%</td>
</tr>
</tbody>
</table>

Source: Statistical Yearbook 1990.
In the eighties, the urban population exceeds rural population. Another modernization criterion had been achieved.

Throughout the communist period, the adopted policy was to monitor the urban increase. Thus, the over-agglomeration beyond the absorption possibilities of the urban modernization system of towns was avoided, especially for large cities. Moreover, the boom of periphery districts (mahala) was circumvented, and a programme of housing constructions was promoted. The peasants were encouraged/forced to remain in the village, if there were no urban demands, and they find in the village survival resources.

A balanced, developed society

As regards the second objective of the communist programme, the development of balanced economy that would support the creation of a “multilateral developed society” the end-outcomes were very different. “Romania’s development policy knew two stages. Phase 1, 1948-1971, was characterised by a policy targeted on ensuring balanced development for the Romanian society, by paying special attention not only to the economy, but also to the social spheres of life: education, culture, and health. Stage 2, 1971-1989, was characterised by the obsessive focus on economic growth, more specifically, industrial growth, and on marginalising social sectors. Education, health, and culture, arts and sciences had enjoyed relatively high investments in the fifties and sixties – 7.2%, but decreased dramatically in the seventies and eighties, dropping to 1.4%, in 1985.

### Table 8. Investments’ structure according to allocations, %

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>43.6</td>
<td>42.7</td>
<td>47.3</td>
<td>50.9</td>
<td>48.4</td>
<td>43.7</td>
</tr>
<tr>
<td>Agriculture</td>
<td>10.6</td>
<td>18.9</td>
<td>16.0</td>
<td>12.9</td>
<td>17.8</td>
<td>17.0</td>
</tr>
<tr>
<td>Education, culture, arts</td>
<td>3.1</td>
<td>2.6</td>
<td>2.0</td>
<td>1.3</td>
<td>0.4</td>
<td>1.1</td>
</tr>
<tr>
<td>Health and social assistance</td>
<td>2.4</td>
<td>1.4</td>
<td>1.4</td>
<td>0.5</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Science</td>
<td>1.7</td>
<td>1.2</td>
<td>0.5</td>
<td>0.6</td>
<td>0.6</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Source B. Murgescu, 2010, p. 338. Authors’ synthesised data processing

Many experts considered that investments in industry exceeded by far the level of economic efficiency, turning into waste while the other fields were underfinanced. The excess of industrialisation was owed also to the economic self-sufficiency policy, translated into covering with enterprises all industrial fields, and not into focusing on the needs of the population, and on the areas with opportunities provided by the world market.

Right from the beginning, agriculture received attention on a secondary level. Investments in agriculture were modest. Austria, for instance, a country much smaller than Romania, had, by 1989, a number of 326 thousand tractors, while Romania counted 152 thousand tractors.
The rapid increase of industry attracted the majority of the labour force. Agriculture freed large part of the labour force, but far from achieving the European standards, where employment in agriculture is below 10%. In the eighties, industry came to a standstill. The labour force surplus from agriculture begins to become increasingly marked, as it was not absorbed by the services’ sector, as in the other European countries, because of lacking financial support for the sector.

<table>
<thead>
<tr>
<th>Year</th>
<th>Agriculture</th>
<th>Industry</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>73.8%</td>
<td>14.3%</td>
<td>11.9%</td>
</tr>
<tr>
<td>1960</td>
<td>65.3%</td>
<td>20.0%</td>
<td>14.7%</td>
</tr>
<tr>
<td>1970</td>
<td>49.5%</td>
<td>30.3%</td>
<td>20.2%</td>
</tr>
<tr>
<td>1980</td>
<td>29.8%</td>
<td>43.3%</td>
<td>26.0%</td>
</tr>
<tr>
<td>1989</td>
<td>28.4%</td>
<td>44.9%</td>
<td>26.6%</td>
</tr>
</tbody>
</table>

Source: Statistical Yearbook 1990. 102-105, own processing

Employees’ distribution between the main sectors expresses even more clearly the differences in strategy. Social sectors are underfinanced: in education, culture, and health, the share of employees in total employees was of **13.4%** in 1950, but decreases significantly, to **8.25%** in 1989.

Save for research, which is linked to industry, the other spheres of the social services, education, culture, arts, and health show decreasing numbers of employees. The obsession for the importance of industry is illustrated also by the policy of using the labour force surplus in the eighties. Hiring was beyond the actual demand in industry, while in education, health, and culture, though there was chronic personnel demand, hiring was no longer done.

Synthetically, the situation of the Romanian economy in 1989 may be characterised by rapid industrial growth exceeding the level of a national economy, but with no options left for significant increase. The end-result was a developed industry, but with qualitative performance issues, and poor performance on the world market. The innovation pace was blocked mainly by bureaucratisation and the low motivation level.

The industry employs increasingly less personnel. Employment with the services’ sector tends to decrease. Agricultures enters into an overpopulation stage. Around the end of the eighties, a new phenomenon emerges, respectively unregistered (unacknowledged): unemployment. Romania was on the brink of being faced with excess labour force maintained artificially in agriculture, and even in industry and, nonetheless, deficit inasmuch as needs are concerned in the sphere of services, especially in the one of social ones.

We might conclude that for achieving the second major objective of the communist programme – the creation of a balanced society with “multilateral” development (the effort)(DV) was remarkable in the first period, but abandoned for the second period.
Education

As the final objective of the communist programme was to build a classless society, the task of the education system was to diminish social differences by implementing another criterion, e.g. individual performance. The system required skilled and highly skilled labour force. The education level of the population was disastrous, with high numbers of illiterates, and the vast majority of the population had, at most, primary education.

Already at the beginning of the communist period the efforts were focused on expanding free access to education at all levels, respectively pre-school, primary, secondary, and tertiary. Major investments were made in the education system by building schools and universities.

In the fifties’ was initiated an ambitious programme of including into primary and secondary education all school-age children, and of finalising the literacy programme of the four million illiterates, a process that was initiated already by 1945 (D.C. Rădulescu, 2006).

Because the communist regime laid particular emphasis on industry, technical education of all levels takes considerable magnitude, training both skilled workers and diploma engineers for all industrial sectors. Vocational education registered spectacular increases. The number of students enrolled in this form of education increased from 39,250 in 1938/1939 to 304,553 in 1989/1990.

In 1971, the enrolment rate into primary education was of 114.5%, and in secondary education, of 70.2%, for registering a level of 98.7% in 1989. In 1985, Romania achieved one of the best performances at European level as gross enrolment rate in education at all levels, and was placed on the 5th rank, after Island, Ireland, Spain, and France (C. Dannehl, A. Groth, 1992, 75).

If during the first phase of the communist period, education enjoyed special attention, in the second phase the interest decreased. Thus, the weight of education in total investments in the national economy decreased continuously, from 3.1% of GDP in 1950 to 0.4% in 1989. Romania’s expenditures for education were, in the last years of the eighties, among the lowest in Europe, as they represented about 2% from GDP, under the conditions in which western countries invested three times more: Sweden spends 7.4%, Belgium, 6.9%, and the Netherlands, 6.8%.

In the first period of communism both infrastructure … (number of school units) and human resources (teaching staff) registered spectacular increases. Other forms of support are free of charge: syllabuses, scholarships, and free holiday camps for pupils and students.

The number of higher education units is at its peak in the seventies, but in the ensuing years, it decreases from 51 to 44 in 1989. The numbers of students and teaching staff drops in the same period (an increase peak in the years 1980-1981). In 1989, against the other socialist countries, Romania has the highest rate student – professor in higher education (13.5), almost double against the one from Hungary (6.3), or Bulgaria (7.9).
Health

On the background of modernisation, urbanisation, and industrialisation, the health state of the population improves substantially, in relation to the interwar period. The advancement registered by medicine at that time, the general increase of the education level, but mostly the importance granted politically to health contribute to increasing the general health level and the decrease in mortality.

The access to health services becomes universal and free of charge, and the number (DV ORIG) of skilled personnel grows significantly. Thus, as compared with 1938, the number of inhabitants per physician is four times smaller.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. inhabitants/physician</th>
</tr>
</thead>
<tbody>
<tr>
<td>1938</td>
<td>1806</td>
</tr>
<tr>
<td>1950</td>
<td>1047</td>
</tr>
<tr>
<td>1965</td>
<td>682</td>
</tr>
<tr>
<td>1989</td>
<td>472</td>
</tr>
</tbody>
</table>

Source: Romania’s Statistical Yearbook 1987 and 1993

New medical entities are built (hospitals, clinics and dispensaries), and the existent ones are modernised. In order to facilitate access of all citizens to primary health services, medical dispensaries are built, and pharmacies in all village centres, leading to marked increases in the health state of the population.

Health expenditures have nonetheless a low weight in Romania’s GDP throughout the communist period: 4.1% in GDP in 1950, 3.6% in 1989. The health workers’ wages are sensibly lower than the ones of the personnel in education, research or industry. The underfinancing of the health system has negative effects both on access to health services, and on the quality of the medical act. On one hand, health entities lack money for endowments or drugs, and the patients are obliged to purchase necessary drugs. On the other hand, the low wages of the health workers encourage the practice of informal payments.

As regards the health state, Romania made a considerable leap: the average life expectancy increases from 1930 to 1990, in relation to 1938, for men by 25 years (from 41.2 years to 66.6 years), and by 30 years, for women (from 42.6 years to 73 years). In demographic terms, Romania changed by overcoming the state of a pre-modern society.

Infantile mortality undergoes significant improvement, as well, as the infantile mortality by 1000 live births is six times smaller in 1990 against 1938 – from 179 to 26.9.

Another relevant indicator for the health state is represented by the main reasons for deaths. If in the interwar period, and in the period preceding it, deaths were caused preponderantly by infections and diseases of the digestive and respiratory apparatus, after 1945, things change radically. On one hand,
the increasing wider-scale use of antibiotics diminishes drastically mortality because of infections (T. Rotariu, 2003). This fact is reflected mainly in the case of infantile mortality caused preponderantly during the interwar period by respiratory and digestive infections which occurred in the first years of life, and that could not be treated in the absence of antibiotics. On the other hand, urbanisation and housing infrastructure modernisation implying access to tap water and sewerage, waste management, control and treatment of drink water led to dropping incidence of infectious diseases transmitted digestively. The first position in the ranking of death causes is taken now by cardiovascular disorders, followed by carcinogenic maladies. A similar situation is reported also in the case of developed countries from Western Europe (T. Rotariu, 2003).

By the end of the eighties, a slight decline in the health state is reflected in the increasing general mortality rate from 9.5‰ in the seventies, to 10.5‰ in the eighties. The infantile mortality rate registers also a slight increase from 26.4‰ in 1985 to 29.6‰ in 1989. The explanation of this trend is found in the worsening living conditions by the end of the Ceauşescu regime, because of the economic policy exposing the population to multiple deprivations as regards food, of food rationing, or of the housing conditions. In this respect, mention might be made about disruptions in the supply of warm water and heating, drinkable water or electric power. To all these is added also the depreciation of the health system.

One very debated issue of the time was the one of the pro-birth policy’s impact on the life of the population. The initial point is represented by the Decree 770 from 1966 prohibiting abortion in almost all instances, when abortion was the main contraceptive method practiced in Romania. The measure was perceived by the population as another example of Ceauşescu’s irrational abuse, of his disregard for the population. The effects were felt in the ensuing years and they led to a demographic boom, and the birth of very numerous cohorts, the so-called “Decreţei” (“Decree-kids”). Thus, the fertility rate increases from 1.9 children/woman, in 1966 to 3.7 children/woman, in 1967 (T. Rotariu, 2003). The psychological effect of the decree was disastrous, but actually annulled after a couple of years, as it stabilised around values of 2.0 and 2.5 children/woman.

Figure 3 Evolution of the fertility rate between 1966 and 1989 (number of live-births/fertile age woman)
Social structure of socialist society

The core objective of the communist Programme: another type of social structure. Over a period of 40 years, the social structure changed deeply.

Working class

Workers represented the social force that was implied politically as the backbone of the communist programme: they structurally had the interest of promoting the communist model, and thus an advanced communist, anti-capitalist conscience. One reasoning for the programme of rapid industrial development was also the strengthening of the working class. By the beginning of the communist period, the issue was the low size of the working class. Many workers disappeared during the war. Many workers were promoted in management positions, especially in the political system (political activists), but also in the administrative one (enterprise managers).

Workers increased in numbers swiftly, tending by the end of the period, to be dominant within the social structure. In 1980, workers exceeded in numbers the peasants. They enjoyed a relatively good social standing: jobs with a high degree of security, reasonable wages in relation to all other groups/categories, especially as compared to peasants, but also to clerks; houses, free of charge tickets or at reduced prices in leisure and treatment resorts. Moreover, the disciplinary means in enterprises were limited, as it was a policy option to avoid creating huge discontents. Hence, the relationship between the enterprises’ management and the employees was relatively relaxed, due to political reasons. Dismissal was an exceptional sanction and, as a rule, discouraged politically. If the management intended to make use of tougher disciplinary measures, the political factor interfered in moderating, for avoiding excessively tensioned social situations. Enterprises played also a role in solving some social and personal issues of the employees. A non-conflictual climate was an important indicator as regards the performance of an organisation.

Enjoying significant benefits, workers failed to display independence for a long time, as they represented a politically disciplined social segment. Only in the large enterprises, and as late as the eighties, a coagulation of workers’ movement is noticed against the communist governance: the miners’ movements, and the workers from Brașov. Bucharest continued to provide some relative advantages, for instance, better access to scarce and hardly accessible goods in other areas.

In two decades, the new arrivals from agriculture into industry had to adjust to the new work system and urban life. By absorbing rapidly a mass of peasants from the rural, the workers coagulate with difficulty as a class.
Table 11. Employed population in agriculture and industry. Share of employment in agriculture and industry in total employment of the two groups.

<table>
<thead>
<tr>
<th>Year</th>
<th>Agriculture and industry</th>
<th>Agriculture</th>
<th>Industry</th>
<th>%</th>
<th>Employment in industry in % against the preceding period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1938</td>
<td>9396</td>
<td>9026</td>
<td>370</td>
<td>3.9%</td>
<td>96,1%</td>
</tr>
<tr>
<td>1950</td>
<td>7210</td>
<td>6209</td>
<td>370</td>
<td>3.9%</td>
<td>86,1%</td>
</tr>
<tr>
<td>1960</td>
<td>7673</td>
<td>6233</td>
<td>370</td>
<td>3.9%</td>
<td>81,2%</td>
</tr>
<tr>
<td>1970</td>
<td>7126</td>
<td>4849</td>
<td>2277</td>
<td>32,0%</td>
<td>68,0%</td>
</tr>
<tr>
<td>1980</td>
<td>6727</td>
<td>3048</td>
<td>3679</td>
<td>54,7%</td>
<td>45,3%</td>
</tr>
<tr>
<td>1989</td>
<td>7227</td>
<td>3058</td>
<td>4169</td>
<td>57,7%</td>
<td>42,3%</td>
</tr>
</tbody>
</table>

Source: Data from the statistical yearbooks 1915-1916, 1939-1940, 1990 processed by V. Axenciuc, 2012, p. 43.

**Peasantry**

Peasantry represented before the Second War a predominant social mass, respectively over 70% of the population. However, it was a social class bearing political risks for the communist programme, being committed to the private property over land. The usual political formula from that time is significant: the working class not together with but “in alliance with” the peasantry. The alliance implies a relatively uncertain status. It had to be integrated in the communist system by collectivisation.

Agriculture suffered from a chronic modernisation deficit, as it was blocked by land property fragmentation, and by rural overpopulation. The peasants were many more than available land.

The vast mass of peasants resisted to the collectivisation process for 14 years, between 1949 and 1962. Poor peasants were not showing much enthusiasm either, but perhaps their acceptance level was somewhat higher. In 1957, the compulsory quotas are abolished – the fight against the kulaks was over. Gradually, resigned acceptance spread out, as collectivisation progressed. The conscience of the peasants was dominated by the memory of the collectivisation violence, and chronic distrust against cooperatives.

Gheorghe Zane portrays excellently the attitude of the imprisoned peasant as regards collectivisation. “Peasants resisted far better to hunger and work. They spoke generally less, but we felt they boiled with hatred. We admired their patience. None lost his composure. They knew perfectly how to simulate obedience and submission…” (G. Zane, 2003, 187). The peasant endured grudgingly, but always with the moral hope that “the day will come when we will get justice”.

The peasants who remained in agriculture continue to be faced with precarious living standard, but as a rule, with ensured basic survival means. First, the plot for personal use. Commuting for work in industry as well provided for important financial resources, completed by those in agriculture. Thus, the peasants who could work also in industry had a decent living standard.

Collectivisation had as effect disqualifying the peasantry. The peasant, at a traditional technological level had to have complex competence: when to sow, how to care for the agricultural culture, when to harvest, when and how to stock, and to act as produce seller on the market. He needed...
to know how to solve all issues brought up by individual farming. The traditional peasant woke up at 3 o’clock in the morning, and left for work.

The collectivised peasant tends to become a semi-skilled worker, and the experts from cooperatives take over the complex technical decisions. A new social relationship is developed in agriculture: the collectivised peasant subordinated to experts in technical and management positions. The collectivised farmer no longer had to consider when and how to sow, to harvest, and how to care for livestock. He now goes to the market to sell the few products obtained from his own plot. He wakes up now mornings by 6 o’clock at the earliest, and with the hoe on his shoulder, he goes where the team leader gathers them and tells them what to do. He remains a “specialist”, but more at the level of traditional technology and in his own garden. The young people in villages enjoy migration opportunities to industry and to town. This migration depressurises the tensions created by collectivisation.

The cooperatives’ experience is one markedly negative. These were not cooperatives in the proper meaning of the term, but enterprises managed by experts, and by the political-administrative system from the outside.

In the context of modernisation, the peasants by collectivisation suffered a swift process of change both professional, and as social statutes. A high share of the population remains in agriculture, but this because though industrialisation and urbanisation develop with high speed, they cannot keep pace with the workforce released from agriculture, which is anyway overpopulated. Additionally, labour force begins to show deficits in certain areas: ageing in isolated villages.

Many peasants changed radically their way of life, by becoming integrated in industry and migrating to town. They turned into waged employees, with another type of work. For many of them, the new situation represented an important social progress.

In the village occurs a change in the hierarchy of prestige. The new elite generated by collectivisation is different from the traditional one: dominated by experts arrived from elsewhere and the new local management, appointed politically, and easily bent to abuse of power. But also peasants who manage to efficiently benefit the variety of new resources.
**Intellectuality**

In the communist ideology, intellectuality is regarded as “vacillating”, and with the highest risk of turning into critics of the system. Especially intellectuals from the sphere of social sciences and culture presented from the beginning the highest risk of taking distance from the communist policy. They were also the main targets of the anti-communist propaganda of the West, radio shows at radio *Free Europe*, and providing for scholarships in the West. Mostly their sphere generated the “dissidents”. As consequence, they were the subject of preventative repression.

*The intellectual origin*, especially in the ’50s, generated competitive disadvantage against the sons of workers and peasants.

In the ’50s, existed a policy of encouraging the offspring of workers and peasants to enrol in universities: dedicated and special enrolment in the university system. As of the sixties, this policy was abandoned.

**Technocrats**

A segment with swift increase among intellectuals was represented by the *new technocracy*. Industrialisation absorbed the vast mass of experts. It increased the number of technical positions in the economic and administrative management. Technocrats tended to crystallise in a distinct social group with its power source in the management position within the economic and administrative system, that is often on collision course with party activists, which have their power in the position held within the public system.

Ceauşescu, on taking over political power after Dej’s demise, distanced himself gradually from technocrats, and confiscating increasingly more power, and emphasising the political profile of the public system. In the seventies and eighties, the divergence technocrats/ political power represented by Ceauşescu’s group deepened, however, it remained mostly latent.

**Party activists**

One separate group of experts was created, often trained on an own professional path, who had distinctive positions within the increasing system of the party. The activists advanced swiftly, as they were selected based on their origins in the workers and peasants’ environment, and without consistent professional training, but for political positions, not technical ones. The activists for whom the position in the political system represented an important promotion which provided also special benefits, tended to display higher adhesion to the communist ideology.
**Capitalists**

Eliminating the social classes and groups dominated by the capitalist society was the priority objective of the communist programme; the last vestiges of the boyars, and first of all capitalists, that is the capital owners. Enterprise owners were dispossessed by nationalisation. Thus, capitalists have lost their economic basis. It was assumed that they would represent an anti-communist political factor. In the first stages of communism, social repression had as main objective the capitalist class. Many were encouraged to emigrate, many more arrested and imprisoned, and subsequently released. Most of them were forced to integrate into the new wages’ system. As successful example of social change was quoted the case of the former Chinese emperor who was converted into worker.

Though dispossessed of their capital and “reconverted” in the new system, capitalists were considered as social group with political anti-communist risk. Controlling the remnants of these abolished social classes was realised by implementing the mechanism of the “file”, and mentioning ownership of capital in the “files” turned compulsory for any employment. To the social group of individuals with file issues belonged also those who had previous non-communist political activity: the members of historical parties, or their sons (it was assumed that the family’s climate created political risks), other politicians associated with bourgeois parties, and members of fascist movements. In this group were included also persons who had had important political positions in the former public system.

The anti-communist social segment of the past became, in fact, insignificant from the political perspective. Many were arrested and then released from prison under strict social control. Many former political leaders after their release received corresponding professional positions, but completed by permanent monitoring, thus annihilating their motivation to protest. Some gained opportunities for migrating to the West. The violent repression policy of any attempt of anti-communist organisation changed possible dissidents into disciplined opponents.

**Petty bourgeoisie**

The petty bourgeoisie was represented by little merchants and handicraftsmen who “did not exploit workforce”, but just as the little manufacturers, were assumed as having an anti-communist mentality. Few of them survived economically, but marginalised. Gradually, the small handicraftsmen (shoemakers, tailors, florists) entered into the collectivised system, or became fewer with age. Young people were no longer tempted to create small businesses, because of the systematic discouragement policy. Suddenly, in the eighties, the idea was circulated to declare Bucharest as the first communist city. In order to proceed, it would have been necessary to abolish all “non-socialist” economic forms. Nonetheless, it remains unclear why the idea was abolished, though it would have been implemented easily by resorting to the state’s instruments.
Was it for fear of the petty bourgeoisie? In the sixties, an experiment was made: “the trusteeship”. Socialist restaurants showed economic inefficiency and poor services’ quality. The proxies gained the management of some restaurants, and had a higher degree of freedom. The outcome was that, in less than one year, these restaurants were good practice examples, from the viewpoint of quality and popularity. However, politically, their experience proved to be worrying, because it pushed the process on a politically unacceptable path. Thus, despite its success, the trusteeship was eliminated.

“Chiaburii” – The kulaks

A special social segment was represented by the “chiaburi” (kulaks). They were wealthy peasants who had accumulated more land, not many in numbers as a rule, and who were assumed as employing other peasants (the communist scheme: exploitation of the workforce). The kulaks were actually thrifty peasants with prestige in their villages. It was obvious that prosperous peasants who had accumulated land and equipment were not happy to give up their gathered wealth, and become collectivised. Additionally, according to Lenin’s theory, they would have been the source for future small rural capitalists. In principle, wealthy peasants could not be dispossessed of their property that was too small, according to the Agrarian Reform Law (under 50 hectares), but they were a strong hindrance in the way of collectivisation. Hence, they were “framed” politically and administratively, and motivated to enter into the cooperatives.

Social-professional structure

As result of the rapid economic growth policy by industrialisation, the professional-social structure changed: the employment in agriculture diminished from 6.2 millions to 3.1 millions. Employment in industry increased spectacularly from 1.2 to 4.9 millions. Additionally, employment in the sphere of services increased as well from 1.0, in 1950 to 2.9 millions, in 1989.

Table 12 Dynamics of employed population over the communist period, in million persons

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Employed population</th>
<th>Agriculture</th>
<th>Industry and constructions</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>16.3</td>
<td>8.4</td>
<td>6.2</td>
<td>1.2</td>
<td>1.0</td>
</tr>
<tr>
<td>1960</td>
<td>19.0</td>
<td>9.5</td>
<td>6.2</td>
<td>1.9</td>
<td>1.4</td>
</tr>
<tr>
<td>1970</td>
<td>20.2</td>
<td>9.9</td>
<td>4.9</td>
<td>3.0</td>
<td>2.0</td>
</tr>
<tr>
<td>1980</td>
<td>22.2</td>
<td>10.4</td>
<td>3.1</td>
<td>4.5</td>
<td>2.7</td>
</tr>
<tr>
<td>1989</td>
<td>23.1</td>
<td>10.9</td>
<td>3.1</td>
<td>4.9</td>
<td>2.9</td>
</tr>
</tbody>
</table>

Source: Data from the Statistical Yearbook 1990, 102-105, presented also in B. Murgescu, 2010, p. 340

The staff employed in education and culture increases amazingly in the ’50s, and especially in the ’60s, but decreases over the eighties. In health, employed personnel increases outstandingly in the ’50s, and continues to increase moderately up to the ’80s.
Table 13  Employed population, thousand persons, in education, culture, arts and health

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Education, Culture, Arts</td>
<td>191.4</td>
<td>252.1</td>
<td>364.9</td>
<td>430.5</td>
<td>372.8</td>
</tr>
<tr>
<td>Health</td>
<td>90.8</td>
<td>155.8</td>
<td>225.3</td>
<td>281.7</td>
<td>292.3</td>
</tr>
</tbody>
</table>

Source: Statistical Yearbook 1990, p. 102-105

As a modern society, over the same period increases swiftly the number of social benefits recipients.

Table 14 Social beneficiaries, thousand persons

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensioners</td>
<td>461.1</td>
<td>706.1</td>
<td>2 644.3</td>
<td>3 053.5</td>
<td>3 447.0</td>
</tr>
<tr>
<td>* Social insur. pens.</td>
<td>251.4</td>
<td>522.2</td>
<td>1 116.5</td>
<td>1 606.5</td>
<td>2 332.5</td>
</tr>
<tr>
<td>* Pens. WVWO</td>
<td>209.7</td>
<td>135.2</td>
<td>160.9</td>
<td>115.5</td>
<td>70.3</td>
</tr>
<tr>
<td>* pens ACP</td>
<td></td>
<td></td>
<td>1 281.0</td>
<td>1 194.3</td>
<td>982.8</td>
</tr>
<tr>
<td>* Social assistance beneficiaries</td>
<td>48.7</td>
<td>85.9</td>
<td>82.6</td>
<td>38.1</td>
<td></td>
</tr>
</tbody>
</table>

Source: The Statistical Yearbook of Romania, 1990, 26-27, presented also by C. Ciutacu, P. A. Goga, 2000, p. 424

The employment structure indicates that Romania became an industrial-agrarian country, just as planned. If in 1950, in the economy were employed 2.1 million employees, in 1989, their number had exceeded 8 millions.

Despite all achieved progress, the employment structure is far from the structure of modern European societies:

In 1989, the weight of employment was:

- agriculture **27.9%**: save for Portugal (20.7%) and Spain (14.4%), all other western-European countries were below 10%
- industry + constructions **45.1**, all other countries, between **20-40%**
- services **27.9%**; the other countries between **50 and 70%**, save for Portugal, **44.1**.

The communist programme of social development was focused on industrialisation, by sacrificing the sphere of services, which remained chronically underdeveloped.

Welfare policy

The third priority direction of the communist programme was the realisation of welfare for all, balanced and based on moderate social inequality.

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9 Capitalist European countries, plus USA, Canada, and Japan. Data from 1988. (C. Ionete, 1993, 232)
A new type of prosperity

Source of personal welfare: labour. Labour is by Constitution constituted as the only legitimate source of personal welfare. The profit that has an important position within the capitalist system is assigned to the sphere of illegality. Labour as source of personal prosperity takes direct forms, reward for individual work, wage or pension, as result of work throughout the active period, and indirect ones as individual benefits obtained by employees, for instance, houses granted by the enterprise, low rents, or important facilities for holidays gained as member of the trade union.

Complete employment policy: the socialist state was committed to ensuring a job for everybody.

Work regarded as means of alleviating poverty. This principle materialised into a policy of the minimum wage as high as possible considering the economy, for ensuring a decent living standard for all.

Free of charge education, scholarships for pupils and students.

Important social functions of the state, regarded as redistribution means for welfare: free of charge health care services obtained by the state employees or by cooperatives’ workers. Subventions for important welfare products, for instance, energy.

A community with a high degree of economic homogeneity. The socialist model accepted the economic differentiation of the population depending on type of work, however relatively limited. By law, the difference between the minimum wage and the maximum wage could not exceed 5.6 times.

Romania, like all other socialist countries, presented a low degree of social polarisation. Gini was around 20, one of the lowest levels in the world, similar to the one of the northern countries (Sweden, Norway, and Finland).

A political option: distribution between accumulation and consumption

At national level, the five-years timeframe planning included also decisions regarding the distribution of the value created within the economy between economic accumulation and population’s consumption.

Table 15. Distribution of public resources between economic accumulation and consumption

<table>
<thead>
<tr>
<th>Years</th>
<th>Consumption fund</th>
<th>Accumulation fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951-1955</td>
<td>75,7%</td>
<td>24,3%</td>
</tr>
<tr>
<td>1956-1960</td>
<td>82,9</td>
<td>17,1</td>
</tr>
<tr>
<td>1961-1965</td>
<td>74,5</td>
<td>25,5</td>
</tr>
<tr>
<td>1966-1970</td>
<td>70,5</td>
<td>29,5</td>
</tr>
<tr>
<td>1971-1975</td>
<td>66,3</td>
<td>33,7</td>
</tr>
<tr>
<td>1976-1980</td>
<td>64,0</td>
<td>36,0</td>
</tr>
<tr>
<td>1981-1985</td>
<td>69,3</td>
<td>30,7</td>
</tr>
<tr>
<td>1986-1989</td>
<td>74,3</td>
<td>25,7</td>
</tr>
</tbody>
</table>

During the first period, up to 1955, the communist policy attempted to ensure a balance between supporting economic growth and increasing population’s welfare. Absorption of social issues of chronic underdevelopment and of those created by the (Second World) War represented the priorities: an extremely high level of poverty, lacking basic goods, the absence of foodstuff, and of houses because of war ravages and, especially, due to the rapid urbanisation increase. The deficit of basic goods, foodstuff, and clothing determined the government to resort throughout the fifties to the distribution based on ration books. Over the ’50s, though the economic effort was considerable, particular attention was paid to population’s consumption: around 75%, and achieving even a share by 82.9%, in the years 1955 – 1960.

In 1965, by the election of Ceauşescu as leader of the party, it turned into the year of policy change as regards the savings/consumption option. In 1965, while preparing for the new five year plan (1966-1970), a political debated was triggered at the top of the party. Alexandru Bârlădeanu, one of the important leaders of the communist party, supported by the then-Prime Minister Gh. Maurer, showed opposition to increasing the accumulation funds to the detriment of consumption. After several conflictual discussions, Ceauşescu imposed nevertheless an increase of the accumulation fund from 25% to 29%, which meant a diminishment in population’s consumption from 74.5% to 70.3%. That decision represents an expression of the new policy of Ceauşescu who was obsessed with economic growth by any means, and obviously by sacrificing the population.

The political debate over the issue was resumed in 1969, in preparing the 10th Congress of the party, and of the ensuing five-year plan. In Gh. Maurer’s Report was provided for an accumulation rate “around 28-30%” (I. G.Maurer, 1969, 28). Hence, to put a halt to increasing the accumulation rate. Nonetheless, Ceauşescu imposed the increase of economic accumulation to 33.7% for the five-year plan 1971-1975, and to 36% for the five-year plan 1976-1980.

The increase of the accumulation fund to over 30% made Romania a singular case at world level (B. Murgescu, 2010, 337).

Incomes’ policy

Though Ceauşescu’s policy was hostile to the welfare of the population, over the period of rapid economic growth, the living standard increased substantially nevertheless, but at lower rates than economic growth: in 1989, it increased 3.7 times, against the economic growth that increased 10 times. As of 1974, the incomes of the population begin to erode, especially because of price increases.
Table 16. Dynamics of real wages 1950-1989 in %

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage</td>
<td>100</td>
<td>175.9%</td>
<td>253.2%</td>
<td>389.6%</td>
<td>373.5%</td>
<td>370.9%</td>
</tr>
</tbody>
</table>

Source: M. Poenaru, M. Molnar, A. Csorvassi, G. Vâlceanu 2000, p. 452, p. 455

The wage policy was based on two contrary principles that generated certain social tensions. It was important for workers to be not only politically the leading class, but also supported economically for ensuring a high living standard: relatively high wages and other advantages, for instance, provided by the enterprise: a series of social benefits are assured with priority for workers, like houses from the state, and leisure time spending places. This policy ensured a special position to the workers but, at the same time, entered into contradiction with the requirement of differentiated rewarding system, depending on the value and complexity of work. The solution was a policy of moderated – low differentiation, as intellectuals had a basic wage just a bit higher than the one of workers, but the latter had significant opportunities to increase their incomes by association with performance.

On the background of a very slightly differentiated wages’ system, in particular as regards economic sectors, the social sector is disadvantaged systematically: the wages in the health care system were over the entire period amongst the lowest. Wages in education, culture, and arts were the highest in 1950, but dropped amongst the lowest in 1989.

Table 17. Wages in social sectors as % from the average wage.

<table>
<thead>
<tr>
<th>Year</th>
<th>Education, culture, arts</th>
<th>Health, social assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>105.3%</td>
<td>92.6%</td>
</tr>
<tr>
<td>1975</td>
<td>98.4%</td>
<td>90.3%</td>
</tr>
<tr>
<td>1989</td>
<td>97.3%</td>
<td>93.7%</td>
</tr>
</tbody>
</table>


The difference between wages decreased constantly and massively from 1950 until 1989.

Table 18 Ratio between the maximum and minimum wage

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>22.8</td>
</tr>
<tr>
<td>1960</td>
<td>11.6</td>
</tr>
<tr>
<td>1970</td>
<td>6.9</td>
</tr>
<tr>
<td>1980</td>
<td>5.5</td>
</tr>
<tr>
<td>1989</td>
<td>4.3</td>
</tr>
</tbody>
</table>

Source: M. Poenaru, M. Molnar, A. Csorvassi, G. Vâlceanu 2000, p. 459

Direct labour incomes are complemented by social incomes that increased substantially their weight over the entire period, from 9.8% in 1950 to 22.1% in 1989.
Pensioners are faced with a more marked process of depreciation regarding the real value of pensions. The pensions’ system was based on the assumption of maintaining incomes and prices over time. In fact, pensions established in the past were subjected to continuing erosion, and the system did not provide for rectifications. Therefore, the ageing of pensioners generated a substantial depreciation of the real value of pensions fixed many years before.

The living standard of the peasantry was rather sacrificed for the benefit of industrial growth. Agricultural prices set administratively were maintained systematically at low level, and especially the incomes of those working in cooperatives were modest.

The pensions of the peasants are much lower than the ones of the employees: in 1989, the average pension of the peasants represented 14.9% from the average pension of employees (M. Poenaru, M. Molnar, A. Cservessi, G. Vâlceanu 2000, 461).

The incomes of the population increased as purchasing power over the period 1950-1980. Wage, the most important tool, increased almost four times in this period. The increase in the living standard is reflected in the dynamics of basic goods consumption: meat, sugar, fabrics, shoes, and houses.

As compared with the incomes from wages of the eight million employees from the economy, the work incomes of the almost two million members of the agricultural production cooperatives (APC) were much lower. As result, the basic condition for the existence of the peasants were the individual households to which wage incomes are added from other activities than in the cooperatives, for the rural

<table>
<thead>
<tr>
<th>Table 19 Weight of incomes from social sources in total population incomes %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Social incomes</strong></td>
</tr>
<tr>
<td>9.8%</td>
</tr>
<tr>
<td>*** Monetary benefits**</td>
</tr>
<tr>
<td>2.3%</td>
</tr>
<tr>
<td>**  * Insurance pensions**</td>
</tr>
<tr>
<td>1.7%</td>
</tr>
<tr>
<td>**  * Peasants’ pensions**</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>**  * children allocations**</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>**  * other benefits**</td>
</tr>
<tr>
<td>0.6%</td>
</tr>
<tr>
<td>**  * Counter-value of free of charge services**</td>
</tr>
<tr>
<td>7.5%</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Table 20 Average yearly consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Meat (kg)</strong></td>
</tr>
<tr>
<td>17</td>
</tr>
<tr>
<td><strong>Sugar (kg)</strong></td>
</tr>
<tr>
<td>7</td>
</tr>
<tr>
<td><strong>Cereal products (kg)</strong></td>
</tr>
<tr>
<td>131</td>
</tr>
<tr>
<td><strong>Fabrics (m²)</strong></td>
</tr>
<tr>
<td>13</td>
</tr>
<tr>
<td><strong>Shoes (pairs)</strong></td>
</tr>
<tr>
<td>0.6</td>
</tr>
<tr>
<td><strong>Houses delivered yearly</strong></td>
</tr>
<tr>
<td>(thousands)</td>
</tr>
<tr>
<td>50</td>
</tr>
</tbody>
</table>

households. The weight of the net income realised in the own household was between 70% and 80% of total incomes provided by the APC.

The communist period was characterised by huge economic effort and sacrifices, and at a substantial cost paid by the population. Against the situation from the years thirty, and particularly against the enormous costs of the War, Romania progressed substantially. Did Romania improve its situation against the other European countries? The data substantiate that Romania succeeded in overcoming the relative underdevelopment state within the European context.

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1938</td>
<td>2.9:1</td>
</tr>
<tr>
<td>1947</td>
<td>3.2:1</td>
</tr>
<tr>
<td>1989</td>
<td>3.5:1</td>
</tr>
</tbody>
</table>

Source: C. Grigorescu, 2010, 518-519, taken over also in B. Murgescu, 2010

Synthesising, B. Murgescu (2010, 332) estimates: Romania “suffered the effect of the war and especially those of the Soviet occupation, and knew subsequently about three decades of economic growth over the European average, but being then subjected to an absolutely catastrophic last decade of communism from the economic viewpoint”.

**Housing**

Housing represented the essential good of a household. In the ’50s, the rapid industrial growth programme, with its complement of urbanisation, generated a severe housing crisis in towns, especially in the large ones that had the most rapid growth.

The first adopted solution was to rationalise the dwelling room. A push was made for receiving the newcomers as tenants, in the room regarded as excessive. Thereafter, as of the sixties, a massive programme was initiated for building houses. The initial solution was the public investment for building social houses in the urban area. In the ensuing period was developed a private/public system: the state builds houses and supports with advantageous loans the population for building houses. The mobilisation of financial resources of the population for house building proved successful. The number of new houses increased rapidly and, thus, the housing crisis was overcome. The cost of the house proved sustainable for the population. The construction of houses in the urban area achieved a peak in the years ’70 and ’80, and the need of housing was covered in general.

In the villages, the houses were built and financed from own resources of the households.
Table 22 Yearly built houses, expressed in the number of rooms, as hypothetical measure of brick per 1000 inhabitants

<table>
<thead>
<tr>
<th>Year</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>1938</td>
<td>39.8</td>
<td>14.1</td>
</tr>
<tr>
<td>1951</td>
<td>44.3</td>
<td>11.2</td>
</tr>
<tr>
<td>1961</td>
<td>171.0</td>
<td>36.2</td>
</tr>
<tr>
<td>1971</td>
<td>282.0</td>
<td>16.8</td>
</tr>
<tr>
<td>1980</td>
<td>416.0</td>
<td>5.35</td>
</tr>
<tr>
<td>1988</td>
<td>181.0</td>
<td>5.59</td>
</tr>
<tr>
<td>1995</td>
<td>36.4</td>
<td>7.92</td>
</tr>
<tr>
<td>2000</td>
<td>22.5</td>
<td>9.42</td>
</tr>
</tbody>
</table>

Source: V. Axenciuc, 2010, p. 558

The social functions of the state

During the first communist period, the social functions of the state received emphasised attention: the school and health care systems underwent a true revolution, developing rapidly. Important cultural programmes were financed, along with the building of cultural houses in the villages. Special consideration was paid for cultural production and culture’s dissemination. Between the ‘50s and the ‘60s were built universities, boarding houses for students, and schools.

The financing of these programmes deteriorated dramatically over the ‘70s and the ‘80s, when the priority shifted to the forced financing of the industry.

Table 23 Social programmes financing, as % from GDP

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Education, culture, arts</td>
<td>3.1</td>
<td>2.6</td>
<td>2.0</td>
<td>1.3</td>
<td>0.4</td>
</tr>
<tr>
<td>Science</td>
<td>1.7</td>
<td>1.2</td>
<td>0.5</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>2.4</td>
<td>1.4</td>
<td>1.4</td>
<td>0.5</td>
<td>0.4</td>
</tr>
</tbody>
</table>


The policy of social equality and scarcity’s control

The policy of social equality/inequality. The communist model of society accepted a social differentiation generated by labour – the only legitimate source of incomes. Wage differences was accepted between certain limits, as well. Other sources of incomes, and firstly those originating from capital, were regarded as illegal. The accumulation of personal welfare is regarded as legitimate (house, car), but income generating personal investments were unacceptable. For instance, ownership over two houses, save for a holiday house, was not accepted.

The social policy promoted social equality also by other mechanisms: free access to health care services and all levels of education, added with merit and social scholarships; financial support for cultural and scientific activity. The incomes from scientific and cultural publications were generous, thus encouraging the creation of a cultural – scientific segment with a relatively high prosperity. An
example is that publishing a paper in a scientific journal was substantially rewarded, by even more than the wage for one month. The published books were compensated with sums that were placed at the level of 10 monthly wages, or even more.

Beyond the control policy regarding social inequality, the socialist society operated based on mechanisms of social differentiation that were rejected formally, but operational in reality.

The first mechanism was power. Wages were differentiated narrowly. Those who held the political and organisational power enjoyed, nevertheless, free or preferential access to some goods and services: special canteens, leisure resorts, or even informally they obtained free goods or could purchase at lower prices than the actual ones. When a Minister, and not just him went to visit/control a sausage factory he could leave with a full carrier bag of goods without paying. In addition, the goods’ barter operated: one director could provide free of charge for acquaintances meat, and received in exchange vegetables, fruits, wine. Social prestige generated social solidarity supported by benefits.

The second mechanism was the management of scarcity. Socialism had trouble with the way of managing scarcity. Capitalist societies had a legal mechanism: rare goods are more expensive. They are displayed in shop windows and you may buy them, but for a lot more money. Rarity is in the pocket of the buyer, not in the window shops of the seller. Within the socialist system, by price control and by maintaining them at low levels, the situation is reversed: the rarity is in the shops, but not in the pockets of the buyer. How could this issue be tackled? The low price was supplemented by additional informal prices: long lasting queues balanced the supply deficit. Moreover, book rations, that is consumption decrease to a minimum for all. Another mechanism: rare goods are provided under the counter of the seller and not overtly. The one distributing rare goods/services might add an additional price – the overprice entering into the pockets of the supplier, or against other goods/services.

Thus, a distortion emerges in the social stratification. At principles’ level, the collective is equal, but those with the social power, or who manage the scarcity, are the new prosperous class. The system operates increasingly more differentiated, as the system of prices/incomes lacks the capacity to manage the rarity situation. In the public image, for instance, the sellers who controlled the trade of rare goods represent a special class, with higher incomes, due to their position.

The socialist system emphasised the breadth of “corruption”, e.g. various forms of deviating for private interest public resources. Next to the power mechanisms and the ones of exploiting the rarity situation, a high tolerance degree generalised the practices of “exploiting” the goods of the enterprises by the employees. The management may take advantage of free access to some products of the enterprise, and the subordinates profit as well, under the conditions of tacit tolerance shown by the management. Of course, a balance is established: a level of illegal transfer that cannot reach much too high levels that would generate crises. To various degrees, the practice emerged in almost all institutions: “bolts” can be taken from any enterprise.
Culture

The communist state, by adopting the objective of creating a “multilateral developed society” assumed important cultural responsibilities, and supported with its means the cultural development of the forties and fifties.

Abandoning socialist realism

Art had to express in its language a new vision about the world and, at the same time, to be a strong tool in shaping the socialist conscience. The cultural revolution was conceived as essential component of the communist revolution. The entire cultural and artistic creation had to “mirror” the “revolutionary concept about world and life”, and to develop in the framework of the socialist realism paradigm. The new art had to be not just a simple picture of the reality, but to express “typical situations and characters in typical circumstances”, that is to identify the socialist “novelty” in shaping – the communist personality, the fight with the “old”, and the new attitude towards work and society, the new revolutionary concept.

From the cultural perspective, by the end of the forties and beginning of the fifties, a vision about what communist art had to be takes shape, known as proletkult – culture as propaganda device for the communist ideology: the plastic image of the muscular worker casting melted iron in literature. It is supplemented by praising the image of the idealised responsible worker promoting appropriately the communist viewpoint about labour issues, but also about family and personal relationships. Additionally, interpersonal conflicts that express the new communist mentality versus the old mentality. The secretary of the party is the person solving all collective and personal issues in a “just” manner.

The cultural revolution had to distinguish squarely between “socialist art”, and “bourgeois art”. The new social art had to be created and promoted, and the entire previous creation needed to be reassessed for the entire Romanian area, but also for the universal space, by rejecting the bourgeois products and promoting the valuable elements.

The peak of the socialist revolution in culture was achieved in the period 1948-1955. For instance, for a decade, the oeuvre of Tudor Arghezi or Blaga was prohibited. Eminescu was taught in schools, but only with his poem Emperor and proletarian, and a couple of other poems with social message. Constantin Brâncuși was labelled as “formalist sculptor”, and Titu Maiorescu as “bourgeois critic” who has made the apology of “substance lacking forms” in the Romanian culture. “New stars” were born in culture, from among whom the most mentioned were the poets Teodor Neculuță, Ion- Păun Pincio or A. Toma.

The censorship institution was created with the function of ensuring the ideological “purity” of the culture, by forbidding the dissemination of some artistic oeuvres with bourgeois sense, or of non- or anti-communist meaning.
The *proletkult* programme is almost completely abandoned in the midst of the ‘50s. The tough censorship is replaced by trade-offs that accompanied the process of intellectual liberalisation.

**Culture: the first non-communist sphere of social life**

A true fight was triggered in culture between the communist government and the community. The first victory of the Romanian community over the communist programme was gained in the sphere of culture.

The communist cultural programme failed rapidly. One decisive contribution had previously acknowledged personalities who gained the public by valuable oeuvres: Mihail Sadoveanu, Camil Petrescu, George Călinescu, or Cezar Petrescu. Indeed, the rather selective dissemination of these works of some Romanian artistic personalities of the past, with special preference for I.L.Caragiale, and the added international ones, impose high value standards in the new cultural context. Under these harsh political conditions, a new literary generation gains ground: Marin Preda publishes in 1955 the novel *Moromeţii*, volume I, a masterpiece of the Romanian literature. From among the relevant authors, we mention, among others, Augustin Buzura, D. R. Popescu, Nicolae Breban, Constantin Țoiu, and Horia Simionescu.

Towards the end of the decade the exceptional lyrical creation of Nicolae Labiş, the author of the poem *Death of the Deer*, irrupts next to the Romanian novel series *Family Chronic* by Petru Dumitriu.

Theatre and cinema launch shows and movies of value, contributing, thus, to the rapid replacement of the simplistic programme of the socialist realism.

An eloquent example is the dynamics of the cinema production from 1951, when two movies were produced by the Romanian cinema studios, and movie production increases constantly: 15 movies in 1966, then 33 in 1988.

The end of the fifties and the beginning of the sixties record a true cultural revolution. A solid sign of freedom of speech after the Labiş event comes yet again from the lyrical side by a whole “generation of young poets” who imposed themselves rapidly. Ion Alexandru, Nichita Stănescu, Marin Sorescu (also as playwright in the following decade), Ion Brad, Alexandru Andrițoiu, Leonid Dimov, Ion Gheorghe, Ana Blandiana, Ileana Mâlăncioiu, Florența Albu, Adrian Păunescu, D. R. Popescu et al. All of them purify the contemporary poetic language and sensibility, while being consonant with the major Romanian poetry from Eminescu to Blaga and Arghezi.

The artistic creation boom is supported by the multiplication of culture dissemination means. The establishment of some publishing houses from among which we mention: the *Publishing House for Universal Literature* Minerva, *Univers, the Scientific Publishing House*, the *Encyclopaedic Publishing House*, "*Dacia*" Publishing House from Cluj, the *Junimea Publishing House* in Iași, *Albatros Publishing House, Youths’ Publishing House*, Ion Creangă *Publishing House, and Kriterion*. Moreover,
some magazines are established or re-established like *Contemporanul (the Contemporary)*, *România Literară (Literary Romania)*, *Luceafărul, (the Morningstar)*, *Viața Românească (Romanian Life)*, *Tribuna (the Tribune)*, *Vatra Românească (the Romanian Hearth)*, *Teatrul (the Theatre)*, *Cinema*, *Utunk (the Path)*, *Elore (Forwards)* or *Neuer Weg (New Path)*. Additionally, in the sixties emerge socio-cultural magazines in many counties of the country, contributing to coagulating the local cultural life.

Radio and television subscription show another facet of cultural consumption. TV subscriptions increase as of 1966 (712 000 contracts) to over three million in 1989. Thus, one fifth of the adult population subscribed to TV programmes.

**Theatre** The number of theatres increased as of 1938 up to 1966 *seven times*, and by that year were operational 130 theatres. 1985 is one *peak year* of the period, as at the time were operational 154 theatres that is over *eight times* more theatres than in 1938. In1989, the number of theatres decreased to 146.

The capacity of theatre halls increased. In 1966, in the entire country were just three theatres with rooms having the capacity between 801 and 1 200 seats, and with over 1 200 seats operated only the circus and a concert hall.

**Libraries.** The communist period is a ‘glorious’ period for libraries in Romania, especially for the public and school ones. In 17 years, between 1938 and 1955 the number of libraries increases almost 13 times and peaks to 39 911 libraries from among which six national, 40 university ones, 4 623 document libraries, 15 572 school libraries, and 19 640 public local libraries. In 1955 the number of public libraries achieves the highest count, respectively 19 640, thereafter decreasing to 14 407 in 1960 and just 6 864 in 1989.

**Cinemas.** In 1938, there were 388 cinemas in Romania. During the communist period, in only seven years, between 1948 and 1955, their number increased *three times and a half* from 488 to 1 718.

In the year 1970 are counted 6 275 cinemas, respectively *over 18 times* more than in 1938, which is a true ‘boom’ of cinemas. The year 1965 is the peak year for the communist period with 6 499 cinemas in Romania. By the end of the period, in 1989, the Revolution finds Romania with 5 453 cinemas.

As regards the number of spectators, it increases from 41 412 in 1938 to 203 644 in 1989.

**Museums.** Museums record the most constant development of all cultural institutions analysed; a rather slow increase, lacking spectacular elements as regards the magnitude of figure, but is sustained without drops.

In 1938 were counted 83 museums. In 1989, there were 463, an increase by *over 7 times* against the end of the interwar period. On types of museums, there were variations; some spectacular evolutions, as is the case of art museums, but others evolve much less in number, as is the case for technical ones.
In the communist period, is noticed a more emphasised development as regards the number of ethnographic and folklore museums.

**Books.** Over the communist period, in the year 1955 – are counted 5 182 titles, more than double against 1938. Then, in 1960 – 6 335 titles; in 1966, the peak year for published books, there are 9 131 titles. Subsequently, in 1970, 7 681 book titles, for registering a number of 7 350 titles in 1980, while in 1985 were recorded just 5 276 titles. Hence, the number of printed books decreases constantly dropping to 3 867 in 1989.

Romanians’ life evolved on two separate levels, with logics of their own. The economic and political life was dominated by restrictions, alienation, and poverty. The cultural life, after the political victory of culture over the communist programme, this became a space of freedom, of honest expression, of coagulating the self-consciousness of the community. Not at the workplace, nor in shabby restaurants or in front of empty shops did the Romanian feel like himself, but he was more so by taking refuge in culture, literature, and by attending theatre shows or visiting museums.

**Poverty in socialism**

The objective of the communist programme was to ensure decent living conditions for the entire population. Full employment provided sure incomes for the quasi-totality of the population. A minimum wage to ensure the decent living standard presupposed the elimination of structural poverty. Poverty may have existed, but it was in low shares due to some special circumstances. Poverty occurred in the absence of a job, hence in the lack of a wage and of the benefits associated to it. The socialist enterprises assumed also social functions: houses, especially for workers with low incomes, job security assurance, and hence, of the incomes.

Paupers are mostly represented by the segment of population lacking a stable job. In particular over the eighties, when the economy began its chronic crisis stage, dismissals occurred, but these were seldom. Unemployment was not acknowledged as such, however, it began to show in significant shares. The data of forced unemployment are difficult to estimate. An indirect estimation suggests a figure around 4.5% (C. Zamfir, 1994). Next to the unemployed are the persons in the group of those with disabilities who are increasingly more marginalised and ignored by the system.

In the villages, it is difficult to estimate the living standard. In general, it might be considered that the vast majority of the rural population had a living standard at least at modest survival level. At least, this population had its own garden providing for the minimum necessary products, to which were added the modest incomes from cooperatives. Sufficient numbers of rural population were employed in the industrial system that ensured wages and pensions. The pensions of the collectivised workers were very modest.
As regards the socio-cultural marginalised group, the Roma represented a large segment of paupers. Especially in the villages, because of the lack of own land, and thus, of the statutes of collectivised worker, to which was added the low level of schooling. The increase in the numbers of persons without identity cards - as a rule, these are Roma - is highly visible by the end of the period, and is the most precise indicative of the extremely severe poverty, and of marginalisation. The research from 1993 (C.Zamfir, E.Zamfir, coords., 1993), identified a substantial generational differentiation in the Roma population. The generation of active age in the sixties and seventies, the peak period of communist performance, shows a schooling level and employment substantially higher than the mature generation of the eighties. A renewed marginalisation process is triggered, of “re-Gypsying”, meaning regression to the traditional way of living, socially marginalised and poor.

As all other socialist countries, Romania abolished the system of public services of social assistance. It was considered that the communist system eliminates structurally the poverty state, and that in special cases the enterprises and the public administration provide the necessary social support. Town halls ensured some forms of financial support, however not constantly, but only if there were crises.

**Daily life**

Leaving aside the difficulties registered as regards living standards of the population, the modernisation process continued positively; jobs, assured incomes, a high number of houses with modern endowments. The field of education registered developments as well, and we remind here the increase by almost 10 times of the enrolment in primary and secondary education, and with values by over 90% in the interval 1938/1939 – 1989/1990

**The paradox empty window shops, full refrigerators.** Already by the beginning of the seventies, the living standard of the population, as determined by incomes and market prices (both monitored strictly by the state), seemed to have a constant positive evolution. The economic indicators provided confidence in the future: the sustained economic growth had to be reflected also in the continuing increase of the living standard for the population.

Nonetheless, not only experts, but also the population at the workplace and in the market began to conclude that things were not running well. Work organisation becomes increasingly more irrational, distorted by the political subjectivism, and working norms are on increase, while wages do not drop, several benefits associated to performance are cut. It becomes increasingly harder to find a job. The highest shock came in front of the shops: not prices, but the disappearance of goods. If in the sixties the market provided goods at the level of demand, shop windows were full, including with goods arrived from other parts of the world, in the seventies, but more marked in the eighties, the deficit of available goods sets in. The shops are emptier increasingly. Thus, the systems enters imbalance according to
another logic. The incomes might increase, the prices might remain constant, but the goods’ supply becomes poorer by the minute. The rarity of goods spreads out.

Shop windows might be empty but “under the counter” exist many more products than can be seen. The effect of rarity over the living standard of the population cannot be ignored. The real cost for obtaining the goods increases not based on displayed prices, but by the real additional ‘under the counter’ cost, to which are added the social costs: queues, unavailability of necessary goods, and the frustration of the buyers with money in the pockets, in increasingly emptier shops. Real life becomes expensive.

**Quality of the society**

The first question is what did the society in which they lived, more accurately, what did communism mean for the Romanians? After the Second World War, in some western countries, like France and Italy, the communist parties were very influential. The communist project did not come with the Soviet troops, but from inside the respective communities, promoted by strong popular movements as desirable social model. The other occidental political powers, in particular America, were worried by the popularity of these communist parties estimated as advancing the interests of the Soviet Union, and thus exerted strong pressure against them.

Romania’s situation, and with certainty of the other countries in the Eastern and Central Europe, shows that communism was not just a simple attractive historical promise that might have been, or not, adopted, but a social model brought by the Soviet army. Romania had a difficult time distinguishing communism from the Soviet Union. The entire Romanian history had consolidated a negative attitude against Russia. Russia had taken over Bessarabia, respectively half of Moldova by the beginning of the 19th century. After the union of Bessarabia with Romania in 1918, the Soviet troops entered again into Bessarabia. The information about the Soviet reality was at least concerning. The Romanian communist party was practically inexistent. Communism was anticipated enthusiastically by the very few. The vast majority nurtured fear, passive acceptance mixed with the desperation of powerlessness.

Even later on, after the consolidation of communism, in its full progress epoch, the communist society was not regarded by the vast majority of the population as “the own society”. It was introduced and maintained not by collective option, but by the mechanisms of a foreign history.

**Romanians between two realities**

The Romanians have two social realities that they refer continuously too: socialism as the reality in which they lived, and capitalism as virtual reality, which was the reality of the Occident that they could ‘watch’ from the outside. Based on these information, is coagulated a diffuse image of the reality of what Romania would have been like, provided it had a “normal” evolution. This reality of the West was increasingly better, turning into a source of frustration against the reality Romanians lived in.
The frustrating information about the West arrived from various sources: western movies provided one image, indeed embellished, of the capitalist life. Moreover, western goods beginning to enter into Romania showed net superior quality, and the underground trade with goods from the West, including the “packages” received from relatives and friends, flourished, while accompanied by information about the earning opportunities in the West given by those established there. The ones travelling to western countries brought goods, and depicted a superior image to the one in which life unfolded here. The *Free Europe* propaganda contributed fundamentally to consolidating the negative attitude about socialism, and to the creation of a state of chronic social frustration. The policy of discouraging hard currency exchange created a feeling of economic inferiority. The Romanian travelling to the West could not exchange but very small hard currency sums. However, the ‘under the counter’ informal hard currency exchange was at very disadvantageous rates. The Romanian travelled in the West with few moneys in the pockets, and felt even poorer. Prosperity meant for the Romanians the West, and increasingly less the socialist society future in which they lived. Forbidding “moving” to the West generated a phenomenon with disastrous moral impact: *the illegal running over* in the West, by facing enormous risks. All these created the feeling of imprisonment.

**Politics, key-factor of Romanians’ state of mind**

In capitalist societies, the largest part of people’s life is the outcome of the economic market mechanisms, and of the interaction between groups and individuals. Even the governance, the political factor has an important influence, but not the only one and often not the most important. In the communist system, politics is accountable for everything that happens, including in daily life. The political leadership might change the organisation of the entire society or block any change process. In communism, the quality of governance is the key factor, accountable as last instance for the quality of life for all of us.

The public image of the future is dominated by two trends. One relatively optimistic trend regarding a positive evolution – an increasingly more rational and competent political system, converging with the West. In the context of the crisis of the years seventy and eighty, the hope for the positive evolution of communism sank rapidly, almost vanished. The vast majority of the population had a state of mind dominated by the increasingly marked frustration as regards the gap against the West, and by the lack of change in the socialist system.

At domestic level, all changes were generated by the political factor, represented by the general secretary of the party: Gheorghiu-Dej and Ceauşescu. They were the leaders of the party and of the state. Ceauşescu was for a period of 25 years the hindering factor of any positive change. Ceauşescu turned into Romanians’ obsession. On Ceauşescu depends everything that happens and that will happen in Romania, and nothing could change unless he leaves from power. If Ceauşescu disappears, who will follow? The next critical factor is the communist party itself, perceived as a blocking factor for protecting a system that would not, or could not change. There was also the issue of the predictable
intervention of the Soviet Union that had already proved that it would not allow for significant changes. Though Ceauşescu with his policy of independence had annoyed extremely the Soviets, they have tolerated him because, actually, he led a Soviet-type policy. He was the lesser evil.

In the `70s and `80s, Ceauşescu implemented an embarrassingly cult of personality for himself, and wife Elene that humiliated all of us.

**Limiting freedom**

Romanians were frustrated that their freedom was severely limited. In daily life, the Romanian felt free. In the given frameworks, he could be himself, as he wanted. Nevertheless, two fault lines of freedom were extremely frustrating. Romanians lacked the freedom, if so chosen, to contribute to the management of the society they lived in. They might have considered that many good things were done, but not as chosen by them and, most importantly, when the time was right to want to change the system and make it better, they were forbidden from doing so by Ceauşescu, the Romanian Communist Party, and by the Soviet system. The freedom as accountable member of the society to express publicly opinion and act was prohibited.

**Splitting of self-expression**

One fundamental right of the individual is to be himself, and express freely his/her own thinking and feeling. The Romanian was thorn between two communication contexts. On one hand, the own conscience generated by experience, which was at the basis of the free communication in the informal environment, in the family, with friends and colleagues. On the other hand, he was forced to be an actor of the public system and had to express in contradiction with own beliefs, and as imposed by the communist political discourse during political meetings, on TV and radio, in the published paper, and as participant to political festivities where he/she was cowed into carrying slogans and banners. The public discourse was imposed by his role within the political organisation, and his position: party-member, director, and citizen. The role imposed by the communist system was increasingly more in contradiction with the peoples’ thinking and feeling. Such splitting exists in all societies, but in communism, it became a dramatic fault line.

One test in all socialist countries, as opposed to the West, informal communication was dominated by *jokes*. The hero of the jokes was very often the leader of the party, and less the political personalities surrounding him, together with Bulă (*Dim-Bubble*), always in the anti-hero posture, who humorously opposes and puts into comically awkward situations the reality aspects and the political leader. One felt to be himself/herself by telling to others these jokes.
Subjective indicators for the quality of life: sociological data

In its brief political acknowledgement period (1965-1977)\(^{10}\), sociology succeeded to realise a couple of empirical researches about the quality of life. The only somewhat more systematised data were realised in 1979 (C. Zamfir, 1984)\(^{11}\).

1979 was an interesting year in the dynamics of the Romanian communist society. The year provides the image of point in which the crisis became noticeable for the population, but was only at its beginnings. The structural crisis of the system is triggered by the beginning of the seventies, but the peak will be reached only by the end of the ’80s.

<p>| Table 24 One core indicator of quality of life is satisfaction with life |
|---------------------------------|-----------------|-----------------|--------------------|</p>
<table>
<thead>
<tr>
<th>Satisfaction with life(^{12})</th>
<th>Workers</th>
<th>Intellectuals</th>
<th>Workers’ in services</th>
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<tbody>
<tr>
<td>4.25</td>
<td>4.28</td>
<td>4.51</td>
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The average of the indicator *satisfaction with life* was placed a bit above the average of the scale, 4, grouped between 4.25 and 4.30, for services’ employees who managed the rarity; the level was significantly higher: 4.51. Because of the higher expectations, intellectuals, though wish better living conditions, do not declare themselves as being significantly more satisfied 4.28.

What mean these figures? The majority declares itself rather satisfied with life, but there is a significant share of individuals dissatisfied with life. According to SEDA\(^{13}\), such a value expresses a state of *concern with the state of life/social depression*, a degree of accepting the reality at the lower threshold, with almost half dissatisfied with life, or at the threshold between negative and positive.

*Perceived quality of life: evaluation of 75 components of the quality of life:*

- **Poor** (on the negative trend): 14 – transportation means, food supply and how institutions solve the issues of the people, the incomes in relation to needs, the people are benevolent, open and sincere, fulfil their duty, are correct, have leisure time available, the possibility to participate in the management of the institution where they work, the quality of the locality, the possibility to participate in the leading the society, own opinion taken into account;

- **Relatively satisfying**: 37 - green areas, supply with non-food goods, quality of goods in the household, sanitary services, job, work organisation, promotion perspectives on the job, family

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\(^{10}\) Those interested in the topic might refer to the work Istoria sociologiei romanesti (History of Romanian Sociology) by Maria Larionescu (M. Larionescu, 2007).

\(^{11}\) Data reflect a sample of waged employees from the urban area.

\(^{12}\) Scale from 1 to 7, the value 4 being the threshold of shifting from negative to positive; under 4, dominates discontent; over 4 means satisfaction with life in various degrees. 1 very dissatisfied, 2 dissatisfied, 3 rather dissatisfied, 4 neither unsatisfied nor satisfied, 5 rather satisfied, 6 satisfied, 7 very satisfied.

\(^{13}\) The SEDA scheme estimates that for this scale in 7 levels, a positively balanced society as regards quality of life is placed at a value of the satisfaction with life indicator around 5.25. Thus, 4.25-4.50 expresses *concern with the life situation* warning of a latent social crisis.
time organisation, possibility of participating to shows, the quality of entertainment means, management of the locality, information received about what happens in the country and in the world, the quality of the natural environment, street safety, law enforcement, possibilities of personal development, possibility of performing useful things for others, sport opportunities, how interesting is daily life, trust in people you depend on, respect and esteem shown by the others, safety on the job, possibility of obtaining a job according to abilities and interest, own level of culture, beauty of the surrounding environment, his/her individual rights respected, agreement with the way of thinking of the young generation, of the mature persons.

- **Good**: 21 – house, district, neighbours, actual job, job colleagues, direct boss, promotion on the job, own health, health of the family members, relations with the parents-in-law, what you do in the household, family agreement on the budget, own work capacity, what life achievements are there, ability to find possibilities of satisfaction with life, sociability, capacity to solve various life issues, accessibility to various forms of education, friends.

- **Very good**: 3 – *quality of children, relationships with parents, and relationships with husband/wife.*

The direct life environment, mostly what depended on each person, are satisfying, good, or very good. The incomes represent the most emphasised sources of dissatisfaction. For what depended more on the social environment, the evaluations tend to be negative or at the limit of acceptability.

**Changes in the lifestyle**

The communist system generated a trend of changing the lifestyle of the individuals. The living standard was relatively low, but constant and predictable. Once a job was obtained, it was secured with a wage as determined by law. Under these circumstances, for the most, “earnings” as provided no longer depended on the personal effort of each; interest begins to be shown for culture and education, tourism and trips, as the professions ensured not necessarily more money, because this was impossible, but they were more satisfying.

Mentality changes occur as well: *freedom from capital* and even *independence from money*. The incomes’ system was strict. What could be earned was mainly the wage, which was determined by law. For accumulation, one did not require security of incomes, nor for increasing them by capital. Money was just a means for the present and medium-term consumption for some more important goods (house, car), holidays. They were less significant for the future, as the pension was insured.

This change of priorities is reflected in what students aimed at when they did the effort of attending university: an interesting job or rather more money.

- Gaining an interesting job: 80%
- Attracted to student life: 56.1%
- Profession with social prestige: 45.1%
- Money generating profession: 14.8%

**Did people save, and for what?**

Savings played an important place in the life of people during the communist system. Bank loans for purchases were not allowed but in exceptional circumstances, like purchasing a new house. For gaining the wished for goods, one needed to save the necessary money. Actual consumption could not be done by loan, in the account of future resources. Families had to limit present consumption, in order to save for future consumption. People lived at the level of past accumulation.

Transition changed radically the policy of the household: people began increasingly more to live in the account of the future, but with a high degree of uncertainty. Loans in the account if the future creates strong dependence, bearing numerous risks.

The need of saving referred to buying clothes, household appliances, furniture, holidays, preparing children for faculty, the economic support of children when they will be grown ups, but also for purchasing a car, saving for the first instalment for obtaining a house.

University places were gained by extremely harsh competitive examinations. For some faculties, there were even 10 to 12 candidates for one place. Preparing children ensured their future, and therefore children, granted particular attention to savings: 58% of those with children made savings for preparing their children for admission to university. More than half of the parents, 52% – accumulated money for helping their children when they are grown ups, respectively marriage, house, etc. Old age accumulation comes last. This indicator showed that the old-age insurance system operated reasonably. The house, the most important and costly good, was obtained while being in the active life, and pensions gained all those who had worked, that is almost the entire population.

The effort of the family to provide better conditions to the students is reflected in the estimates done by them about their standard of living\(^\text{14}\): students live much better than the generation of their parents.

- *I have the minimum necessary ensured*: 3.3%
- *Next to the minimum necessary, I can afford some small expenditures*: 19.4%
- *I may obtain some things or spend for some entertainment, but with sacrifices regarding some other needs*: 52.1%
- *In general, I can obtain everything I want*: 24.7%

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\(^\text{14}\) Research about the students realised also in 1979 (E. Zamfir, C. Zamfir, Ş. Ștefănescu, 1982).
Actually, saving was a way of distributing the rarity of goods. It is the case with the car purchase. If the possibility of bank loans would have been accepted, or to buy in instalments, the rarity of goods would have turned hard to manage. One could obtain a car only “money down”. Then, when you succeed in saving all that money, one had to “queue”, as well. Only the (new) houses could be bought on loan from the bank. If one wanted to purchase a house from a private person, one had to pay money down or take loans from relatives/friends.

**Communist Romania 1989**

After 40 years of experiencing communism, some conclusions might be formulated about the outcomes of a unique programme in history for social change.

1. The economy increased at an extremely high rate, against the starting point, 1938, the year regarded as the peak year of the interwar period/1945 the year of exiting the most disastrous war imposed by Nazi Germany. However, the other countries also progressed from the economic perspective. Against the performances of the world, communist Romania has far better performances. The economic development in the first two decades was spectacular. Thereafter, Ceauşescu’s programme of swift economic growth had modest and even negative outcomes. Against the other European countries, the economic performance in 1989 is somewhat weaker against both western European countries and the other socialist countries.

2. The core objective of the economic programme was industrial growth, and the industry grew spectacularly by 18 times, against 1938. Many industrial enterprises with modern technology imported generally from the West, but also manufactured in the country. The human resources required for economic development were created especially as regards industry: skilled workers, and experts. The industrial highly diversified goods, with the ambition of covering most part of the Romanian economy’s needs, nonetheless somewhat more weakly connected to the international market. In some niches, the Romanian economy proved competitive, especially in the Third World. It remains unclear, whether it was firstly due to the low prices.

3. An agriculture undergoing a process of modernisation, with incorporated modern technology, but more modest than in the western countries. Nonetheless, more experts were employed in agriculture.

4. The steady increase in the living standard of the population, which was regarded from the political perspective as core objective of the communist programme, was achieved at much more modest levels against the economic growth. Welfare was more evenly distributed. Economic inequality is placed at the lowest level of the northern countries: a *Gini* index by 20.

Wage earnings turned into the only legitimate source of individual prosperity. Profit, a crucial source of incomes in the capitalist system, was eliminated in the socialist economy system. Nonetheless, two increasingly more sources emerged, though regarded as illegal: use of the position of power, and the management of rarity.
The employment degree of the population increased, and was close to achieving the objective of the communist programme: employment opportunities for all, especially for women. Wage employment increased massively: 8.4 million employees.

As the communist economy entered into a progressive crisis, the efficiency decrease, in particular in the context of international competition, was born by the population by diminishing standard of living. Various mechanisms of decreasing wages existed indirectly by implementing some social contributions and decreasing wage benefits in particular, by the rarity of products and the underfinancing of the social sphere: education, health, culture.

5. The implicit objective of the communist programme was modernising the Romanian society, especially by industrial growth, urbanisation, and by diversifying the social spheres: education, health, culture, free time. Urbanisation was achieved at a swift pace, but controlled, for avoiding the urban overpopulation. Underemployment and poverty were characteristic more for the rural. Modernisation was, nonetheless, imbalanced. The industrialisation advancement, the investment deficits, and allocation of financial resources in the areas of rural economy, but also in the social areas, like education, health, culture and scientific research that were, however, not directly linked to industry.

6. The social structure: a rapid increase in the numbers of industrial workers and intellectuality, mostly diploma engineers. The numbers of peasantry decreased, especially as result of migration to industry. Nonetheless, there is still labour force excess in agriculture.

A segment of intellectuality developed swiftly committed to the technical organisation and management of the entire society: the technocrats, in particular in industry. At the same time, as effect of the social modernisation, increased the numbers of intellectuals employed in economy, education, health, research, and administration. Technocrats were not necessarily a political power of promoting the capitalist system, but they were nonetheless against the technical irrationality of the communist system, and of increasing political control, and especially against the personal dictatorship of the Ceauşescu family.

7. The communist political system contained structurally an option that had annulled any form of democracy: the leading role of the party. This formula led inevitably to the authoritarian leadership of Ceauşescu, or otherwise to a collective political leadership but in which he decisive role was still the one of the secretary general of the party. Unavoidably, the perverse effect of the sole leadership emerged: the disconnection between the leadership of the party and the collective. Distrust in the policy of the party blocked the prosocial orientation of the population.

8. In the years eighty, the availability of foodstuff represented the critical aspect of life: rationalised goods, empty shops, increasingly worse restaurants. All discontent was targeted on Ceausescu.

9. The creation of the “new man” represented an objective of the communist programme. The new man was a person interspersing personal interests with assuming the global social interest, an active participant to the social-economic development of the country. The prosocial orientation compensated
the motivation generated by the capitalist system centred on personal interest, profit gaining, and individual work performance. However, the prosocial orientation was corrupted by the halt in democracy generated by the Soviet-type communist system. The political monopoly on defining the social interest generated the structural alienation of the members of the collective.

**Romania’s programme of change: what happens after?**

The crisis of the Soviet-type communist system deepened. Not only in Romania, but in the other socialist countries as well. The question “what comes after” floated in the concerns of the entire world. It was somewhat unclear what will happen after, as everything depended inevitably on the international context.

Some components seemed to structure the collective vision and, especially, the ones of the experts over the desirable future.

**Politically.** First, without Ceauşescu and, of course, not again communism, even without Ceauşescu. Political democratisation was imperative, certainly without the sole party. Still, it was rather unclear what role will play political parties. It was clear that a democracy was necessary in which experts/intellectuals will play an essential role. A revolution, but non-conflictual, because the change reforms had to be based on wide consensus: important political conflicts were not foreseen. The state had to play a key-role in the process of social change. The modernisation process realised under the communist form had created modern institutions that need not be destroyed, but receive another profile. Eliminating political control over the social sphere, economy, education, culture, science, and mass media. Naturally, without Securitate. True freedom this time. Promoting a rational system of organisation, different from the political-authoritarian one, and promoting competence. Experts/technocrats had to replace, in the leading positions, the former party activists.

**Social.** The prosocial orientation declared as fundamental by the communist programme, but distorted in practice, especially in Ceauşescu’s period, will be this time an effective global policy objective. The requirements of the entire community will be, obviously, the global policy objective of the state. The social functions of the state, the school and the health system, ignored strictly in Ceauşescu’s time, will receive special attention.

**Economic.** The increase in the role of the free market, and of competition. Stimulating private economy and the reform of state enterprises freed from the intervention of the political factor, and increasing the role of the experts. The question of an aggressive privatisation programme was not raised; however, it was not excluded just in case. Supporting private initiative. Setting up connections to the world economy, but in particular to the western economy.

**International relations.** The openness to the West in all spheres, free movement of people and goods, assimilating all the best from the western world. Convergence with the Occident that had won the competition was beyond any doubt. The political and economic relationship with the West will know a boom. An international context dominated by the détente of global balance.
If we take account of the role played by the state in the functioning of the society, and the prosocial orientation, the prefigured programme might be labelled as *technocratic socialism*: the technocrats will lead the country, by using the state mechanism, in the general social interest.
Chapter 4 - The Transition to a Modern, Western-Type Romania

1989 meant entering a new stage of Romania’s History. The experiment with the communist model was over, and new opportunities opened up. Now, thirty years on, we might evaluate the transition’s experience towards a new society, realized within a new international context. The enthusiasm from the first days in ’89 made room for the difficulties represented by the complex issues of a social change, unique in history.

December 16-22 1989: The Romanian Revolution

By the end of 1989, the social situation turns increasingly tense. Discontents gain momentum. A wide consensus that nothing can be changed without Ceausescu’s and the entire system’s downfall, spreads out. However, Ceausescu had strong control means. A deep social change turns imperative. Powerlessness generates acquiescence. Yet, the acquiescence displayed for years begins to be replaced by collective frustration that can explode anytime. All that was needed was an event, a signal that would coagulate the social explosion.

16th of December, Timisoara: the collective mobilization is unleashed. The street is occupied. Ceausescu is not willing to concede defeat and resorts to bloody means of repression. A couple of days followed in which the people from Timisoara felt left alone facing the unbridled terror. Yet, the process began and no matter how violent the repression, it could not continue. It was assumed that Ceausescu would show resistance. A feeling of despair encompassed the country.

21-22 December: the popular revolt breaks out in Bucharest. Individual fears are replaced by the collective will to react. The population takes to the streets. Ceausescu is forced to run. Rejoicing is general. The change begins.

The Revolution Consensus

The immediate objective of the change is crystallized: removing from power Ceausescu and his cronies. Ceausescu’s people vanished from power together with Ceausescu. Nobody felt threatened by this group any longer. A few of the PCR leaders were arrested, but nobody believed that the measure would be important for securing the Revolution. Overnight, Ceausescu’s power was wiped out. Ceausescu’s hasty execution shocked and was perceived by the vast majority of the population as a regrettable deed, less because it was illegal, but more because of its pointlessness. The only institution that was the instrument for upholding the communist system was the Communist Party with its more than 3 million members. Some considered that the Party should be prohibited by law. However, most of
them had a common-sense observation: the Communist Party had ceased to exist de facto. Nobody reclaimed the acknowledgment of its existence. Some had envisaged founding a party or another of the communist-type but failed because of lacking significant support.

The Romanian Revolution was not a fight against social groups supporting the old regime. It was the Revolution of liberation from Ceausescu. One of the significant achievements of the communist regime was the creation of wide consensus around the idea of changing Ceausescu’s system and the communist system promoted by him. A possible reform of the communist system was hard to consider. It had had its peaking moment in the sixties, but burned out during the seventies and eighties. The incapacity of the system to reform had become obvious, and most significantly, the competition against the Occident was lost.

Save for the Communist Party, all existing institutions were institutions of a modern society but, naturally, displaying the trend imprinted by communist system. They were not to be destroyed but restructured according to the new context. The Revolution had as objective not the destruction of the state that developed over the communist period but reforming it. Several political parties emerged, and elections based on campaigns. The Parliament resumes its traditional role.

**The post-communist period: stages**

The almost three decades (1989-2018) and up to the Centenary of the Great Union can be divided into **two periods** (I. Stanescu, 2014).

- **The transition 1989 – 2004:** from a society organized after the Soviet communist model to a capitalist society after the western model. Over this period were realised the most important political social, and economic structural changes. 2004 is the year of governance change, but also when the transition objectives were finalised, especially as regards the large-scale privatisations. The European Commission grants to Romania the statutes of functional market economy. In this year are realised two of the objectives regarding the external transition project: adherence to NATO (2004) and initiating the procedure of accessing the European Union finalised in 2007.

- **Strengthening the organisation of the Romanian society as capitalist society, exiting underdevelopment and Romania’s accession to the European Union: 2005-**

  The transition, in its turn, can be divided into **two stages**:

  **A first stage of transition dominated by quick, predominantly destructive privatisation 1990-2000.**

  The second stage characterised by **the privatisation of large companies** that hold strategic positions within the Romanian economy. **Exiting gradually from the economic crisis** of the years ninety, by achieving the level from 1989 in 2004: 2001-2004
Romania in transition: 1989-2004

The objectives of the transition were achieved respectively changing the political system, and from the single communist party to the multi-party system. The Parliament, freed from the dictatorship of the single party, become a legislative arena where political parties faced each other off. The entire legislative system modified, and changes are triggered in all spheres of social life that were directed towards assimilating the western experience. The alteration of the political system structure was achieved rapidly, already in 1990. They were proven first by the emergence of several political parties, and by the parliamentary elections to which all parties’ participated.

The change of the socio-economic structure of the country was much more complex, and lasted 15 years: Removing the state from its role as organiser of the economy and replacing it with the market economy. “State-owned” enterprises are no longer integrated within a national system of the socialist economy, organised and controlled by state mechanisms, but become free actors in the economic market. However, the most complex objective with strong structural effects was the privatisation of the economy. An economy based on private property was achieved by supporting the creation of private economic enterprises but, most importantly, by privatising state-owned enterprises. The privatisation of the huge number of state-owned enterprises proved a lot more complicated than assumed initially. It was considered that it would not be a destructive privatisation, as the enterprises represented valuable productive capacities, but a privatisation by development.

Transitions’ strategy - The dilemma “How to cross the whole nine yards?”

The transition from communism to capitalism represents the second process of designed change of the entire society experimented by Romania after the communist period.

This was not a spontaneous process, but was right from the beginning guided by a strategy that included a programme for changing the society, the economy and the institutions. It was a reform process in all spheres of the social life to be achieved in a relatively short period, with clear objectives to attain, respectively a capitalist society, future member of the European Union, hence a society that has assimilated the European models.

The first days after 22 December 1989, the term all the society agreed on was Revolution: replacing Ceausescu’s regime and adopting an open change strategy. Gradually, the changes to be adopted will be clarified.

A new term emerged - transition, adopted by all European former socialist countries. This term structured the change process, the adoption of the capitalist model.

The strategic direction of the transition was met with wide consensus: adopting the Occidental model of society, a multi-party political system, and market economy based on private ownership. On
this shared background, the Romanian polity was dominated by differences as regards priorities, and mechanisms of achieving this programme: *the shock therapy realised swiftly “at once” versus the designed and monitored transition*

**The Postolache Strategy**

Already in the first days of the Revolution, the need of one vision took shape: what will we have to do after? In the volatile climate after the Revolution, Professor Tudorel Postolache had an initiative that offered clarification over Romania’s perspective. On February 27th 1990, the Governmental Commission was set up with the mission of drafting the *Government’s Programme for the Transition to Market Economy*. The programme was supposed to be realised by a team of experts from economic entities, from research and design institutes, from academia, and from ministries. Over 1200 experts were involved. Professor Tudorel Postolache obtained, at the same time, the agreement in principle from all leaders of the “historical” parties, a fact of high political significance. *The Outline regarding the strategy of implementing market economy in Romania* was launched in the month of May 1990. The document contained the main political options and an implementation plan of the Strategy: spacing out the main measures to be adopted over the period 1990-1992, and a set of 41 laws that were essential for implementing the new programme.

*The Postolache Strategy* launched a new national coalition between the political actors, trade union representatives, technocrats, scientists, and the entire population (T. Postolache, 1990).

The Strategy contains six fundamental options:

* The core objective of the economic reform was **promoting market economy** and this presupposed a complex programme of changing the legislation that had to be achieved rapidly over the next 2 to 3 years. At the same time, launching **wide-scale privatisation** regarding important spheres of the public property was one important component of the market economy.

* In the debate between “*shock therapy*” and “*gradual long-term transition*”, the *Programme* proposed an alternative: **“the strategy of gradual transition at rapid pace…accelerated…in at most 2 to 3 years”** (T. Postolache, 1990, 11-12). As opposed to the shock therapy, though accelerated in its turn, it is provided for a **planned programme of change, by identifying stages, measures and preventing/compensating costs**. The Postolache Strategy considers as priority transition objective to achieve at rapid pace the implementation of the new institutional system of the market economy, but not as regards the privatisation pace. Privatisation is necessary as well, but only as secondary objective in relation to implementing market economy.

* The state, freed from the dictatorial and bureaucratic practices, had to have an **active role** in designing the transition process, in supporting and monitoring change and the social-economic development of the country.

* The Romanian economy, **oriented on the national interest** and linked to the world economy in the framework of which it promotes the own interests. The strategy of the economic reform has as
objective identifying strengths and weaknesses of the Romanian economy, of the natural resources, and the priority opportunities and directions of development.

* The transition Strategy had to be drafted by a wide democratic process, by domestic experts, and by identifying the forms specific to the Romanian context. “The attempt of...importing in toto one certain “model” from other national spaces is not justified” (T. Postolache, 1990, 11). It is necessary to have a strategy with flexible adjustment to Romania’s conditions.

* The Strategy includes a fundamental option of social policy, complementary to the economic reform: the global objective of the entire reform is to increase the quality of life for the community. Social changes will generate inevitably social costs, but these must be prevented right from the beginning and compensated by marked social protection. Therefore, an inevitable increase in the social expenditures is foreseen for the transition period. In each stage, it is necessary to identify sets of priorities of social concern, the objective being to achieve a closer living standard of the population to the European one. Resuming Ceausescu’s thesis about “present sacrifices for a better future” is completely unacceptable. It is necessary, even during the transition, and not only thereafter, to achieve a level comparable to the European average for the basic social indicators” (T. Postolache, 1990, 12).

The transition will be achieved not by economic decrease, and shock therapy, but by planned growth, e.g. a reform by development. As of 1991, an annual economic growth rate by 3.7-3.8% is foreseen.

The transition proved an extremely important period for the ensuing development of the Romanian society. In those years were created structures, social and economic processes were launched, and the mentality of the community changed, thus generating the framework for the subsequent development. According to the way the transition was achieved, it left a strong fingerprint on the ensuing years.

**The adopted transition strategy**

The Romanian governments abandoned gradually the Postolache Strategy replacing it with other strategic options. If the Postolache Strategy was exposed in a document adopted by political governmental resolution (GR), the applied strategy cannot be found in any official texts. It was rendered concrete in the cooperation between the Romanian governments and international institutions. To the largest extent, it is found in the agreements concluded by successive governments with IMF and the World Bank. Between 1990 and 2014, Romania has concluded 10 stand-by agreements with IMF(I. Stanescu, 2014, 325).

In the transition’s polity may be identified a couple of fundamental strategic options over the entire period, that shape a strategic complex dominating this period.
*Complete privatisation, achieved quickly “at any cost”*. If the Postolache Strategy regarded privatisation as **means**, a tool for rendering efficiency to the economy, **privatisation by growth**, now it turned into a priority political **objective** – quick privatisation, achieved **no matter what**, even for “one Leu”. The preferred image was the strategy of plucking the goose (the economy): **pluck feather by feather, hence long-term pain, or pluck them all at once**. The swiftness in privatising turned into the main indicator of transition performance. The governments were constantly criticised that the privatisation is not rapid enough. Yearly privatisation plans were adopted in agreements with international institutions, along with lists of enterprises following to be privatised. Any privatisation is good. There were no discussions about the conditions when one privatisation could affect national interest. There are no critical analyses about erroneous privatisations. The privatisation policy is open: everything had to be privatised, without identifying some areas that should have remained in the property of the state. The classic theory that private monopoly is worse than public monopoly is abandoned. No mention exists of enterprises that should be exempted from privatisation or, at least, in which the state should preserve a certain position. The **neoliberal vision** was predominant. The state as bad manager/ the private entrepreneur as efficient one. Therefore, particular concern was not shown for reforming the management of state-owned enterprises and for monitoring/evaluating their efficiency.

The privatization was completed by **retrocession** of properties confiscated by the communist regime. There are no clear data yet about the number of properties subject to retrocession, or about their type. Frauds in the framework of this process had important destructive effects on the economy and the collective moral. Brokers and traders turned retrocessions into a source of enormous profits, many of them onerous.

*The Minimal State Policy*. The Romanian transition was obsessed by the **theory of the bad state**. The intervention of the state needed to be avoided, especially in the economy. Additionally, the Romanian economy is part of the world economy and the meddling of the Romanian state infringes on the rules of the world’s market economy. The active role of the state throughout this period was only to promote privatisation. The market economy would ensure swift economic growth, without state intervention. Moreover, severe social issues would be solved gradually by the market economy and NGOs, the state having minimal social policy.

State’s economic and social responsibilities waiver, with the exception of privatisation, makes its role thinner, reduced only to the simple **rule of law**: a legal arbiter ensuring the legal functioning of the public life. The core concept is **rule of law**, with a small, economically non-interventionist state that has minimal social functions. Even the health- and education systems must be gradually introduced to the market economy system. The political concern for any projection of the country’s future vanished, along with any policy of social-economic development.

**Rapid privatisation and the retrenched state** are political options formulated explicitly already by the transition’s beginnings determining the profile of the state. They had a series of derived strategic consequences.
The new economy taking shape is conceived not as national economy with own interest, but as part of the world economy integrated in its logic. “Void internationality” dominated on the assumption that in the world market the actors are exclusively private enterprises without national tinting. It is assumed, contrary to evidences, that nations with their interest play no role in the world economy. The concept of Romanian economy almost vanished from the public discourse. In this vision, an economic policy has no place any longer. The mechanisms of the world/European economy direct the economy. After the EU accession, concern was centred on assimilating the European regulations. In the political programmes of the parties there were no national economic objectives, such as economic growth, employment increase, or supporting some sectors, save for privatisation. Supporting the IT-sector is of recent concern.

* National interest is mentioned but marginally in the political programmes. Even the mere mentioning of national interest is treated more as negative expression of “nationalism”. The logic of the world economy precludes national economic interest. Hence, the absence of concerns for protecting in national interest the economy, including the protection of natural resources. Politically, Romania was a weak European actor. The national economic interest began to show only for the last past years when Romania is already placed at the periphery of the global capitalist system.

An articulated policy of encouraging domestic capital was inexistent. Precedence was given not only to foreign investments, but also to privatisation with foreign investors.

* The objective of the economic and social development of the country vanishes. The programmes with the IMF are for economic stabilisation, but not for economic development. Actually, it was also a consequence of focusing on the requirements of the world economy. It was assumed that a privatised economy integrated into the world economy would ensure alone economic growth. In fact, this assumption proved to be unjustified. Even after 29 years, the economic growth is owed more to trade and consumption than output.

* Poor interest in managing (still) state-owned enterprises. Communist political administrative control was replaced by the surrogate of a fictional control by some board of directors built by persons that very often lacked competence in promoting public interest

State owned enterprises were turned into prey for the corrupt administration, with regulation that were at least neglectful as regards their management. They were exploited for the benefit of the “smart guys”. Neglecting the management of state enterprises had been always based on the argument that the state is a poor manager. In fact, the transition state proved to be a far worse manager than the communist state.

The first form of corruption emerged as means of exploiting state owned enterprises was the one of small private enterprises that clustered around them, throughout the transition. Many state-owned enterprises were thus destroyed, even before being privatised.

* The small wage policy - wage policy to the disadvantage of the employees; the substantiation is attracting investors. The obsession with attracting foreign investors led to maintaining below the decent
threshold wages, so that almost three decades after the Romanian Revolution, Romania has the lowest wages in Europe. Only after 2018, the debates were initiated for a projected wage increase.

* In the context of rapid privatization regarded as absolute priority, the governments failed to assume any responsibility in launching new job creation programmes. This policy was well illustrated by the former President, Traian Basescu, who asserted in various instances that the unemployed “had to manage, possibly to leave abroad”, as it is not a problem for the government.

* The social cost of transition was regarded as unavoidable; hence, systematic disregard of population’s welfare. Social policy was also a minimal one. Community’s welfare from priority transition objective turned into an inevitable cost that had to be just tolerated. Moreover, the much too high attention paid to social is considered as a hindrance in the way of successful transition.

**Political configuration – the social-political groups**

The political life over the transition period was based on the global consensus as regards the nature of reform – replacing not only Ceausescu, but also the entire communist model and assimilating the western social organisation one, based on multi-party democracy, and market economy based on private property.

Beyond this consensus, the political life was dominated by important controversies as regards the way of achieving the reform. These differences of political strategy might be synthesised, as follows: **programmed reform**, or **shock therapy**, by brutal changes that will generate chain changes inside the entire system.

**Programmed reform** represented a change process realised based on a strategy that identifies the intermediary steps and unfolded over a long enough period of time, and not by brutal measures. The state plays and important role in the whole process.

**Shock therapy** represented another different strategy: a radical approach, a brutal “all at once” change, fracturing changes, and swift implementation of some new structural principles that would cause shock throughout the entire system and force rapid restructuring. Shock therapy emphasises the importance of destroying the old system, as starting point for promoting the new system. The strongest instrument of the shock therapy was rapid privatisation and retrocession of properties confiscated by communism (*restitutio in integrum*). A moral-juridical argument is called upon - rebuilding the properties “confiscated” by communism, especially retrocession of urban buildings and lands, along with the farm lands. The state has to withdraw as much as possible, a downsized state.

Theses strategic visions were the backbone of the policies promoted by two political groups that dominated the political landscape of the Romanian transition, and therefore we labelled them to represent the technocrats and the anti-communists. They were at the basis of differentiating between political parties for the entire period.
**Technocrats**

The technocrats’ group consists of a wide mass of experts taking specialised and management positions in all spheres of social life and at all levels of the economy and public administration. Shaped during the process of modernising the Romanian society, they have assimilated all standard knowledge and values of modernisation. They gained high technical and managerial competence.

The entire intellectuality, including the technocrats had to various degrees a negative attitude to communism because of the experience of the last decades and due to the increasing prestige of the Occident. The model of western societies turned to desirable alternative to the communism imposed by the Soviets. For the quasi-totality of intellectuals, communism was something of the past. They focused on step-by-step reforms of the inherited complex system. National interest is shown significantly in the technocrat’s programmes. The excessive repetition of the anti-communist positions is considered as useless, or even hindering.

Over the last two decades of communism, a crystallisation process regarding a state of discontent occurred against the increasingly more irrational and dictatorial policy of the Ceausescu group among the technocrats. A new vision of social change begins to take shape. Technocrats wanted a society based on experts that advanced science rationality and democracy, first within the group of experts, a technocratic democracy. The national interest is shown significantly in the programmes of technocrats, as they are more connected to the interests of the economy, and of the national administration. The technocratic vision included also a moderately prosocial attitude, assuming social responsibilities as required for ensuring the social support that was necessary for the functioning of a modern system. A reformist technocratic and moderately prosocial policy might be mentioned in the context. Technocrats did not represent the interests of the community, of the workers and peasants, but rather the ones of the system within which they operated.

The technocrats already held leading/expert positions in the vast economic-administrative system. The Revolution freed them from the irrational authority of Ceausescu’s political system by granting them power and an entire new political field. Right from the beginning, they assumed the responsibility of social change, which they promoted with the administrative and political means at their disposal. They preferred not the change triggered by the street, nor the one resulting from the fight for supremacy of social/political groups, but the reform based on management means, or on the democratic political means of the state.

Gradually, those holding important position in the system of economic and public system management had access to the privatisation process. Thus, a new social segment is born as outcome of the strengthened relationships capital/public administration.

Parties of technocratic bias (under various denominations) had a couple of distinctive characteristics – a preference for changes not necessarily at slower paces, but for designing them with certain care for avoiding excessive imbalances; an “organic” change; higher public component and avoiding hasty measures; a certain political sensibility for considering the social effects of the reform;
concern for obtaining electorate’s support. In the programmes of the technocrats, promoting market economy was undoubtedly necessary; however, privatisation though regarded as important, was not the priority objective.

Technocrats have been initially in favour of a limited privatisation in industry, and for restructuring and revamping the industrial state-owned sector. Concern was shown for identifying the economic areas where privatisation should not take place, or be done with due diligence and not entirely; such was the case for the enterprises in the energy field, for some extractive industry enterprises, for some agricultural exploitations, and forestry funds, for transportation and telecommunications, for education, health and social protection. In agriculture, the recommendation was to maintain the agricultural cooperatives of production as free constituted entities of the producers. As regards the agricultural properties in state ownership, e.g. 28% of the country’s farm land, it was recommended to “reorganise the state-owned enterprises on modern principles”, including here leasing and land concessions.

Technocrats obtained wide support from the population because they offered a technical and administrative competence guarantee, including management predictability, and the avoidance of brutal changes characterised by radicalism insufficiently justified by competence. At the same time, they showed openness for the interests of the population. In the European political topography, this might be designated as centrist slight leftist politics, and by no means as left politics. Technocrats did not express the interest of the social masses, of the workers and peasants, but as experts, they knew they had to consider social support and to develop social protection as well, however moderately.

A distinct vision was promoted regarding the social differentiation based on competence and on the functional position within the social organisation system, and not primarily on property. The prestige regarding competence, professional training and institutional position. The technocrats did not claim to be first capitalists.

**Anti-communists**

This group involved itself in the political activity, as its representatives entered from outside, or from the fringes of the previous system. They were persons who in their youth had been active in the political parties eliminated by the communist system, and most of them had been also subject of the communist repression in the fifties, and had undergone heavy years of imprisonment. When they had been released, they had gained middle-state social and professional positions. This group was very small and had a quick exit from the political scene for age reasons. To them are added individuals who have suffered politically because of their “unsound origin”, of “file” issues, or because of their activity, or most of them, because of their families. Of course, also other individuals from families with an anti-communist tradition. Others are representative for the persons with profound discontent for the communist system. There were also persons dispossessed of their properties in the communist time, who were interested in retrocession measures regarding confiscated properties. Many of them suffered from
the frustration that the Revolution did not ensure compensations for those who have suffered. In Romania, there were not any groups of dissidents sufficiently crystallised and influent.

The priority given to destroying the communist structures determined the placing of a negative theme at the core of the political programme: anti-communism.

Due to the predominantly critical orientation, and to the deficit of constructive vision, the public support was constantly low. Hence, the critical need of the net differentiation from the technocrats holding power positions also after the Revolution. The frustration of anti-communists was expressed in the expression “Stolen Revolution”. Thus, in fact, the Revolution did not empower anti-communists who regarded themselves as entitled by suffering and by their clearly anti-communist option. Feeling at a disadvantage in the competition with the technocrats, they resorted to blaming the latter of being communists, or neo-communists. They accused permanently the technocrats of slowing down the reform. As they arrived from the outside of the system, anti-communists felt comfortable in adopting certain radicalism – the reform topic is most frequent in their political discourse. When they came into power, the first stage is filled with reforms “no matter how”, with insufficiently elaborated regulations, and hence the rather confuse outcomes.

By their option for radical capitalist reforms, anti-communists were placed on the political map on the “right”, some being even animated by the unclear dream of returning to the idealised historical path of the interwar period that was disrupted by communism.

Anti-communists did not have to invent new political forms of coagulation. They found the parties that had been eliminated by communism, the “historical” parties – the National Liberal Party, the National Christian-Democratic Peasants’ Party, and the Social-Democrat Party.

The intellectuals from this group, with low social support, have developed an “ideology of political elitism” substantiated by the theme that “the population is politically and ideologically immature and not prepared for freedom, and the true democracy” (C. Zamfir, 2004, 60). An extreme variant of elitism was developed by some groups of intellectuals with a radical right vision that were strongly supported financially by international bodies, especially by the Soros Foundation.

The right parties preferred the shock therapy option, tough measures and ignoring the needs of the community considered as inevitable costs of reform. In the nineties, they had as priority objective to total and rapid privatisation, the “no matter how” privatisation by destruction. The group of the peasants/liberals supported the privatisation realised as quickly as possible, “even for one Leu”. At the same time, the complete withdrawal of the state from the economy. These parties had as objective the preference for destroying the structures build during the communist period, and not their reform.

Complementary to the total and rapid privatisation, the right parties promoted vigorously the retrocession “in integrum” realised first by law, then by legal means, by legal decisions, that proved to be both anti-economic and anti-social, and the most important source of corruption. To this is added the initiation of a policy generating social conflicts and abuses: the hunt for the former communists but which came to a halt due Ceausescu’s policy of building a communist party of the masses encompassing
the vast majority of experts, even many of the present anti-communists. Next came the obsession with hunting down “securistii” (the intelligence officers of the Securitate). It grinded also to a halt because of complicated legal and social issues. This “shock” policy worsened due to the lacking strategic vision of social development.

The National Christian-Democratic Party (PNTCD) is most active in the first year, and took over power in 1996, but suffered a catastrophic political failure and vanished as party. The other “historical” parties had a somewhat similar fate. The “historical” social-democratic party vanished already in 1990 as it failed to enter into the Parliament. The more moderate Liberal Party had wider electoral support. Currently, it is divided. The most important role of the right was taken over by the Democratic Party, which after some years of glory, vanished as it merged with the National Liberal Party (PNL) after the former had a noticeable failure under Basescu’s leadership. Nonetheless, from the National Liberal Party a new liberal party detached itself, ALDE, under the leadership of Tariceanu, and took over the technocratic liberal group and entered into competition with the old PNL. However, many consider that the old PNL was taken over by merger by the people of the Communist Party.

Right governments had a policy of radical and brutal reform that had an effect of harsh decreases in the economy. The most important right governments, represented by Petre Roman, Victor Ciorbea, and Emil Boc failed to resist pressures and close to the end of their mandates were replaced by crisis technocratic governments, just before the elections, that had as mission to ensure redress of the given situations: Stolojan in 1991-1992, and Isarescu in 2000.

**Street revolutionaries**

In the days of the Revolution, there were some very active groups during the street rebellion, in general young people but also the “marginalised” of the communist system. As with all revolutions, most of those who contributed on the streets to the downfall of the old regime were faced with a leading system either largely already filled, or proved insufficient preparedness for the post-revolutionary competition. The group of “revolutionaries” turned into a problem for the technocrats. Most of them were hard to assimilate into the reform programme directed by technocrats. The adopted solution was to acknowledge them as a group that was granted several personal privileges, and they were encouraged to fight not against the political system, but for additional individual rights as “revolutionaries”. A new profitable social margin was created: former revolutionaries.

**The communists’ political group**

The expectation that after Revolution a group formed by “former communists” will become active was not fulfilled. The attitude of the population against communism was traditionally rather negative, and emphasised by the social crisis of the ‘70s and ‘80s. Ceausescu generated a strong polarisation of the political class. For the last years, the cronies’ group around Ceausescu were perceived
as incompetent, while the rest of the political people were technocrats. Communists out of persuasion became a rarity.

The month of January 1990 was characterised on one hand by the necessary process of institutional reconstruction, dominated by “technocrats” who have taken over the political initiative, and on the other, by groups that considered themselves as the extension of the “historical” parties, and promoters of a radical anti-communist programme, and who tended to move the fight for power in the street. PiataUniversitatii (University’s Market) became the most visible public expression of anti-communist radicalism: blaming the new technocratic government of being communist or not radical enough.

**The option for the semi-presidential system**

The Romanian option for the position of the President within the political system was different from the one of the other countries in transition; not a parliamentary democracy and a president with limited authority, but a semi-parliamentary, semi-presidential democracy. Thus were created two structural sources of power: the Parliament (and the government as appointed by the Parliament), and the President. The President is elected by universal suffrage, but he holds neither legislative, nor executive power. Due to the wide authority granted by popular vote, yet lacking clarity in defining the limits, a permanent trend of power excess showed by presidents emerged, together with a continuing structural conflict with the government elected by the Parliament. These two sources of equal power may be convergent or divergent. In the period 1990-2016, the Parliament and the President had the same political direction, and even so conflicts could not be completely avoided; President Iliescu and the Prime-Minister Petre Roman; President Constantinescu and the right parties’ governments; Iliescu and Adrian Nastase as Prime-Minister, President Basescu and Prime-Minister Tariceanu. The latter had a conflict settled by Basescu’s gained total control over government and parliament. The elections of 2016 generated a new situation: the President elect has a different political direction than the parliamentary power structure, a fact generating important impasses. President Johannis made public statements of hostility as regards PSD, the party in power, a hostility driven up to the intention of forming his own party, thus infringing obviously the constitutional provisions.

The inclination of resorting to various forms of presidential authoritarianism, including the use of the “power” institutions (SRI – the Romanian Intelligence Service firstly) is a structural risk of the present governmental formula.

**International bodies**

Already in the incipient stage, the Occident had a very important role in directing the transition from Romania: international bodies (IMF, the World Bank), important western countries, especially the USA, but also the Netherlands, and the UK, and increasingly more the European Union. The IMF
intervention programmes, along with the ones of the WB based their measures on the neoliberal-type

A lot less was written about the strategic options of the Occident. Here, we will only mention
some distinctive characteristics, as hypotheses.

The Occident had a marked preference for the shock therapy strategy, a rapid transition, with
absolute priority given to swift privatisation even if done “no matter what”; immediate openness to the
world market; considering social costs of transition as inevitable and, consequently, paying attention to
social protection was estimated even as counterproductive for the success of the transition.

The preference for the shock therapy explains also the support by the West of the right parties
and the circumspect attitude towards parties showing their option for a more orderly, and projected
transition, and more receptive to social issues, and the attitude was just hostile against parties with a
direction more focused on the national interest. The attitude of reserve, or even negative is obvious in
the case of the main party of the technocrats: PSD.

Why was shown such western political preference to support “shock therapy” and the right
parties? The only hypothesis formulated in public discussions called upon the possible fear of the West
that the former communist countries could be tempted to return to the communist system or, more
probably, they might turn to exploring different options than the one of the Occident, under the form of
a “third way” (C. Zamfir, 2004).

“Nostalgia for the communist period” became a topic of major interest, especially in the
Occident. These studies explained the critical attitude of the population against the negative outcomes
of the transition by reasons such as nostalgia, populations’ inadequacy to the new post-communist
conditions, including the persistence of “collectivist” values, incompatible with the “individualistic”
one that were desirable in a democratic political regime with a capitalist-type economic system (F.
Poenaru, 2017, 191-192). Hence, it was not about the dissatisfaction with the errors of the transition
strategy, but about the remains of the “old mentality”.

1989-2018 The dynamics of the economy: transition and post-
transition, 1989-2018

The data show that the reform during the transition in Romania was not realised based on
growth, but by drastic economic decrease. The economic cost of the reform was very high. Over the last
27 years, in the transition and post-transition stage, the global image is rather the one of economic drop
followed by slow growth. Only for the last years, important growth rates are registered. The balance of
the 27 years of transition shows that economic growth (GDP in constant prices 1989) was below modest
for more than a quarter of a century, respectively by 138.4%.

GDP had continuing decreases already from the first year of transition, with two significant
drops in 1990-1992 (in 1992, by 72.7% from its value in 1989), and in 1997-1999 (77.0% against 1989
in 1999). The recovery of the country was slow, achieving the GDP level of 1989 only in 2004 only to enter into a new crisis in the period 2009-2013.

Figure 1. GDP dynamics, as % in 1989, in constant prices for 1989


For the subsequent 13 years, e.g. in post-transition (2005-2016), the economy released from the shocks of privatisation was engaged in modest increases, achieving an economic surplus by 38%.

The economic growth continued for the ensuing years. In 2017, GDP registers a 7% growth against 2016, and by 4.1% in 2018 against 2017 (NIS).

How good was the strategy of the Romanian transition?

The objectives of the transition have been achieved: instating a multi-party political system, a parliamentary democracy, a legislative system expressing legally the capitalist-type society’s logic, the change of the state-owned economy into an economy based on private ownership, a new social class configuration, the integration into the western structures, NATO, and especially the European Union. Another transition outcome is the crystallisation of a new social class, the capitalists, a social class that is central to the capitalist system.

However, the economic and social costs of the transition reforms were disproportionately high. Moreover, it is a legitimate question whether the transition strategy employed was the best. A rule dominating the collective wisdom was that history must be regarded as a given. It was as it was, and asking ourselves whether things might have been different exceeds the perimeter of scientific rigorousness. This rule begins to be abandoned. Even though difficult to evaluate a complex programme of social change like the one of transition, we must attempt to develop our capacity to do so. Humankind always believed that it is good to learn from history for building a better future.
We might compare the global economic outcomes of the Romanian transition with the ones from the transition of the other former communist European countries.

Table 1 Economic outcomes in Romania and in some other European countries in transition: GDP (EURO in 1989 prices) for the interval 1989-1999

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Poland</th>
<th>Czech R.</th>
<th>Hungary</th>
<th>Bulgaria</th>
<th>Romania</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP in 1989</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>GDP in 1999</td>
<td>247.7%</td>
<td>225.6</td>
<td>203.5</td>
<td>114.3</td>
<td>79.6</td>
</tr>
</tbody>
</table>


* Bulgaria, Czech R., 1990

Romania was the only country that underwent economic drops over the first ten years of transition of more than 20%. The Romanian economy began a modest recovery only by 2001, achieving the level from 1989 in 2004. As opposed to Romania, countries such as Hungary, and the Czech R., but especially Poland recorded over the first 10 years of transition substantial economic increases by over 2 times. Even Bulgaria recorded not decreases, but increase though indeed modest by 14%.

All countries in transition underwent economic shocks at the beginning of transition. However, Romania succeeds in achieving again the economic level of 1989 much later than the other countries in transition.

Table 2. The year when the economic level of 1989 is surpassed

<table>
<thead>
<tr>
<th>Countries</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland, Czech R., Hungary</td>
<td>1993</td>
</tr>
<tr>
<td>Slovenia</td>
<td>1994</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>1998</td>
</tr>
<tr>
<td>Romania</td>
<td>2000/200415</td>
</tr>
</tbody>
</table>


It is instructive, as well, to compare two transitions in Romania’s history: the current transition from socialism to capitalism, and the one from capitalism to socialism. Naturally, the communist transition is from many viewpoints different from the current transition to a capitalist economy. Nonetheless, both are economic structural reforms. The comparison between the two might be regarded as legitimate, with the due rigorousness reserves.

The table provides data about the two reforms from Romania in the first 27 years of transition – the transition to capitalism generated over the first 27 years (1989-2016) a modest increase by 138.4%, against the increase of the communist programme for the same period of 27 years (1950-1977) by 813.3%. If we consider as starting point the year 1945, respectively the last year of war, followed by economic recovery, the differences are even higher.

Table 3 GDP dynamics over the 27 years of the two Romanian transitions – the socialist transition and the capitalist transition

<table>
<thead>
<tr>
<th>Transition programme</th>
<th>Communist Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP 1989 = 100</td>
<td>GDP 1950 = 100%</td>
</tr>
<tr>
<td>GDP 2016 = 138.4%</td>
<td>GDP 1977 = 814.3%</td>
</tr>
<tr>
<td>GDP 1990 = 100</td>
<td>GDP 1945 = 100</td>
</tr>
<tr>
<td>GDP 1972 = 1 006.1%</td>
<td>GDP 1972 = 1 006.1%</td>
</tr>
</tbody>
</table>


The objectives of the two reform programmes were different. The communist programme had as objective economic growth in communist forms, by extraordinary mobilisation of the internal resources. The transition programme was centred on the reform of the economic structure by privatising the existent one, without setting as objective economic growth.

The economy and European standards

It is legitimate to ask whether the convergence of the Romanian economy with the European one increased or not. EUROSTAT data register a remarkable growth over the last years of Romania’s convergence with the developed European countries (EU-15) and, especially, with the group of the former communist countries (EU-8).

The table below shows the dynamics of the relation between GDP per capita against the European Union (EU-15) countries’ average. Together with Bulgaria, Romania had in 1990 a GDP with the level by 30% against the European average. The other former socialist countries as well were at significant distance against the European standards. In the first stage of transition, 1990-2000, Romania and Bulgaria deviated far from the European standards and the divergence increased. In the post-transition period, all former socialist countries, including Romania achieved closer levels to the European one, but a substantial gap continued to persist. PIB-ul Romania’s GDP was placed in 2015 by somewhat more than half against the average of the most developed European countries, EU-15, that is 52%.
The change in the economic structure

In the period 1989-2018, the structure of the Romanian economy is changed radically as well. The structural changes were achieved in the first stage of transition, 1989-2000, and continued on the same direction in the ensuing 16 years. Over the first 10 years of transition a spectacular decrease occurs in the total Romanian economy from 46.2% to 25.2%. The contribution of industry decreases further, dropping to 21% in 2016. Agriculture decreases its contribution enormously as well, dipping to the shocking 4% in 2016. In turn, services increase immensely their contribution achieving 48.8% (54% according to the World Bank estimate) in 2000, and the even more astounding 63% in 2016.

Table 6 Contribution to GDP of the various sectors of the economy: % in GDP

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>46.2%</td>
<td>25.2% (22%)*</td>
<td>21%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>14.4%</td>
<td>11.1% (12%)</td>
<td>4%</td>
</tr>
<tr>
<td>Services</td>
<td>25.6%</td>
<td>48.4% (54%)</td>
<td>63%</td>
</tr>
</tbody>
</table>

Source: for 1989 and 2000, V. Axenciuc, 2012, 228-229, own computation; * for 2000, in brackets, and for 2016, the data are provided by the World Bank, World Development Indicators. As it can be seen, there are somewhat different figures that are owed to the different manner of computing: Axenciuc computes in Lei for 1990, the World Bank in $.

In the first 10 years of transition, the economy underwent a considerable shock: the industry decreased to 43.3% of the level from 1989, the agriculture decreased to 61.1%; only the services’ sector increased by 150%.

Table 5. GDP after the composition sources, million Lei 1990

<table>
<thead>
<tr>
<th>Years</th>
<th>Total</th>
<th>Industry</th>
<th>Agriculture</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>830,960</td>
<td>383,904</td>
<td>119,658</td>
<td>212,726</td>
</tr>
<tr>
<td>2000</td>
<td>659,098</td>
<td>166,093</td>
<td>73,160</td>
<td>319,002</td>
</tr>
<tr>
<td>% from 1989</td>
<td>79.3%</td>
<td>43.3%</td>
<td>61.1%</td>
<td>150.0%</td>
</tr>
</tbody>
</table>

Source: V. Axenciuc, 2012, p. 228-229
A tough deindustrialisation process occurred. By 2000, Romania was already, according to the data, a deindustrialised country and agricultural disorganised one that relied on the swift increase in services.

What does the services’ sphere mean? The services’ components had very different dynamics – some increased enormously, while others decreased, and yet again, others maintained approximately the same level. In order to illustrate this, we will consider only three important services’ components.

Table 7 – The economic dynamics of three services’ components: trade, real estate transactions, and education, health, and social assistance: 1989-2000, million lei 1990

<table>
<thead>
<tr>
<th>Years</th>
<th>Trade</th>
<th>Real estate transactions and others</th>
<th>Education, health, social assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>48,196</td>
<td>37,393</td>
<td>33,238</td>
</tr>
<tr>
<td>2000</td>
<td>94,910</td>
<td>89,637</td>
<td>29,659</td>
</tr>
<tr>
<td>% din 1989</td>
<td>196.9%</td>
<td>239.7%</td>
<td>89.2%</td>
</tr>
</tbody>
</table>

Source: V. Axenciuc, 2012, p. 228-229

Trade and real estate transactions doubled (195.9%, and respectively 239.7%), but education, health and social assistance a sphere regarded in 1990 as maintained in chronic underdevelopment by the communist regime, dropped up to 2000 with another 10 percentage points (89.2%).

Victor Axenciuc draws attention on a concerning phenomenon: consumption increased first not based on actual production, but on loans. Thus, consumption to the account of the future (personal communication).

Complementary, the population’s employment structure changed. De-industrialisation is expressed by massive employees’ decrease from 3.7 millions in 1989, to 2.0 millions in 2000. Moreover, the process seems to have continued. By the end of the first stage of transition, in 2000, the weight of employment in industry in total employed population decreased from 45.1% in 1989 to 27.3%.

Table 8 Weight of employed population in the three economic sectors as % in total employed population

<table>
<thead>
<tr>
<th>Years</th>
<th>Employed population (mill.)</th>
<th>Agriculture</th>
<th>Industry and constructions</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>10.9</td>
<td>27.5%</td>
<td>45.1%</td>
<td>27.4%</td>
</tr>
<tr>
<td>2000</td>
<td>8.6</td>
<td>40.8%</td>
<td>27.3%</td>
<td>31.9%</td>
</tr>
</tbody>
</table>

Source: V. Axenciuc, 2012, p. 204

The data show a surprising re-ruralisation of Romania. Part of the active population from industry took refuge in an agriculture also dropping economically, a subsistence agriculture: in 1989, 27.5% from the active population was still employed in agriculture, but attracted also part of the active population laid off from industry, achieving a share by 40.8% in 2000.

In 1989, Romania was an industrial-agrarian country. The most important sector as output and employment was industry, but with a high level of employment in agriculture, as well. By the end of the transition process, and in post-transition, Romania is by the beginning of a new period – an
underdeveloped capitalist society at the periphery within the European Union (C. Zamfir, 2015, 42), with collapsed industry and de-structured agriculture, still far from the western type prosperity. With a significant economic increase for the last 16 years, but supported widely by the trade sector, and not by goods’ manufacturing.

The GDP increase seems to have reached one limit of the future capability to support the continuation of growth based on consumption/trade. A structural change of the economy is inevitable: reindustrialisation and increasing the agriculture’s efficiency, complementary to increasing the contribution of services supporting development, education, scientific research, and health.

Surprisingly, no programmes are drafted yet for the development of industry and agriculture, nor as regards scientific research.

Currently, Romania’s critical issue is that the country faces a new challenge – it must reconsider its position within the European and world economy. However, therefore, the political factor plays an essential role. In order to have another economy, with sound perspectives, it is necessary to overcome the destructive political crises: the Basescu crisis from 2008-2012, the crisis of the juridical system nowadays and, the chronic background of the institutional crisis President/Parliament (Government). Still, most importantly, we have urgent need of coagulating solid national consensus around the social-economic development programme.

The strategies of the governments and their impact on the economy

Some of the governments opted for the shock therapy, and the swift implementation of reforms (without taking account also of the reforms’ quality), while others had a more prudent enforcement manner, by paying attention to avoiding the unbalancing economic effects.

The transition was interspersed with severe economic drops (1990-1992; 1997-1999; 2009-2011) and economic recoveries (1993-1996; 2000-2008; 2012- ). Economic fluctuations are linked closely to the governments’ rotation as these promoted different strategies.
Industry reform

Romanian industry in 1989 had three huge distortions that had to be improved.

First, it was the outcome of excessively rapid industrial growth predominantly for political reasons, and with fewer investments for economic reasons but more for political ones. Oversized enterprises that did not meet the actual needs of the Romanian economy, or failed taking account of the opportunities provided by the world market. Excessive investments in the chemical industry, for instance, were owed to the irrational interference of Elena Ceausescu.

Perhaps the most severe effects were due to a global vision of the relationship between the national economy and the world economy. The communist strategy considered less the advantages of the world economic divisions as the objective was the development of a national self-sufficient economy.

---

Table 9 GDP dynamics during the transition governance – increases/decreases against the previous governance

<table>
<thead>
<tr>
<th>Governments: profile</th>
<th>GDP Increase/Decrease.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-1991 Radical Reform (Petre Roman)16</td>
<td>77,4*</td>
</tr>
<tr>
<td></td>
<td>- 22,6**</td>
</tr>
<tr>
<td></td>
<td>- 11,3***</td>
</tr>
<tr>
<td>1991-1992 Crisis government (Theodor Stolojan)</td>
<td>70,5</td>
</tr>
<tr>
<td></td>
<td>- 7,1</td>
</tr>
<tr>
<td></td>
<td>- 7,1</td>
</tr>
<tr>
<td>1993-1996 Technocratic government (PSD)</td>
<td>89,1</td>
</tr>
<tr>
<td></td>
<td>+16,4</td>
</tr>
<tr>
<td></td>
<td>+ 4,1</td>
</tr>
<tr>
<td>1997-1999 Right government (Ciocarlie and others)</td>
<td>77,0</td>
</tr>
<tr>
<td></td>
<td>- 12,1</td>
</tr>
<tr>
<td></td>
<td>- 4,0</td>
</tr>
<tr>
<td>2000 Crisis government (Mugur Isarescu)</td>
<td>79,1</td>
</tr>
<tr>
<td></td>
<td>+ 2,1</td>
</tr>
<tr>
<td>2001-2004 Technocratic government (Adrian Nastase)</td>
<td>103,6</td>
</tr>
<tr>
<td></td>
<td>+ 24,5</td>
</tr>
<tr>
<td></td>
<td>+ 6,1</td>
</tr>
<tr>
<td>2005-2008 (Tariceanu/ Basescu President)</td>
<td>129,3</td>
</tr>
<tr>
<td></td>
<td>+ 25,7</td>
</tr>
<tr>
<td></td>
<td>+ 6,4</td>
</tr>
<tr>
<td>2009-2012 Right government (Boc/Basescu President)</td>
<td>123,1</td>
</tr>
<tr>
<td></td>
<td>- 6,2</td>
</tr>
<tr>
<td></td>
<td>- 1,5</td>
</tr>
<tr>
<td>2013-2016 Technocratic government (Victor Ponta and others)</td>
<td>138,4</td>
</tr>
<tr>
<td></td>
<td>+ 15,3</td>
</tr>
<tr>
<td></td>
<td>+ 3,8</td>
</tr>
</tbody>
</table>

*% GDP in the last year of the respective period against 1989 = 100

** Increase/decrease of the last year of the respective period against the last year

*** Yearly average of earnings/losses of the period against the average of the preceding period in percentage points

16 The Petre Roman government had an “idealistic” direction for swift transition. In May 1990, the government adopted the Postolache Strategy, e.g. projected transition. After the elections of 1990, a radical right polity was adopted. In May 1991, the government was reshuffled, by letting go the technocrat ministers (Stolojan and others), and including ministers of the right parties. The radical polity generated social movements (those of the miners being just the peak of social tensions). Petre Roman resigned, and replaced by a crisis government led by a technocrat: Stolojan. The Stolojan government (1991-1992) had as mission to ensure a more economically and socially balanced period, up to the elections from 1992.
Industry had to cover almost all needs of the Romanian economy. Opening the Romanian economy to the world economy represented a tough shock.

Finally yet importantly, the Romanian economy benefitted from a crystallised technical and managerial capacity, but inevitably partially deformed by the centrally planned economy system, to which was added the increasing intervention of the political factor.

The Revolution from 1989, especially by opening the country to the world pushed the Romanian industry into crisis.

The reform programme for the industry was based on one strategic option: rapid privatisation at any cost, even for one Leu, and the almost complete withdrawal of the state from managing state-owned enterprises that were not privatised yet, or which, possibly due to their strategic position in the Romanian economy would remain for an undetermined period in state ownership. The national planning, control and support mechanisms of the economic enterprises were eliminated. The enterprises still in state ownership were regarded as absolutely independent actors on the free market. Released from the political and bureaucratic control of the communist system, in the new context of the free market, the enterprises will become more efficient. Thus, an essential fact was ignored: the new management of the state-owned enterprises had no longer vital interest in their functioning. Instead of the centralised management system of the industry, a control void emerged, to which was added also the lack of resources for development. The bureaucratic-political control of the communist system was replaced by weak or even inexistent control. The assumption that connecting state-owned enterprises to the free market will be a strong mechanism of control and of stimulating their efficiency proved erroneous.

The management of the state-owned enterprises proved a surrogate of a capitalist-type system. Lacking the control of public mechanisms, the new management had no priority interest of increasing the profitability of enterprises. The managers of the state-owned enterprises realised that in the uncertain economic context, and in the absence of support, instead making tremendous efforts to save the enterprise and develop it, it was far more profitable for them to sell the property divided into pieces, including as scrap metal, and conclude profitable contracts for themselves with “barnacle” enterprises. Very often, the relationship of the state-owned enterprises with the “free” market was mediated by the private “barnacle” enterprises that procured raw materials and technology, maintenance services, and sold the products. The “barnacle” enterprises prospered quickly, and the large state-owned enterprises became increasingly more inefficient, and pushed to bankruptcy. Often, the leadership of the state-owned enterprises created true coalitions with the “barnacle” enterprises to exploit their own enterprise. The heads of the state-owned enterprises did not turn into rigorous and accountable managers, but into “smart guys”, as they are called nowadays. In the new context, enterprises proved to operate, contrary to expectations, even worse than in the communist system. More enterprises, not privatised yet, self-destructed.

The initially hoped for privatisation for development proved in fact to be a privatisation by destruction. Very few privatisation cases proved successful. Most of the privatised enterprises vanished.
The new “for one Leu” owner acted rationally. This owner was faced with a dilemma: either significant investments, while expecting uncertain profit in an undefined future, or immediate certain earnings, without expenditures, by selling on pieces the enterprise, including as scrap metal. The new owners were rational and used privatisation as means for instant earnings by destroying the acquired enterprises.

The outcome of the reform by industry’s privatisation had the following consequences: in 10 years, the industrial output decreased to 43.3% against the level in 1989. At the same time, the labour force employed in industry decreased to 48.1% from the initial level, e.g. from 4.2 million employees to 2 million (V. Axenciuc, 2012, 42-43).

Deindustrialisation was owed both to the privatisation at any cost, and to the reform’s disregard by the management of the publicly owned enterprises.

The Agrarian Reform

In 1990, the then Prime-Minister launched phrase that remained famous: the bet on agriculture. The Romanian agriculture had not only the function of providing farm produce but also jobs. The rapid development of the industry over the communist period absorbed large part of the labour force from agriculture, but failed to solve entirely the rural overpopulation. During the transition, agriculture absorbed large part of the labour force laid off during the deindustrialisation process.

By the end of the communist period, agriculture relied on a farm land concentration system (CAP) and on state-owned farm enterprises (IAS) that were apt to absorb the new technology and investments though indeed this capacity was relatively modest but incorporating, nevertheless, a high percentage of experts.

In 1990, we were faced with a dilemma: a reform of the cooperatives, their reorganisation based on the independent cooperative system, or winding up cooperatives and “re-appropriation” of the members of the cooperatives. The reform of the cooperatives imposed a strategic role for the state in creating a new model of cooperatives, or its withdrawal by the liquidation of the cooperatives.

The FSN strategy adopted in 1990 provided for the freedom of the cooperative member to withdraw from the cooperative, or to reform the cooperative system. The “historical” parties, politically very vociferous, have exercised, nevertheless, strong pressure for liquidating cooperatives and for re-appropriation. FSN, in its turn, did not pay to much attention to the issue and conceded.

The initiative of destroying the cooperatives and of land retrocession did not belong to the peasants, but was an objective imposed politically by PNTCD.

The first law by which the statutes of the state’s property over farm lands was regulated, was the Law of the Land Fund from 1991. This law provided for the abolishment of Agricultural Cooperatives of Production and of the State-owned Agricultural Enterprises, along with the distribution of the land plots to the former owners in the limit of 10 hectares. Thereafter, in 1997, the Law increased the maximum surface that could be the objet of appropriation from 10 ha to 50 ha. The process of
appropriation unfolded with difficulty, inasmuch as the provisions provided for the re-appropriation according to the old locations.

A period of liquidation by destruction of the cooperatives ensued and the collective property accumulations were practically destroyed, while the retrocession of lands was confronted with numerous legal issues; hence, the process is not completely finalised even nowadays. In this case, exploded several cases of abuses and corruption, as well.

The outcome of the new “reform” was the renewed fragmentation of landownership, the centuries’ old issue faced by the Romanian agriculture. Instead of large farms, land was now in the hands of small family exploitations centred mainly on ensuring self-consumption. Regarded from the perspective of land ownership fragmentation, the situation of the Romanian agriculture was much worse in 2013, than in 1936.

In 2013, peasant landowner with less than 5 ha, who were over 3 million, presented high risk of poverty. The chance for increasing the numbers of wealthy peasants was low. The current agrarian “reform” emphasised dramatically the village polarisation: a large mass of peasants owning below 5 ha, respectively 87.8% from the households. The peasant middle-layer thinned considerably: these midlayer peasants have between 5 ha and 10 ha, and represent 7.2%, while prosperous peasants with 10 to 50 ha have a share by 0.7%. At the superior margin, the large exploitations represent 5.9% from total households, but they hold more than half of the agricultural land (52.1%).

The agrarian “reform” replaced cooperatives with economic development chances with an economically poor peasantry. If we consider land ownership as poverty criterion, and the mention of below 5 ha, to which is added the lack of working tools (livestock, ploughs, tractors, etc.), then the peasantry in 2013 is much poorer than in 1930.

The share of relatively prosperous peasants (5 to 50 ha) was much higher in the interwar period; almost one quarter in 1936, respectively 22.6%, while it decreased to 7.9% in 2013.
Table 10. Distribution of peasant households depending on the land plot in ownership, in 1936 and 2013

<table>
<thead>
<tr>
<th>Surface</th>
<th>Thousand household - 2013</th>
<th>- 1936</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Households (ths.)</td>
<td>%</td>
</tr>
<tr>
<td>Below 1 ha</td>
<td>1 960</td>
<td>51.8%</td>
</tr>
<tr>
<td>1-5 ha</td>
<td>1 360</td>
<td>36.0%</td>
</tr>
<tr>
<td>5-10 ha</td>
<td>280</td>
<td>7.2%</td>
</tr>
<tr>
<td>10-50 ha</td>
<td>22.2</td>
<td>0.7%</td>
</tr>
<tr>
<td>Peste 50 ha*</td>
<td>240</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

Source: NIS- Structural survey in agriculture, 2013, and compared with the added one from 1936.

* Statistics are imprecise over this category. It seems that here were included also the agricultural systems that incorporated more than one land by lease, and not effective property over it.

The ownership structure over farm land is still another characteristic of the pre-capitalist stage; a fragmentation of the properties that should be overcome by a new agrarian policy that should be initiated by now, as of now.

Abolishing agricultural cooperatives triggered the return to the pre-capitalist type of agriculture: plough and livestock, and these were also lacking. The few, fragmented lands, and the lack of modern agricultural tools generated the regress to traditional forms, to a subsistence agriculture, that has poor links to the market.

The economic effect of abolishing cooperatives was also technically destructive because of the loss of large part of the technology accumulated; dismemberment of some production capacities of the cooperatives, the decrease in the livestock numbers, and the dismantling of the irrigation system. Agricultural production collapsed over the first decade of transition, lands were left in disrepair, and the little household proved inefficient.

Table 11 Some effects of the agrarian reform on the agricultural technology, and beginnings of economy re-launch

<table>
<thead>
<tr>
<th>Years</th>
<th>Fertilizers (ths. t)</th>
<th>%</th>
<th>Irrigated land (ths. ha)</th>
<th>%</th>
<th>Cattle (ths. heads)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>1159</td>
<td>100</td>
<td>3169</td>
<td>100</td>
<td>6.3</td>
<td>100</td>
</tr>
<tr>
<td>2000</td>
<td>342</td>
<td>29.5</td>
<td>216</td>
<td>6.8</td>
<td>3.1</td>
<td>49.2</td>
</tr>
<tr>
<td>2017</td>
<td>581</td>
<td>50.1</td>
<td>211.6</td>
<td>6.7</td>
<td>2.0</td>
<td>31.7</td>
</tr>
</tbody>
</table>

Source: V. Axenciuc, 2012, p.205; for the year 2017, calculated by M. Stanciu based on data of Romania’s Statistical Yearbook, 2019, NIS

The failure to connect with the capitalist system is obvious under the conditions in which after more than a decade of transition, only about 10% from the agricultural households sold produce in the market, the rest of the production being used for self-consumption.

In the first stage of transition, because of the chaos triggered by retrocessions, and the lack of agricultural means, wide agricultural areas remained in disrepair. Yet another worsening factor is added. The failing employment opportunities in industry affected in particular mostly the village population.
After Romania’s accession to the European Union, a process of increase is recorded for the number of large-sized farms occurred on the background of massive land purchases by agricultural trading companies, and by Romanian natural persons; however, most were foreign purchases. Practically, in the absence of some consistent measures for supporting average farms, which in western state are agriculture’s backbone, this segment risks to remain weakly represented. The share of the large agricultural systems, over 50 ha, is on increase against the interwar period, respectively 5.9% against only 1.1% in 1936 in ownership of the land.

Lands’ retrocession had one positive effect as well during the transition: small land properties played a social protection role, though they had no chance of developing into medium-sized prosperous farms. Many laid off workers during the deindustrialisation process could earn their survival source in the small farming activities.

The employed population in agriculture increased considerably against 1989, peaking to maximum shares in the years 1998, and 2000, almost close to returning to the situation from 1970. In 1970, the employment rate in agriculture was by 49%, and in 1989 it decreased to 27%, and it increased again to 42% in 2002 (Voicu, 2005, 88); 3.5 million million persons are employed in agriculture, representing over 70% from total rural employed population (NIS, Tempo)). The issue of overemployment in agriculture reminds of the situation of the interwar period.

The retrocession of properties in the nineties was a political decision without economic and social vision, determining the crisis of agriculture for another at least three decades.

The image of the current Romanian economy does not seem too optimistic. A privatised and disorganised economy, destroyed industry that is hard to rebuild, and an agriculture based on the pulverisation to small properties, which is difficult to absorb.

**The role of the state during transition**

Over the transition period, inevitably, the state changed substantially its functions. In all periods of deep social change, it is expected for the state to play a more emphasised role. In Western Europe, in the ‘50s and ‘60s, the time of post-war reconstruction, the state assumed a particularly active role. A new concept was launched: the social state. The public system assumed important functions in the sphere of social services, education, health, social assistance, national and local planning, and in launching complex social programmes of solving social issues. Moreover, even in the times of the economic crisis of the thirties, western states expanded their attributions.

Throughout the entire transition period, Romania’s policy as stated publicly several times, was the one of the retrenched state. The Romanian state assumed the lowest-key role within the European Union as expressed in its poor financing.
Romania’s paradox: even though the Romanian state is the “smallest” from Europe, the declared objective of the political actors was until recently to downsize it even more. Significant for the last years is the predominance in the political discourse of the so-called rule of law topic, another form of the retrenched state doctrine. In fact, an ideology is promoted of reducing the state to the function of ensuring social life within the parameters established by the juridical system, and by ignoring the important responsibility of the state in the sphere of supporting economic development and social life.

An accurate policy about the functions of the state is not diminishing them, but expanding them concomitantly with increasing the efficiency of public programmes and eliminating bureaucracy and corruption as concerning form of exploiting public resources. Romania’s programmes for the future years includes, in fact, the objective of aligning the country to the level of the other European countries, hence a stronger state.

This opinion is shared by the population, as well.

<table>
<thead>
<tr>
<th>Table 13</th>
<th>Do you believe the state should intervene stronger in the economy?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stronger</td>
</tr>
<tr>
<td></td>
<td>68%</td>
</tr>
</tbody>
</table>

Source: AVANGARDE Survey, 2018

How democratic is the Romanian democracy?

In evaluating the political system, we are faced with a striking discrepancy. On one hand, standard institutional structures exist like in any western democracy: multi-parties, parliament, elections. On the other hand, democratic institutions operate far from expectations. Population indicates an extremely critical estimate: 91% of the population believe that they have low or very low influence over the manner in which the country is led (Quality of life diagnosis, 2010).

How do we explain this discrepancy? It is useful, in context, to resort to Marx’s theory. He argued that the political process is less explicable by legal forms, and more by the actual power structure of the civil society. Social groups, and internal and external institutions are in a complex process of trade-off/power and its outcome determines the profile of the entire political process.

Leaving aside the opinions of the population, some relevant facts for the success/failure of the Romanian democracy. 2012: the real majority of the population (7.4 millions, against an insignificant
segment of another opinion) voted for President’s Traian Basescu removal as he was regarded as the main hindrance in Romania’s path for exiting the crisis. The will of the population expressed democratically by vote was nevertheless disregarded. Western institutions had another opinion, and this one was actually imposed to Romania. President Basescu himself infringed the fundamental principle of his constitutional function – to ensure the strict compliance with the will of the people. He did not call people to the polls but asked them to stay at home and refrain from expressing their option. It was a unique act for a modern democracy. Moreover, he ignored the overwhelming will of the actual majority, by refusing resign out of honour. The political class proved cowardice as well, accepting resigned based on juridical sophistication, the annullment of the popular will.

Iulian Stanescu clarifies the answer to the question about who takes the fundamental decisions in the Romanian democracy, who benefits, and who will bear the costs (I. Stanescu, 2014). We quote, as the explanations are extremely clear (I. Stanescu, 2014, 213-314).

“The programme of exiting the crisis in 2010 is centred on a massive loan of 20 billion Euro and complementary conditionality”. How were distributed the benefits and costs of the loan? For the foreign capital, the bank subsidiaries from Romania were sheltered (…) An important part of the 20 billion required for supporting the external balance of payments returned to the western banks. (…) Another part is allotted to west-European industrial manufacturers by consumption goods sales (…). Finally, the profits of foreign companies (…) can be repatriated. For the domestic capitalists one of the two greatest risks was removed: inflation and the increase in direct taxation”. “For the population, the loan means a payment bill by decreased real incomes, unemployment, poverty, all triggered by structural adjustments and the budgetary austerity” (I. Stanescu, 2014). The European integration, next to aimed at benefits had also effects that cannot be ignored: “it meant also the dominant presence of the foreign capital at the high command level of the economy”.

The Romanian democracy exists at institutional level but its actual contents is relatively different from the one in Occident.

The social-political distribution of the social classes/groups power had an own transition characteristic. The workers were affected massively by the privatisation process. Their social power was diminished politically for avoiding their obstruction of the privatisation process. The massive diminishment in the numbers of employees represented a factor of inhibiting their claims. After the privatisation, the issue of the workers’ interests was placed at the level of the enterprises, and of the negotiations within the enterprises. Powerful trade unions were mainly those at the level of the public system, where the negotiations are led at national level. The political representativeness of the workers is weak. Actually, in fact, PSD did not represent the working class – until lately, it supported the policy of the minimum wage and showed no concern for creating jobs. Neither the peasantry’s representativeness was significant at political level. Under the conditions of abolishing by law agricultural cooperatives, lands’ retrocession was regarded by the peasants suspiciously. For them, the gained land represented just a simple property that they didn’t know how to make it work, first because
of its fragmentation, and secondly because of lacking technical means. The abolishment of cooperatives was not followed by any support programme for the new landowners. PNTCD was very active in promoting the abolishment of cooperatives, but the peasants noticed right by the beginning the confusion in the programme, and the destructive effects. Therefore, PNTCD was not supported by the peasants, and disappeared by the end of the nineties.

The Romanian democracy shows four structural sources of vulnerability.

**The Parliament/President duality** – Western democracies with sporadic exceptions, are characterised by leadership based on a single mechanism: universal suffrage/parliament/government. Romania’s democracy is characterised by dual leadership, parliament/government and president. Both structures are based on universal suffrage, but the control of the community over them is different. The public control of the parliament is more complex: elections, permanent contact of the deputies with the community that elected them, their control as members of the parties that have to take into account the future elections. The representative diversity of the parliament ensures a continuing control over the government. Community’s control over the President is weak. His election for five years’ period weakens the relationship of the president with the community. Once elected, the president is no longer subjected to any institutional control mechanism, and the only restriction is not infringing the Constitution. The authority of the president is insufficiently defined, and hence the rather relatively ease of occurring abuse. Especially when the president is elected from the ranks of the opposition parties, and such is the case right now, the conflict president/parliament/government is inevitable.

**A new threat: “the parallel state” aka “the deep state” according to the Romanian phrase** – Over the last two years, the public’s attention was drawn explosively to the cases of abuse, corruption and attempt of controlling the democratic system by the power institutions, respectively first by the Romanian Intelligence Service (SRI), and the National Anti-Corruption Directorate (DNA). There is the suspicion, based on clear evidence, that the prosecutor’s office, more specifically some segments of it, triggered a process of controlling the political and economic leaders, including here even judges. The process was initiated as of Basescu’s presidency who changed these institutions into an instrument of his control over political personalities from the opposition, thus tainting democratic institutions. After Basescu left from power, the coalition of the power institutions continued to consolidate their power over democratic institutions, tending to become independent from the political actors. Opinions emerged that a new coalition of the power institutions is about to be charted with the current president elect, and with the objective of overthrowing the democratically elected government. Something else that still awaits explanations is the strange support for the abuses committed by DNA by some foreign European political powers.

The Minister of Justice Tudorel Toader: “DNA, under the management of Miss Kovesi implemented a control procedure also over magistrates for the last 4 years. It opened investigations against 3,420 judges and prosecutors, respectively more than half of all magistrates of the country. About 70% of these files
were not in answer to external requests, but initiated alone by DNA. The vast majority of the investigations remained open and did not reach the trial phase, but were used as blackmail means.

Tolerance to law infringement during the privatisation process. The policy of swift privatisation included the privatisation by showing tolerance against corruption, as well. The public was aware about the fact that privatisations included several law infringements. At least for 20 years, no trials are recorded having as object the issue of corruption in privatisations. The new rich, with few exceptions, were not subjected to criminal trials over the transition period. The corrupt state was the favourable environment for the privatisation no matter what. The “local barons” who are found in all parties, are actually the local power centres of the various interest groups.

The role of western institutions in directing governance in Romania. The world organisations, and subsequently the European Commission, next to the support role in the transition reforms also extended their power by adopting the position of guiding and monitoring the Romanian governance, thus distorting structurally the functioning of the democracy in Romania.

In 2003, an argument erupted about the abandoned children protection system, which was in a state of crisis. The Minister who had received the responsibility as regards this issue cut the discussions short: “if the “baroness” (a British parliamentary very active in Romania at that time) is happy, than I am happy”. Hence, the solution of the baroness was adopted.

Many consider that we are in times of state crisis. A state that represents democratically the interests of the community risks to be penetrated by the interests of some groups and institutions, both domestic and foreign. Moreover, harsh labelling is used with warning function: mafia state, neo-feudal state, or captive state.

Next to corruption, the concern consolidated that we are influenced by a rapid process of bureaucratisation that blocks the efficient operation of the society. The exclusive emphasis on procedures for awarding/evaluating public programmes, complementary to the low attention paid to efficiency evaluation of the latter, has catastrophic distorting effects.

The welfare policy

The main objective of the social policies is promoting the welfare of the community by its mechanisms, education and health, employment, employees’ protection, and to interfere for balancing the distribution of welfare, especially for preventing and reducing poverty, along with diminishing social polarisation.

The west-European countries invented, under the difficult conditions after the Second World War, the concept of social state, and they maintained this direction. The EU conferred to the social state a new dimension, by implementing a priority policy concept-objective: reducing social exclusion and promoting social inclusion.

The Postolache Strategy from 1990 provided for inevitable social costs of transition, nonetheless, it was foreseen that these will unfold in the conditions of an effective social protection
programme for the disadvantaged groups, while promoting a coherent policy for ensuring the gradual but effective growth of the living standard, and of the quality of life. The change process was different than how it was programmed. The social cost was considerable, and paid mostly by the population but, nonetheless, considered as inevitable, and accepted as necessary condition for the success of the transition. Next to the collapse of the living standard, other costs were recorded as well: depreciation of social life, and population’s demoralisation. There were some other forms for avoiding the assumption of responsibility for the strategic errors of the transition. A particular case for what went wrong in transition is the immoral attribution of responsibility according to the saying: “this is us, the Romanians”, it’s our fault, our commodity, indolence, theft penchant and even stupidity. More recently, the political class was added, at it also requires change17.

The public discourse advances almost constantly the estimate that the social state consumes in Romania excessively from the budget. Consequently, it should be drastically downsized also on this dimension. In reality, social expenditures represent a small part of the budget against the other European countries. The state’s policy over the entire transition period was a factor that increased the gap against the other European countries18.

<table>
<thead>
<tr>
<th>Countries/EU</th>
<th>% of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU 28</td>
<td>19.1%</td>
</tr>
<tr>
<td>EU 8</td>
<td>14.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Countries with higher expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland</td>
</tr>
<tr>
<td>France</td>
</tr>
<tr>
<td>Denmark</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Countries with low expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
</tr>
<tr>
<td>Romania</td>
</tr>
<tr>
<td>Lithuania</td>
</tr>
<tr>
<td>Ireland</td>
</tr>
</tbody>
</table>

Source: Eurostat [gov_10a_exp]

By adopting the same transition strategy, social protection receives less attention in all former European socialist countries than in the other European countries, nevertheless significantly higher than Romania, which is on the second-last position followed only by Ireland and Lithuania.

Financing is lower for all social protection components, as % from GDP.

Table 16 Public expenditures for protecting some vulnerable groups as % from GDP-Romania as

The Romanian policy was constantly directed on diminishing social support according to the standard of its better focusing: *diminishment by focusing*.

The fundamental social services – education, health, social assistance – were up to this year, 2019, subjected to the pressure of maintaining their financing at a minimum survival level.

**Education as resource of social development**

The school system underwent during transition a strong reform pressure in view of its alignment to European levels and for mitigating the new requirements of the social-economic life.

Over the last three decades, numerous changes occurred regarding both system’s structure and education contents. We might quote as example, among others, the higher education system. University specialisations are re-established that were regarded as undesirable during the communist period, such as sociology, psychology or social assistance, and the sphere of economic studies expands by establishing specialisations like marketing or management. A permanent exchange takes place as regards teaching staff and students between Romania and other European countries, especially based on programmes of the Erasmus type that promote mobility in the university sphere.

A noticeable increase occurs regarding access to higher education by increasing the number of places in universities, for both budget-financed, and the accepted self-financed students who pay their university taxes. On the other hand, private education emerges also in Romania, for all levels: kindergartens, primary and secondary education, and especially tertiary education. We witness a considerable increase of higher education graduates, under the conditions in which Romania recorded over the communist period the lowest rate of access to higher education from all European countries.

Romania shows a spectacular increase in the number of students, but is still placed at considerable distance from European standards.

**2015: Weight of tertiary education graduates in total population, aged 30 – 34 years**

<table>
<thead>
<tr>
<th></th>
<th>EU28</th>
<th>Romania</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>38.7%</td>
<td>25.6%</td>
</tr>
</tbody>
</table>

Data source: Ministry of National Education, 2016, p. 68

A severe issue of the education system is represented by non-enrolment to school and school
abandon. The school abandon rate during the period of primary and secondary education increased markedly as compared with the year 2000. The school abandon rate was three times higher in the school year 2014-2015, respectively 1.8 as compared with the school year 2000-2001, 0.65\textsuperscript{19}. Each year, over 270,000 youths are early school leavers in Romania.

The reasons of school abandon are multiple: the social situation of the family, the lack of financial resources, the lack of interest and motivation for learning, the lacking infrastructure that makes very difficult school access in some instances. The lack of skilled teaching personnel affects mostly the rural area and represents, in its turn, one of the reasons for early school leaving.

The trend of early school leaving is maintained also after finalising the lower-secondary cycle. According to NIS, in the school year 2013-2014, the abandon rate is by 2.8\% for the upper secondary level.

The public financing for education is the main reason for the modest quality of the school system: 3\% from GDP, against 4.9\% the EU average. The financing deficit is reflected in the low wages of the teaching personnel, and in the lacking investments for the educational infrastructure.

Within the educational system, there are some pluses and minuses. Romania is on the brink of adopting some major decisions to mitigate the needs of the labour market and of the society in a deep change.

The health system

The health system is faced with a series of structural issues, as well.

Over the transition period, health’s underfinancing issue of the communist period was not improved, as it represented 4\% from GDP, against the level of the EU-28 financing by 7.2\% (Eurostat, COFOG, [gov_10a_exp]). In 2019, a significant increase was adopted for financing the health system. Next to underfinancing, the health system is affected also by management deficit, as it could ensure the efficiency of using financial resources, by identifying and eliminating the sources of corruption/waste.

The current issue is covering the entire population with health services, at least basic ones.

The issue of population’s access to health services underwent considerable changes over the last 100 years. Between the two World Wars, the health system from Romanian operated after the Bismarck model of German extract, based on the payment by the beneficiaries of medical services. After 1949, the Bismarck model was replaced by another model in which the state assumes the responsibility of providing free medical assistance to all citizens. Together with the structural changes after 1989, the medical system made the reverse shift, tending again to the Bismarck model (C. Vladescu, S. Radulescu, S. Cace, 2005). Universal access to medical services was replaced by access to medical care (save for


Access to health care services is condition by the contribution to the health insurance fund by payments proportional to the level of incomes. Children, and teenagers, students below the age of 26 years, pensioners and beneficiaries of social benefits, like MGI (minimum guaranteed income), unemployed, people with disabilities, pregnant women benefit of medical insurance as well. Leaving aside these exceptions from the rule, that lead to universalising access to medical care, there are social categories subjected to exclusion and often at the converging point of several types of discrimination. For instance, the Roma population is such a case because of lacking identity cards, or because of poverty instances, and they do not comply with the conditions imposed for receiving MGI type financial assistance. This formal exclusion is doubled by informal exclusion, when individuals with the statutes of health care system beneficiaries do not have, actually, access to health care services (A. Bleahu, 2006).

Per 100,000 inhabitants, the number of physicians in Romania in 2015 was of 276.6, e.g. the lowest value recorded in the EU countries, save for Poland.

The extremely low wage system of the health care personnel proved to be the reason for the massive migration of health workers. The current change of the policy by paying special attention to the health care system will probably change the situation.

After a policy of destroying the drugs manufacturing system, a support policy for the national drugs’ manufacturing is vital.

The state of the social assistance system

The social assistance services are the third social services system that, together with education and health ensures the functioning of social life.

The public social services’ system was systematically marginalised and chronically underfinanced.

The current state of the public social assistance services’ system is characterised rather by strategic confusion and chronic underdevelopment.

The fragmentation of the support forms in social assistance led to overestimating the monetary help to the detriment of personalised community services.

The chronic underfinancing of the social assistance system, in particular of the public services of social assistance, the lack of a coherently structured strategy of the integrated one which is centred on the basic needs of the family and community determined the accrual of social issues, along with their worsening. Overestimating the financial forms of social help was often realised by sacrificing the triple function of the assistance services: prevention, recovery and therapy as specialised support. Public services of social assistance remained chronically underdeveloped. To their vast majority, they were attributed to NGOs, without monitoring the outcomes.
Quality of life, and population’s living standard

Economy has direct impact on the life of peoples, mainly by the occupational opportunities and the incomes it provides for. The transition reform changed also the lifestyle of the people, first by changing the occupational structure.

Employment opportunities

The transition strategy had deep effects as regards employment. First, decrease in employment – in 2015, the employment rate in Romania is by 66.0% against the EU-15 average by 70.5%, and EU-8 by 71.3%, and is one among the lowest in Europe.

Table 19. Employment rate: population aged 20-64 years, 2015.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EU 28</td>
<td>70%</td>
</tr>
<tr>
<td>EU 15</td>
<td>70.5%</td>
</tr>
<tr>
<td>EU 8</td>
<td>71.3%</td>
</tr>
<tr>
<td>Romania</td>
<td>66%</td>
</tr>
</tbody>
</table>

Source: Eurostat [lfsi_emp_a]

Underemployment is worsened by the very high share of precarious employment: in agriculture, by work on the black market and in the “shadow” sector.

In modern societies, waged labour is the most important form of employment. It ensures higher incomes than the non-waged economy and job and incomes’ security. With waged work are associated the most important social benefits: health insurance, illness aid, pensions, and unemployment benefits. Waged work degree is hence a fundamental indicator of the work quality of life.

The hardest impact on the life of peoples was the loss of waged jobs that amounted to 8.1 million in 1990 and dropped by varying currently around 4.3 to 5 million waged jobs. Hence, 3.7 waged jobs were lost.
The highest loss of jobs occurred in industry:

Table 20 Dynamics of waged jobs’ number

<table>
<thead>
<tr>
<th></th>
<th>1990 (ths. pers.)</th>
<th>2013 (ths. pers.)</th>
<th>% from 1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total economy</td>
<td>8.142</td>
<td>4.444</td>
<td>54.6%</td>
</tr>
<tr>
<td>Industry</td>
<td>4.005</td>
<td>1.285</td>
<td>32.1%</td>
</tr>
<tr>
<td>% from 1990</td>
<td>49.2%</td>
<td>28.9%</td>
<td></td>
</tr>
</tbody>
</table>

Employees in industry represented in 2013 only 28.9% in total employees, against 49.4% in 1990.

The chance of gaining a job turned into a critical issue: in 2010, 76% from the Romanians estimated that the opportunity of gaining a job is very bad or bad.

Table 21 How do Romanians estimate the possibility of gaining a job?

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad/very bad</td>
<td>33%</td>
<td>76%</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>30%</td>
<td>17%</td>
</tr>
<tr>
<td>Good/very good</td>
<td>21%</td>
<td>6%</td>
</tr>
</tbody>
</table>

The privatisation of industry is accompanied inevitably by the drop in jobs. However, it might be debated over the amplitude of this effect: a hasty privatisation, realised rapidly, “no matter what” will by unavoidably a **privatisation by destruction** of the productive capacities and massive loss of jobs. A
responsible privatisation would increase the chance of *privatisation for development*. Hence, the political will be an important factor for employment.

Governments, by their policy, generated different effects on employment.

<table>
<thead>
<tr>
<th>Governments</th>
<th>Number of employees in the last year of the period (ths.)</th>
<th>Loss of waged jobs (ths.)</th>
<th>Diminishments/employees as % from the last year of the period*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>8102</td>
<td>- 1475</td>
<td>- 18.2%</td>
</tr>
<tr>
<td>1990-1992 Petre Roman/Stolojan</td>
<td>6627</td>
<td>- 1475</td>
<td>- 10.3%</td>
</tr>
<tr>
<td>1993-1996 ....</td>
<td>5939</td>
<td>- 686</td>
<td>- 10.3%</td>
</tr>
<tr>
<td>1997-2000 V.Ciorbea and others</td>
<td>4626</td>
<td>- 1313</td>
<td>- 22.1%</td>
</tr>
<tr>
<td>2001-2004 Adrian Nastase</td>
<td>4469</td>
<td>- 153</td>
<td>- 3.3%</td>
</tr>
<tr>
<td>2005-2008 Tariceanu</td>
<td>5 046</td>
<td>+577</td>
<td>+ 12.9%</td>
</tr>
<tr>
<td>2009-2012 (crisis) Boc</td>
<td>4 443</td>
<td>- 697</td>
<td>-13.8%</td>
</tr>
<tr>
<td>2013-2016 V.Ponta and others</td>
<td>4 733</td>
<td>+288,8</td>
<td>+ 6.5%</td>
</tr>
</tbody>
</table>

Sources: NIS, Romania’s Statistical Yearbook 2002-2016, own calculations

* The level of the last of the period, against the last year of the preceding period; Example: 1992 against 1990, 1996 against 1992

The tough transition, with massive employee losses characterised the first stage of transition, 1990-2000. Over this period, the number of employees dropped massively by 3.5 million up to 2000, when only 57% of the number of employees still remained against the one from 1990.

The right governments (1990-1992, 1997-2000, and 2009-2012) were characterised by massive waged jobs’ losses.

Between 2005 and 2016, the slight increase in the number of employees does not occur, and the effort of exceeding the level of 5 million employees is unsuccessful. Hence, the Romanian economy does not seem to have the capability for sound economic growth, with the effect of increasing the number of employees. Now, by the end of the transition, it seems that there is neither the will nor the capability of re-launching an active policy of social-economic growth of the country, and concern for increasing the number of jobs.

**Changes in the employment structure**

During the transition, a radical change occurred in the occupational structure.

The employment in industry decreased massively from 4 millions in 1990, a drop by 2.0 millions occurs in 2000. In total employment, occupation in industry decreases in 10 years from 49.4% to 28.9%.

Romania has a particular situation as regards occupational structure: a high share of unpaid family workers in own household and self-employed who are actually occupied in the subsistence agriculture. If we would consider only the employed, the employment rate would be much lower and consequently the share reported by Eurostat must be regarded with circumspection.
Informal work in Romania is estimated between 32 and 36% in total labour in economy, generating 21% from GDP, against 7-16% from GDP in EU-28.

The transition reform had as outcome in industry and agriculture the destruction of productive capacities: enterprises that vanished, sold on pieces or for scrap metal, and skill losses. By liquidating the agricultural cooperatives jobs disappeared from the cooperative system, and the infrastructure of cooperatives was degraded irreversibly (buildings, equipment, warehouses). The new owners of small land plots did not have the capacity to invest in modern technology.

The output of material goods (industry and agriculture) undergoes a true collapse. The privatisation policy affected especially the industry. The privatisation did not lead to laying sound foundations for the industry, nor to sanitising it, but to the destruction of a large part of it.

Eliminating agricultural production cooperatives led to the disorganisation of agriculture and to massive losses of job opportunities, that were but to small extent compensated by work in the own household, which was poor technologized labour and directed more towards self-consumption.

**Where did the employees vanish?**

How did the governments mitigate the explosive drop of labour force in the economy by 3.3 million employees laid off until 2004? More specifically, where did those laid off from industry leave?

A significant part of the people who no longer find jobs in industry remain in or return to subsistence agriculture. The weight of employment in agriculture in total employment increased from 27.5% in 1988 to 40.8% in 2000. The complement of deindustrialisation was ‘renewed ruralisation’. The increase in farm employment occurred under the conditions in which agricultural production diminished also almost to half. Disorganised agriculture provided precarious employment and partial employment with much smaller incomes.

Some entered into pensions for age limit, but most were encouraged to request anticipated pension. More than half of those laid off from industry, 1,789 were absorbed by anticipated pensioning. To this is added the relaxation in the pensioning procedures for illness cases – from 208 thousands in 1990 to 882 thousands in 2007, an increase by over 4 times.
Table 24 Rapid increase in the number of pensioners

<table>
<thead>
<tr>
<th>Years</th>
<th>Number of pensioners (in thousands)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>2.570</td>
<td>100</td>
</tr>
<tr>
<td>2000</td>
<td>4.359</td>
<td>169.6%</td>
</tr>
<tr>
<td>2018</td>
<td>5.207 mii</td>
<td>202.6%</td>
</tr>
</tbody>
</table>

Table 25 Dynamics in the number of pensioners and on types of pensions. The peak year is mentioned with the most pensioners on categories of pensions and % in relation to the year 1990 (in thousand pensioners)

<table>
<thead>
<tr>
<th>(in thousand pensioners)</th>
<th>1990</th>
<th>Peak year</th>
<th>Level in peak year</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>3.577</td>
<td>100%</td>
<td>2002</td>
<td>6.342</td>
</tr>
<tr>
<td>Social insurances</td>
<td>2.570</td>
<td>100%</td>
<td>2010</td>
<td>4.927</td>
</tr>
<tr>
<td>Invalidity</td>
<td>208</td>
<td>100%</td>
<td>2009</td>
<td>909</td>
</tr>
<tr>
<td>Farmers</td>
<td>1.007</td>
<td>100%</td>
<td>2001</td>
<td>1.767</td>
</tr>
</tbody>
</table>

Source: NIS, Romania’s Statistical Yearbook 2002-2016

Anticipated pensioning led to a substantial decrease in the living standards of the former employees: wages are replaced by much lower pensions. Here we find one important source of poverty.

Up to now, no party considered in its programme to create jobs. Nor were any recourses made to investment programmes of national interest, a policy specific to times of crisis. The public constructions in Romania were during transition the lowest; few money along with their inefficient use. Public constructions turned into poster examples of corruption: the case of the roads that remained unfinished, and when finished of poor quality, but with much higher costs than in the neighbouring countries. These instances increased a lot more profits than jobs.

The rest, almost one million, remained without jobs: unemployed, active in the unsalaried economy, either formal or informal. A certain occupational compensation was provided by the migration to the West for gaining jobs.

**Labour migration**

Labour migration abroad represented after 1989 an alternative to lacking jobs and/or low incomes in Romania. In 2013, the number of Romanians who lived abroad was close to 3 million and a halt, according to World Bank data. In this context, it is hard to implement policies that aim to modelling these moves abroad. The efforts seem rather directed towards protecting the migrants, and stimulating the maintenance of links with the country of origin, and their involvement in Romania (including by economic investments). Supporting return is yet another direction that might counterbalance the abroad mobility.
Incomes

Throughout the transition, economic growth was not a political objective. As effect, the number of jobs diminished by almost half, fact that affected considerably the living standard of the population. To this was added also the pro-profit and anti-wage policy (profit was advantaged, by all means). The wage policy was centred on the low wage policy considered as an essential factor of economic growth. It was proved, however, that the employees were sacrificed for an illusory economic growth.

Profit is advantaged also by the flat rate taxation by 16%, instead of the progressive taxation system. Additionally, facilities for reinvesting profit are inexistent, fact that encouraged its unproductive consumption.

As result of this package of policies, the incomes of the population knew marked decreases.

Eurostat provides data for 2007, a couple of years after the conclusion of the transition period. Not only is Romania the poorest country of the European Union, but also shows considerable gaps against all other countries.

<table>
<thead>
<tr>
<th>Country</th>
<th>2017</th>
<th>Country</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxemburg</td>
<td>29362</td>
<td>Slovenia</td>
<td>15217</td>
</tr>
<tr>
<td>Great Britain</td>
<td>18043</td>
<td>Greece</td>
<td>9031</td>
</tr>
<tr>
<td>Cyprus</td>
<td>16477</td>
<td>Malta</td>
<td>17871</td>
</tr>
<tr>
<td>Ireland</td>
<td>18186</td>
<td>Portugal</td>
<td>10692</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>21186</td>
<td>Czech R.</td>
<td>12632</td>
</tr>
<tr>
<td>Germany</td>
<td>21236</td>
<td>Estonia</td>
<td>12508</td>
</tr>
<tr>
<td>Denmark</td>
<td>20945</td>
<td>Slovakia</td>
<td>10573</td>
</tr>
<tr>
<td>Belgium</td>
<td>20937</td>
<td>Hungary</td>
<td>8313</td>
</tr>
<tr>
<td>France</td>
<td>20463</td>
<td>Lithuania</td>
<td>9787</td>
</tr>
<tr>
<td>Sweden</td>
<td>20175</td>
<td>Latvia</td>
<td>9224</td>
</tr>
<tr>
<td>Finland</td>
<td>19804</td>
<td>Poland</td>
<td>11087</td>
</tr>
<tr>
<td>Italy</td>
<td>15506</td>
<td>Bulgaria</td>
<td>7522</td>
</tr>
<tr>
<td>Spain</td>
<td>15512</td>
<td>Romania</td>
<td>5303</td>
</tr>
</tbody>
</table>


The available income per equivalent person within the EU countries in 2007 provides for the following image: the median for the EU might be considered Spain, by 13.011 euro. Romania, by 2.942 ranks much below 60% from the median (a level below which EU considers the ranking as poverty), more specifically 23% from the median. The human performance of the Romanian transition emerges as even more disappointing if we relate it to the average of the other countries in transition: the incomes per capita in Romania represent in 2007, 39.4% from the average of the incomes for the other 8 countries in transition, where Bulgaria is not included. The transition policy threw into poverty a substantial segment of employees.

The situation failed to improve reasonably also in 2015. The yearly disposable income per capita places Romania on the last position in Europe, at difficult to recover gaps in the following years:
26% from the average income of EU-15 countries, but also by 61% against the EU-8 countries (Eurostat, 2015).

Table 27 Yearly disposable income per capita Euro (PPS, brut), 2015

<table>
<thead>
<tr>
<th></th>
<th>EU 15</th>
<th>EU 8</th>
<th>Romania</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>32,938</td>
<td>13,962</td>
<td>8,531</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>= 61.0% din EU 8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>= 26% din EU 15</td>
</tr>
</tbody>
</table>

Source: European Commission, AMECO database

During transition, the wage policy was centred on the option of the low wage considered as the main policy instrument of economic growth – attracting investors. In subsidiary, the wage decrease was a tool in facilitating the privatisation process. If this policy continues to be pursued, Romania will be even further from the European standards.

The value of wages collapsed already during the first transition period, and reached the lowest level in the period 1997-2000.

Figure 4 Dynamics of net average wage and of minimum wage: 1989 = 100

Data source: The values of net average wages in the economy were taken over from the Statistical Yearbooks of NIS 1990-2017, NIS, Bucharest; The calculations for the indices of the two indicators were realised by A. Mihaiescu.

The minimum real collapsed over the first stage of transition, and reached 24.1% in 2000 from its 1989 value. Only in 2016, it exceeded its value from 1989. The average wage underwent somewhat moderate decreases: in 2000, it achieved its lowest level by 60% of its value in 1989, and it did not exceed the initial level in 2007. The situation is more dramatic if we add the fact that also a loss occurred in the number of wages, e.g. the main source of incomes.

As result of the low wage policy that dominated the entire transition policy, in 2015 the level of wages in Romania was considerably far from the European standards. Thus, the minimum wage in 2015
was at 17% against the most developed countries of the EU-15 and somewhat above 50% against the 8 countries in transition, EU-8; the average wage, in 2014, represented 16.5% from the EU-15 one, and 52% from the one in EU-8.

Table 29 Minimum and average wage in EURO, Romania and the EU

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EU 15</strong></td>
<td>1276</td>
<td>3994</td>
</tr>
<tr>
<td>Luxemburg (maximum)</td>
<td>1.993</td>
<td>6.188</td>
</tr>
<tr>
<td>Portugal (minimum)</td>
<td>589</td>
<td>1.692</td>
</tr>
<tr>
<td><strong>EU 8</strong></td>
<td>411</td>
<td>1.27021</td>
</tr>
<tr>
<td>Slovenia (maximum)</td>
<td>790</td>
<td>2.266</td>
</tr>
<tr>
<td>Lithuania (minimum)</td>
<td>300</td>
<td>837</td>
</tr>
<tr>
<td><strong>Romania</strong></td>
<td>217</td>
<td>661</td>
</tr>
<tr>
<td></td>
<td>17% from EU-15</td>
<td>16.5% from EU-15</td>
</tr>
<tr>
<td></td>
<td>52.7% from EU-8</td>
<td>52.0% from EU-8</td>
</tr>
</tbody>
</table>

Source: Eurostat [tps00155] UNECE; Gross Average Monthly Wages by Country and Year.

Figure 5 Dynamics of living standard (minimum decent living and the subsistence one) for families with two adults and two children in the household, with two minimum wages and two child allocations 1989-2018

Source: Minimum wage values and allocations for two children are from the site of the Ministry of Labour, Family, Social Protection, and Elderly. The values of the minimum consumption basket for a family with two employees and two children in the household required for minimum decent living and minimum subsistence computed by Gh. Barbu for the period 1990-1999, and subsequently by A. Mihaiescu for the period 2000-2018. Indices calculation and figure by Adina Mihaiescu.

20 Data available for only 10 countries in this category.
21 No data available for Estonia, and Latvia.
Figure 6 Dynamics of the living standard (minimum decent living and the subsistence one) for families with two adults and two children in the household, with one average wage, one minimum wage and two child allocations 1989-2018

Source: The values of the average wage are from the Statistical Yearbooks of Romania 1990-2018, while the minimum wage values and child allocations are from the site of the Ministry of Labour, Family, Social Protection, and Elderly. The values of the consumption basket for the family with two employees and two children for minimum decent living and minimum subsistence computed by Gh. Barbu for the period 1990-1999, and subsequently by A. Mihailescu for the period 2000-2018. Indices calculation and figure by Adina Mihailescu.

Over the past two years, a radical change occurred as regards wage policy: from the low wage policy considered as means for stimulating investments, to the politically programmed wage increase in the following years. This change of policy was unavoidable for diminishing the gaps between Romania and the other European countries.

The minimum gross wage increased as of 1 January 2019 from 1900 Lei to 2080 Lei. The governance programme 2017-2020 established as target for 2020 “the gross average wage in Romania will be close to 1.000 € by 2020. Concomitantly, we will corroborate also the increase in the level of the minimum wage to at least 1.750 Lei in 2020, the latter achieving 44% from the average wage by 2020”.

Another innovation is implemented – the replacement of the unitary minimum wage on the economy by its differentiation. Thus, the minimum wage is higher for employees with tertiary education (2350 Lei), and for those in the constructions’ sector. Also, the differentiation is implemented depending on the needs of the family (number of persons in maintenance) by diminishing taxation.

To this is added, as well, the increase of wages in vital fields, like IT, and in the field of health care, and somewhat less in education. It is striking that wages in the field of scientific research are ignored.

Figure 7 Dynamics of the net average wage and of the net minimum wage in the period October 1989-2018, against the initial levels 1989=100
The second very important category of incomes, the pension, has born even harsher the transition cost: pensions collapsed to 44% in 2000 against the initial value from 1990, thus exceeding by a bit the initial level only in 2008.

Figure 8 Dynamics of the net average wage and net average pension in the period October 1989-2018; 1989=100

The key objective – a prosperous and balanced Romania – might be achieved only by radical changes in the wage policy: a pro-work policy, a pro-prosperity wage policy; from the low wage policy to the policy of wages’ gradual increase for achieving European standards.

The low wage policy proved to be not a condition for economic growth, but an ideology of the idle economy, of the pro-profit policy, and of the easy exploitation of the labour force supported by political means. The wage increase should be regarded not as factor of discouraging investments and decreasing economic efficiency, but as motivation factor for innovation and partnership for efficiency.

The wage policy of the ensuing years will have to have as one of the main mechanisms rebuilding the capacity of collective negotiation for wages, and improving working conditions complementary to employment increase. The projected increase of wages is of national importance in health care, education, social assistance, research and administration.
Nonetheless, another reason is ignored that might explain probably extensively the low wages: the relationship between labour and profit. The pro-profit policy supported by all governments, complementary to the collapse of the negotiation capacity of the employees is the main reason.

<table>
<thead>
<tr>
<th>Profit weight</th>
<th>EU-1822</th>
<th>40.9%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EU-8</td>
<td>39%</td>
</tr>
<tr>
<td>Romania</td>
<td></td>
<td>62.2%</td>
</tr>
</tbody>
</table>

Table 30 Weight of profit in total new created value: 4th semester, 2014


An important objective of rebalancing the living standard is, hence, the drastic change in the relationship labour/profit: from 62.2% in favour of profit in 2014, to about 40% in view of the year 2038.

The data lead to an important conclusion. The other countries in transition though faced also with difficulties in re-launching the economy, and in attracting foreign investments succeeded in the transition by achieving balance between wages and profit.

The experience of the past years does not support the hope of wage incomes increasing automatically as outcome of GDP increase. The data show that a GDP increase by almost 3 times is accompanied by a much more modest of wage incomes by 34%.

Table 31 Dynamics of GDP and average wage: 2015 against 1990

| GDP in PPS | 279.1 % |
| Real average wage | 134.1 % |

Source: NIS, Tempo online database

The rebalancing of the population’s incomes cannot be achieved without the active intervention of the political factor. In conclusion, for increasing incomes, the key variable for the increase in the quality of life in the current Romanian context, the several directions of actions are required:

- A much more active policy of increasing employment (increased number of jobs, in particular waged employment), increasing labour value: an industrialisation policy and an agricultural labour value policy.
- The low wage policy should be replaced by the projected wage increase policy to EU levels; the increase foreseen in stages of the minimum wage, and improving the negotiation capacity of the employees. Moreover, a political programme of changing the relation between wages/profit in the distribution of the new created value.
- Decent and incentivising wage levels should be ensured for the highly-skilled public personnel

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22The available data are partial: for EU-18 data are available only for 14 countries, and for EU-8 just for 4 countries.
with high responsibilities in the health system, for the teaching staff, and for the research personnel.

These data lead to one conclusion: in Romania, the transition was paid at the highest social cost.

**Inequality/equality, social polarisation**

Another social cost of transition is the increase in social inequality (C. Zamfir, 2011, 49-68). Do Romanians aim to a society more unequal, or equal than it is?

<table>
<thead>
<tr>
<th>Table 32 Do you believe that income differences in Romania are (2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High or much too high</strong></td>
</tr>
<tr>
<td><strong>Normal</strong></td>
</tr>
<tr>
<td><strong>Small or much too small</strong></td>
</tr>
</tbody>
</table>

Source: I. Marginean and I. Precupetu (coord). 2011, p. 249

Over the transition, in Romania, the inequality index from a low level of the Gini index by 24 in 1989, leaped to 34.7 in 2016, against 30.8, respectively the EU average. The inequality level from Romania is characteristic for underdeveloped countries.

<table>
<thead>
<tr>
<th>Gini Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 RO 1989</td>
</tr>
</tbody>
</table>

Source: Eurostat, [ile_di12]

Another standard indicator of inequality is the relation between the incomes of the richest 20%, against the poorest 20%. The relation in 2000 was by 4.5 and increased to 7.2 in 2016. For all social inequality indicators, Romania ranks on the first or second position in Europe, after Lithuania.

Politically, Romania distances itself from Europe – an important objective of building the European Union is the progressive limitation of social inequality. In Romania, several political leaders regard high inequality as an inevitable cost, even as an indicator of transition’s success, of motivating soundness. The fiscal policy of the last 10 years generates increasing inequality: regressive taxation, with poor and rich paying the same flat tax rate by 16%. All developed countries have progressive taxation: the poor pay low taxes, or not at all, while the tax proportion increases together with increasing incomes.

**Poverty: the issue exploding during the transition**

The transition was characterised by an explosion in the magnitude and severity of poverty in Romania (M. Stanciu, A. Mihaiulescu, 2011). Three distinct reasons contributed to the rapid spread out of poverty: *economic collapse, increasing social-economic inequality*, as a small segment of the
population became very rich, and the wide mass of the population was impoverished, along with the social protection deficit.

Methodologies for estimating poverty are different, however, the data are convergent, in general.

The first estimate of poverty was realised by IQLR in 1994 for the urban area (C. Zamfir, 1994):

- **Extreme poverty**: 11.8%
- **Poverty**: 39.3%
- **Relative poverty** (below 60% from the average income per capita23) 41.2%
- **Discontent with incomes** 68.1%
- **Discontent with life** 50.2%
- **Self-estimated poverty: they consider themselves poor** 45.9%
- **Subjective standard of living: The population makes estimates converging with ours:**
  - Not even enough for the minimum necessary 32.2%
  - Enough only for the minimum necessary 38.7%
  - Enough for decent living without other expenditures 20.3%

IQLR estimated that the explosion of poverty during transition occurred in the period 1991-94.

The data of the same research provide a clear image over poverty during this period for a family type: a family of 4 persons, with two wages, one average and one minimum wage and 2 children with two child allocations (C. Zamfir (coord.), 1994, 80).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>75.7%</td>
<td>77.0%</td>
<td>64.7%</td>
<td>58.3%</td>
<td>60.7%</td>
<td>47.7%</td>
</tr>
</tbody>
</table>

Source: C. Zamfir (coord.), 1994

Some political leaders were scandalised: it is impossible, and IQLR exaggerates. Other analyses were performed by various NGOs and international institutions that lowered the poverty estimation to more than half.

For the last years, the European institutions began to make estimates of the poverty in all EU countries. Surprisingly, the current 2015 data, with differing methodologies converge with the estimates from 1993. Meanwhile, the situation of the population improved, nut the poverty situation had no outstanding improvement.

EUROSTAT, social state from 2015:

**Poverty and social exclusion risk (PSER):**

---

23In the methodology used at the time for estimation, was used the relation to the incomes’ average, not to their median.
EU 15  23.0%
EU 8  23.5%
Romania  37.3%

Relative poverty rate (below 60% of the median income):
EU 15  17.0%
EU 8  16.9%
Romania  25.3%

Severe material deprivation (SMD)\textsuperscript{24}:
EU 15  7.2%
EU 8  10.3%
Romania  23.8%

The risk of poverty for families with children under 18 years of age:
EU 15  20.4%
EU 8  20.8%
Romania  38.1%

The poverty risk for families with 3 children and more
EU 15  24.5%
EU 8  30.2%
Romania  69.5%

Poverty risk for families with 2 adults and 2 children:
EU 15  13.5%
EU 8  15.0%
Romania  31.1%

Households without basic sanitary facilities
EU 28  1.9%
Romania  23.8%

Data source: EUROSTAT (Income and Living Conditions)

Due to the minimum wage policy, if in 1989 this type of family was placed at the level of the minimum decent for living, after 1991 and for the entire period until 2015, it was placed at severe levels of poverty (Figure 7).

Throughout the entire period, the minimum wage was not a factor for exiting poverty. It did not ensure decent living level, save for 1989 and after 2016.

The most important social cost of transition was the impoverishment that comprised a large part of the community. The years 1990 were the years of poverty’s boom. After 2000, the community benefitted relatively less and unevenly from the beginnings of economic growth. The absorption of poverty was modest.

What differentiates Romania dramatically from all other countries is the in-work poverty risk, as outcome of the wage policy. Wages, even low, should ensure a decent minimum for living, yet they do not. Even more severe is occasional work, and especially informal work.

\textsuperscript{24} Severe material deprivation, a situation defined by the existence of at least 4 types of deprivation from a list of 9 categories of deprivation.
As accrued effect of all social-economic policy, labour does not warrant a decent living standard, and the poverty risk expands to the area of the active segment of the population.

### Table 34 In-work poverty in the EU and in Romania

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU 28</td>
<td>9.5%</td>
</tr>
<tr>
<td>EU 15</td>
<td>9.3%</td>
</tr>
<tr>
<td>EU 8</td>
<td>8.4%</td>
</tr>
<tr>
<td>Romania</td>
<td>18.6%</td>
</tr>
</tbody>
</table>

Source: Eurostat, EU-SILC, online data code [ile_iw01]

In Romania, the poverty rate of occupied persons is the highest from the EU currently, recording a double value against the EU-8 average.

The EU intended a diminishment by 20 million of the poor people by 2020. In its turn, Romania formulated a similar objective. The current wages’ increase might lead to this objective. After assuming this commitment, the political concern for diminishing poverty and social exclusion were placed in the background, and vanished completely in 2008-2011. Repeatedly, the political discourse of the governance of that years launched as explanation for poverty the “laziness” of the population and, as only solution to increasing discontent – migration.

Under the conditions of severe economic crisis, social assistance, the main public instrument for limiting the effects of severe poverty is subjected to a discrediting and compression policy. The 2012 budget provided an even more significant diminishment of financing for social assistance, from 2.8% to 2% of the GDP. In fact, proper social assistance is below 1%, the rest being dedicated to the state’s child allocations.

In 2013, the peasant landowners with below 5 ha, respectively 87.8% from the households and meaning over 3 million families presented a high poverty risk.

Though data show that the highest poverty risk is for children, the social support for them was not a political topic of interest. Over the entire period of 29 years, the child allocation was placed below its level from 1989.

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25 In-work poverty rate represents the weight of individuals with an income below the poverty threshold, established by 60% from the median income.

26 For the year 2014.
Of particular concern is the emergence and increase of some communities faced with extreme poverty, like the ones around garbage disposal grounds, a couple of years later.

It was decided politically for significant increases in child allocations in April 2019; but these are rather amends to faulty policy as follows: for children up to the age of 2, from 200 Lei to 300 Lei, for children up to the age of 18 from 84 Lei to 1500 lei.

The minimum guaranteed income implemented after many political disputes in 1994, from a rather high initial level depreciated as value also, thus reaching 16.9% from the minimum net wage by 2016.

The low efficiency of the Romanian social policies as compared with the other European countries is proved by their impact on the poverty level. While in other former socialist countries like Hungary and Slovenia the poverty was diminished by over 11% based on social transfers, in Romania this share does not exceed 4%.
Table 35 Efficiency of social transfers, others than pensions in poverty diminishment

<table>
<thead>
<tr>
<th>Country/group of countries</th>
<th>Pre-transfer poverty rate</th>
<th>Post transfer poverty rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU 15</td>
<td>26.5</td>
<td>17.1</td>
</tr>
<tr>
<td>EU 8</td>
<td>24.1</td>
<td>16.9</td>
</tr>
<tr>
<td>Romania</td>
<td>29.3</td>
<td>25.3</td>
</tr>
</tbody>
</table>

Data source: EUROSTAT, 2015

Over the last period are promoted several synthetic indicators of social policies for the EU countries. For all these indicators, Romania is placed on the last positions. It is the case for the indicator social justice\(^{27}\) where Romania’s performance with a score by 3.9 places the country on the 27\(^{th}\) position within the EU, followed by Greece with a score by 3.7 against EU-15, respectively 6.0, or EU-8, scoring 5.8.

The social situation of Roma poses special concerns as regards the issue of poverty. The poverty level for Roma is extremely high. Any support programme for exceeding the poverty state is faced with complex difficulties in the case of Roma: low schooling and skills level but also a survival strategy inside the poor fringes of the society.

Roma are a population with a cultural and socio-economic profile different from the one of the rest of the population. Traditionally, they were kept at the fringes of the society, as this combined with self-marginalisation. Roma developed a way of living that represents a survival strategy at the margins of the society, preserving their traditional life pattern. The marginal social position is not just the effect of marginalisation by the majority, but one strengthened by promoting their traditional lifestyle in the new life context. Roma’s specific culture was the culture of marginal life: lack of schooling, lack of modern jobs, and in the villages the lack of landownership. The survival system based on the exploitation of marginal niches like small-scale production of spoons and pans, small trade, working in unskilled jobs that had collective negative image, for instance in waste cleaning, unskilled farm activities for the boyars and, thereafter in large state-owned agricultural enterprises. Though many live in the villages, the most did not adopt the lifestyle typical for peasants.

In the communist system, Roma were not acknowledged as distinct ethnic minority. However, an active policy for their integration in the system of modern life was pursued: participation to schooling, jobs in the socialist economic system, within the public administration; complementary to this, a policy of eliminating marginal economic activities performed usually by Roma was also in place.

In the period of economic growth during the communist system, the integration degree of Roma into modernity increased significantly: school integrations, contract jobs, etc. Over the crisis period of the communist system, especially in the eighties, “peasants were amongst the first victims, the marginalisation process was installed again rapidly; the lack of identity cards, non-enrolment to school,

\(^{27}\)The indicator is aggregated based on 6 indicators: social prevention, equitable education, access to labour market, social cohesion and non-discrimination, health and inter-generational justice.
or school abandon, the difficulty of gaining a job. It’s what is called a “re-gypsy ing” process, respectively regressing to the traditional culture of marginalisation (E. Zamfir, C. Zamfir, 1994).

The situation of Roma worsened also because of the intervention of the demographic factor. The vast majority of the population was characterised by low birth rates: no child, and most families with only one child, or at most two; very few families with more than two children. The low birth rate is a strategy of ensuring to family and children a decent living standard, and support for children. The parents invest more in children’s development by supporting school participation, gaining a profession, including here also obtaining a house. For the Roma population, the low living standard is worsened by the high birth-rate. The chance of children to obtain support for reasonable social integration is low.

**Religion in the post-communist period**

After decades of anti-religious policy of the communist regime, the Census from 1992 reveals a quasi-total declared religious confession. Only 0.21% of the population declared to be atheist or “without religion”.

The adhesion to the Christian fundaments inheritance is, nevertheless, much lower: only 43% believe in Hell, 57% in Heaven, and 58% in life after death (atlasofeuropeanvalues.eu 1990).

In certain social segments the “need of one miracle” is recorded as increasingly more acute, and is noticeable by the expansion of the religious pilgrimages phenomenon (M. Banica, 2014), which is an indicator of the return of religion on the public scene, contrary to secularising European trends of religious marginalisation and indifference. The trend of beliefs’ return in the public space is proved at various levels of individual belief; the belief in Hell increased from 43% in 1990 to 71% in 1999, and similar trends is noticed for all the aforementioned concepts. Yet, in other social areas are recorded modern secularising trends, of religious participation marginalisation, and indifference.

The orthodox religion is predominant; nonetheless, the influence of other Christian beliefs increases. Traditionally, Romania was characterised by a high degree of religious tolerance.

Complete freedom of religious beliefs is not only provided for, but the state also supports them by waged clerics, subventions for church repairs and constructions, and religious education is introduced in school curricula.

The church strengthens its public communication means by setting up the Basilica news agency, the paper Lumina (The Light), and the radio and tv broadcasting station *Trinitas*. Religion is introduced as teaching discipline in schools.

However, contrary trends are recorded as well, respectively a certain shaken trust in the church. In 2009, the church was quoted on the first position as regards the level of population’s trust by 85%. In 2016, it decreases swiftly to 55%, and in 2017 it drops for the first time below the threshold of 50% (IRSOP and IRES).
Population’s state of mind – how do they estimate transition?

Transition’s direction

Over the entire transition and post-transition period, the majority of the population estimates that the direction Romania was headed on as wrong. At most, one third of the population considers that it was good.

Table 37 The direction the society is headed on

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wrong direction</td>
<td>80%</td>
<td>52%</td>
<td>61%</td>
<td>71%</td>
<td>75%</td>
</tr>
<tr>
<td>Right direction</td>
<td>10.5%</td>
<td>34%</td>
<td>34%</td>
<td>24%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Source: IQLR databank as regards Quality of Life in Romania and INSCOP, IRES, IMAS researches

How the country is governed

Over the first year of transition, 1990, the country’s governance was vested with the confidence of drafting the strategy of social changes, though some doubts and reluctance were shown from the beginning. Most (40% against 19%) considered that the country is managed well. In the second year of the transition, 1991, the population changes completely its evaluation: the political options are evaluated predominantly negatively, and wide consensus is achieved only by 2010: 80% believe the governance to be bad or very bad and only 4% consider that the country is managed good or very good.

Figure 4 Evaluations of the population about the way the country is governed (%)
Transition outcomes

The outcomes of the transition are appreciated by the majority of the population as negative.

Table 38. How do the Romanians appreciate the changes within the Romanian society after 1989

<table>
<thead>
<tr>
<th></th>
<th>1994</th>
<th>1999</th>
<th>2006</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative</td>
<td>30%</td>
<td>54%</td>
<td>33%</td>
<td>54%</td>
</tr>
<tr>
<td>Positive</td>
<td>24%</td>
<td>12%</td>
<td>24%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Source: I. Marginean and I. Precupetu (coord.), 2011, p. 260

The quality of political life is estimated as very low by 86%; only 2% are content and nobody is very content(I. Marginean and I. Precupetu, 2011, 253)

In 2017, people were asked what worries them most (IRES), and they indicated freely several things from which the most frequent were:

- Political crisis 27%
- Price increases 24%

The critical variable of Romania’s exit from the current situation is not first the economic state, but the political stalemate.

Immediate future

For the immediate future as regards the country’s perspectives, predominant is pessimism.

Table 39 In relation to the present, the living conditions in 10 years will be

<table>
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<th>1994</th>
<th>1999</th>
<th>2006</th>
<th>2010</th>
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<tbody>
<tr>
<td>Worse</td>
<td>23%</td>
<td>44%</td>
<td>30%</td>
<td>52%</td>
</tr>
<tr>
<td>Better</td>
<td>66%</td>
<td>39%</td>
<td>48%</td>
<td>20%</td>
</tr>
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</table>

Source: I. Marginean and I. Precupetu (coord.), 2010, p. 54

The population provides thus a markedly negative evaluation for the entire transition process, both as regards the draft for its unfolding, and the outcomes.

The negative state of mind of the population seems of no concern for the political actors. It seems to have been considered rather as an inevitable social cost.

How satisfied are Romanians with their life?

There is still no agreed on procedure for aggregating the partial indicators of the quality of life into one global indicator. Nonetheless, the interest for a satisfaction with life indicator developed: each person estimates by evaluating the global state of his/her life if there is satisfaction with life or not, and to what degree. Satisfaction with life expresses the subjective evaluation as realised by the members of the community of the entire context of their lives. It depends on the available financial resources but also on the structural conditions that the society provides for. A rational political system focused on the
national interest, with adequate and incentivising social protection, quality public education and health care services, and people to trust and build together a good life.

This indicator was used not long ago only for academic analyses promoted by sociologists. Currently, the satisfaction with life indicators begin to be implemented in the series of indicators provided by national and international statistics.

The series of satisfaction with life indicators realised by the Institute for the Quality of Life Research between 1990 and 2010 record a level of satisfaction with life in Romania placed constantly on a negative slope; those very satisfied/rather satisfied with their lives are at a low level for all these years, below 40%, and similar to the situation in Bulgaria, Greece and Portugal and at far distance from the other European countries.29

Figure 5 Satisfaction with life: IQLR methodology 1990–2010; EU methodology 2011–2015 (Figures express the positive satisfaction with life).


The data of the Eurobarometer show that Romanians in 2015 declare themselves as satisfied or very satisfied with life and on the positive slope of the scale in 2015. In relation to the other European countries, the satisfaction with life state of the Romanians appears in much clearer light: in Romania, the satisfaction with life degree is at far distance against the other European countries, even compared with the other countries in transition (EU-8), save for Bulgaria.

29 A somewhat higher satisfaction with life degree was recorded by the Eurobarometer for the years 2011-2014 might be also the effect of using another scale (4 gradients instead of 5). The exclusion of the intermediary gradient “neither satisfied, nor dissatisfied” has as effect the distribution of options both on the positive and negative slope.
Table 40. Satisfaction with life: share of very satisfied + satisfied persons (2015).

<p>| | |</p>
<table>
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<tbody>
<tr>
<td>UE 15</td>
<td>83%</td>
</tr>
<tr>
<td>UE 8</td>
<td>76%</td>
</tr>
<tr>
<td>UE 28</td>
<td>80%</td>
</tr>
<tr>
<td>Romania</td>
<td>59%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>47%</td>
</tr>
</tbody>
</table>

Source: Eurobarometer 83 (2015)

The satisfaction with life indicator has different dynamics from the one of the indicators open to continuous increases. Various analyses concluded that a state of satisfaction with life for a community that achieved a social state of balance between needs and resources is characterised by a 83/17 distribution (SEDA): about 83% from the members of the community express various states of satisfaction, and around 17% are placed on the negative slope of the scale, experimenting states of dissatisfaction (C. Zamfir, 2012).

The distribution of satisfaction with life recorded by the 2015 Eurobarometer provides an image close to the expected distribution: consolidated European countries (EU-15) provide for a satisfaction with life degree characteristic for a subjective state of balance; 83% satisfaction. The former communist countries that seem to have achieved a relatively good transition (EU-8) display a satisfaction with life close to the state of balance: 76%.

The fact that only 59% of the Romanians regard themselves as satisfied with life is the indicator for the imbalance in the social state of the Romanian society.

One conclusion: we might characterise the Romanian society as the outcome of the 27 years of transition as follows – an impoverished society dominated by severe inequalities, based on a disorganised society, marked deindustrialisation, polarised agriculture with a mass of hopeless small properties, large agricultural companies on the brink of being acquired by the foreign capital a deficit of medium households. The trends of authoritarian display under the form of a weakly operational democracy, and vassal-type political interventions of foreign powers.

The population has born the cost of transition, but it was not the inevitable cost for a successful transition, but a cost triggered by the poor design of the strategy concept and, hence, erroneous management of the entire change process.

Is Romania at crossroads?

The main objectives of the transition, including the EU accession, were achieved.

Neither the finalisation of the transition, not the European Union accession meant automatically solving all the social and economic issues of Romania. Moreover, available statistical data indicate that Romania underwent an extremely difficult period and continues to show gaps against the other European countries for the majority of the indicators regarding quality of life, including here the comparison with the group of the other former socialist countries (EU-8). It is hard to believe that this situation will
change spectacularly in the future under the conditions of a vision crisis. 10 years after Romania’s accession to the EU, the country is competing with Bulgaria for the last position as regards all indicators measuring the quality of life.

How is Romania now? It is vital to be realistic about it. We are an underdeveloped capitalist country, with poor economic efficiency and huge social and economic imbalances, with an underdeveloped public system that is incapable of balancing and sustaining the social-economic development process, and a political system dominated by power struggles, and lacking vision.

Romania’s performances for the last 29 years are not impressive. The economy shows dramatic crises and modest increases, and a couple of years of significant growth as well. Additionally, unsolved chronic crises show: agriculture and industry are in a state of confusion, lacking strategic vision. Severe social issues like demographic decline, underemployment, poverty, the Roma social-economic situation seem to worsen. Just as well, the political factor deemed supposedly as the engine for development seems deadlocked in paltry power struggles.

More than ever, Romania is at crossroads. We enter inevitably into a new history stage for Romania. We might continue on the path we were engaged on up to date, but the future does not seem by far as planned. We need disruption in the process that led us to a dead end. Hence, we require a new vision, new options, and change decisions. In brief, a new programme for economic and social development of the country.

The strategic variable of this new vision is granting the state a decisive role in designing the social-economic development of the country. A reform of the state, e.g. from the retrenched state to the development state.

The new political vision for a new beginning has as premise rethinking the role of the state in generating welfare for Romania. First, the size of the state, illustrated by the weight of the budget in GDP (the smallest in Europe) must increase. Second, the functions of the state must be extended as organising quality public services (education, health, social insurances, and social assistance) is important, like the development of public social and economic investment programmes of national interest. At the same time, the weak efficiency of social programmes needs to be regarded as priority issue to solve. In this field, crucial is operating a radical change of vision: the courageous cut out of bureaucratic methods. The social sciences might provide the necessary tools for this change.

The confidence in the majority of public institutions and contentedness with the quality of governance are as well very low, and the expectations as regards the direction the Romanian society is headed on are dominated by pessimism. The Romanian society is demoralised and shows mistrust and insecurity about the future.

The past 29 years, were dominated by economy/society imbalance. It was considered obsessively that the economy is the key to the future. The society is a simple outcome of economic growth. Alternatively, even more, perhaps it might turn into a hindering factor. Thus, it is necessary to break through the political thinking structure that is hindering for development. A radical change – the
social is a resource for developing the society, including here the economy. The social crisis in Romania that we are faced with makes out of the social a priority for the strategy of the future.

The social policy should be the field of rethinking the future’s direction. It received little attention only for the society’s fringes, for the “vulnerable” and poor ones. By attributing to social policy such role, Romania had no chance – it turns into an appendix of the world economy, relegated to care about the flaws of the “economy”. The role of social policy in the social-economic development programme should be in a key-position – to articulate the model of society we aim to, and to organise the process of achieving it. A prosperous society for everybody, centred on human development. Overcoming the economy/society cleavage and structuring the economy to be directed on assuring the prosperity of the population represents a long-term objective. It is vital that the social state of the country and the quality of life of the population are priority strategic objectives and focused on designing the future. Quality of life is precarious. *Satisfaction with life* is low as compared with most European countries. Moments of happiness are much too seldom, shadowed by concern. One sign is that quality of life takes central place in the public discourse. Nonetheless, still more at the abstract level of desirability. However, it becomes increasingly more an operational objective of the programmes. Thus, *quality of life* takes central stage in the *Strategy for the development of Romania in the next 20 years* proposed by the Romanian Academy. The Programme of the current government 2017-2020 provides for increasing material welfare and quality of life as priority objective.

The *social*, severely ignored, is about to turn into a priority.

In order for the human objective of the quality of life to become effective, its double operationalisation is necessary – to become an objective of concrete programmes, and for the achieved “progresses” to become measurable. It is necessary to *monitor* and *evaluate* Romania’s *progress in the field of the quality of life*, next to the other progresses.

The finding that Romania is faced with a deep crisis might turn us pessimistic. The will to act with lucidity and responsibility for exiting the crisis will provide for an optimistic state of mind.
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