

THE MARXIST INFLUENCE ON THE ROMANIAN INTERBELIC ECONOMIC THINKING

RADU HERMAN

UNIVERSITY OF BUCHAREST
BUCHAREST, ROMANIA
radu.herman@faa.ro

ABSTRACT

The objective of the research paper is to understand the influence of Karl Marx's work in Romania and to understand how the ideas were diffused among the Romanian economists in the interbelic period. During the interbelic period, the economic situation was very difficult and several important currents, like social-democracy and communism, were defined within the Romanian economic thinking, whereas their visions were founded on Karl Marx's ideas. This paper explores the Marxist influence on the Romanian interbelic economic thinking.

1 The socialist idea

The Romanian state is a relatively new one, Romania's Unification Day occurring on 1 December 1918. This is important because the economic thinking had to face new issues related to which several main perceptions, theories and conceptions were stated soon after Unification Day. Important problems were related to the way of realizing the agrarian reform, the position regarding foreign capital, the nature and structure of the Romanian economy, etc. (Cornescu et. al, 2008, p. 16). Mainly, there were two major flows of economic thinking: peasant thinking represented by Virgil Madgearu, Ion Răducanu, G. Zane and the neoliberals represented by N. Angelescu, Ștefan Zelețin, Vintilă Brătianu, Victor Slăvescu and Mitiță Constantinescu. However, another flow of thinking quickly spread during the interbelic period: socialism. Mainly, the socialist flow of thinking had its roots in Karl Marx's work. Simple put, his idea was that the economic system consists of the owners of the capital and the workers, and due to the existence of private property, it is just a matter of time until a struggle arises among the two social classes (of owners and workers). In Romania, within the Marxist flow the most important doctrinal movements were social-democracy and communism. Marxism was developed by the Romanian socialists. Constantin-Dobrogeanu Gherea published in "Revista Socială" several studies of Marxism, such as „Ce vor socialiștii români” and „K.Marx și economiștii noștri”, published in 1884. (Gherea cited in Rogojanu 2003, p. 135) In doing so, Gherea contributed to the promotion of the Marxist economic ideas within Romania. Gherea (1976) took from Marx the theory of “Forms without background”, which supported the idea of a rupture between the traditional economic background and the juridical and institutional forms that were borrowed from the advanced countries. Marx believed that is necessary to reconcile the materialistic science of society and rebuild it on this basis, meaning that the application of materialism into social lives needs the explaining of “social conscience” within the “social existence”. (Marx, 1948, p. 17) In other words, the „technology” reveals the active attitude of Man towards Nature, which is at the same time a process of production of the human life, and from this production process will follow his social relations and his spiritual representations. (Marx, 1948, p. 17) One interpretation of this is that people need to participate in the social production process within their existence, and the production relationships depend to a certain degree on the development of the material forces of the production. In this vision, science and technology play an important role in the dynamics of economic development. Marx identifies certain “economic epochs” differentiated by the “instruments and means” by which different products are obtained. From this point of view, science is

an important factor for increasing the productivity of the resources, and man is able to manipulate some elements of the environment where he lives, in order to achieve certain objectives. In this framework, science is not an independent variable and certain steps and objective conditions must be followed (although he does not specify them). Schifirneț (2007, p. 107) explains that Gherea understands by „form” the important institutions from the capitalist countries and by „background” he understands the total internal conditions, especially the economic conditions - where the cultural backwardness is due to the poor economic development. Gherea argued that the bourgeois institutions are appropriate for the Romanian social and cultural realities because they represent an objective (as Marx suggested) condition – they are needed for the evolution of the developing countries. This is practically an adapted theory of Gherea from Marx regarding the development of socialism in underdeveloped countries. The forms without a background are, in Gherea's vision, the abnormal events which rise within a society when certain institutions and laws are adopted but are inappropriate to the internal conditions, thereby creating a conflict between the objective conditions which exist in a country and the normative principles of the imported institution. In other words, if a country is economically underdeveloped but is well situated institutionally relative to a more economically developed country, then it reaches the state of "form without background" (Schifirneț, 2007, p. 107). The main social-democratic interbelic Marxist thinker was Șerban Voinea. He was influenced by Gherea's thinking and authored "Socialismul în țările înapoiate" (1924), "Marxism oligarhic" (1926) and "Contribuție la problema dezvoltării capitaliste a României" (1926). (Rogojanu et. al, 2003, p. 279) By his work, Șerban Voinea popularized the social-economic work of C.-D. Gherea. He defended Gherea's idea that the Romanian economy has certain particularities relative to the developed countries and the economic problems must be analyzed differently. Related to the economic life from the interbelic period, Șerban Voinea appreciated that the "main objectives" were the economic development and the democratization of society because in the interbelic Romania the "objective conditions" were not met in order to allow the passage to the socialist economy and society.

2 The communist idea

In the interbelic period, the Romanian Communist Party was founded and was promoting some Marxist ideas, although in a political way. Many socialist economists believed that by applying the Marxist vision, Romanian society would be reformed and developed. Because of the political changes in Russia, the Marxist doctrine would soon be applied within the economic policies of Romania as well. In the Romanian language, the “Manifesto of Communist Party” appeared for the first time in Iași, in 1892, translated by P. Mușoiu after the text from Mermeix book “La France socialiste”. Another edition appeared in 1913, which was translated by I. Sion and includes a preface by Karl Marx. The main communist interbelic Marxist thinker was Lucrețiu Pătrășcanu and his main contribution to social-economics – besides the economic thesis „Reforma agrară în România și urmările ei” in 1925 – were the works “Un veac de frământări sociale” published in 1945 and “Problemele de bază ale României” published in 1944. (Rogojanu et. al, 2003, p. 279). Pătrășcanu (1969) cited in Rogojanu et. al, (2003, p. 280) analyses the Romanian economy from the 4th decade of the XX century, and considers that it had a capitalist form of organization – due to a high share of the labor relationships – and in consequence, required a transition to centralized economic planning for the following reasons:

- “A low level of development due to internal reasons as well as a subordinate position to the global economic capitalist system;”
- “The vulnerability of the indigent capital fund in the confrontation with the global financial system;”

- “A gradual strengthening of the position of the financial capital, which results from the weaving of the financial capital with the industrial capital. He noticed that between 1920 and 1930 the financing of the industry was mainly realized by internal and external private sources, while after the economic crisis of 1929-1933, it was mainly realized by public funds;”
- “The lack of efficiency in agricultural activities due to crumbled property of the land owners and a lack of technical equipment;”
- “Creation of monopolies in the main economic branches, which would have negative consequences on both the functional mechanism of the economy and the consumer interests.”

In the interbelic Romania, the economy consisted mainly of monopolies in some industries, and some of these industries were controlled by the state, but some fusions existed between the bank capital and the industrial capital. Because these fusions of capital were considered a destructive capitalist form by the communists, they suggested the need for the control of the productive means by the state, instead of being controlled by private owners. From the communist point of view, when you own capital you do not have only personal power, but you also have social power. In other words, when you own the capital, you have also a certain amount of social power. For this reason, the idea of Karl Marx is related to the fact that capital is a collective result and has to be used by the common activity of a large number of members from society, and after some steps are taken, all the capital goods should be used as common property. Between 1929-1929, the Romanian economists were concerned with the economic policy of the agrarian reform, the strategies for economic and industrial development, the unification and monetary reform, the external debt situation and the war reparations for Romania. (Rogojanu et al, 2003, p. 261) Between 1922 and 1926, the Romanian prime-minister was liberal and a new Constitution was adopted. While in the previous Constitution (adopted in 1866) property was “sacred and inviolable”, in the 1923 version property had a “social function”, meaning that the state could interfere for “public utility” causes, if the justice decided so. This was a spark waiting for the socialist or communist ignition. At the end of 1929, a powerful crisis of overproduction began, which negatively influenced the whole industrialized world. During the economic crisis (1929-1933), the main themes were related to the internal and external financial and commercial policy, the rise of unemployment and the decline of industrial production. Romania was a relatively less developed country, and when the crisis started, it had difficulties in exporting goods, and therefore, paying off debts. As the Marxist theory predicted would happen, the effects of 1929-1933 crisis were felt most by the poor social classes, especially the working class, which was very unhappy with the governmental measures taken to overcome the negative consequences. The crisis not only affected the working class but also the peasants, intellectuals, public employees, etc. Additionally, the measures taken by the government negatively influenced the private owners and medium-sized merchants, which had to leave the market. Several social movements started and took the form of strikes, instigated by the economic crisis. In the years after the economic crisis and before the Second World War, the economists were preoccupied with the national economy, the economic role of the state and the modernization of the labor law. (Rogojanu et. al, 2003, p. 261). To finance industrial activity, the credit institutions started financing especially heavy industry, and in 1937 the Bank of gold businesses and mining was founded. (Marcu et. al, p. 337-338) In this context, the state was not only the most important lender but also the main consumer, which means that it had a big administrative influence in controlling the industry. Although they started as protectionist measures, they added more and more centralized decisions to the state.

3 Conclusions

The ideas of Karl Marx had a strong influence on the interbelic thinking of the Romanian economists. The main socialist thinker was Constantin-Dobrogeanu Gherea and he contributed to the promotion of Marxist economic ideas within Romania. Many socialist economists believed that by applying the Marxist vision, Romanian society would be reformed and developed. An objective historical fact is that although in the Constitution adopted in 1866 the property was “sacred and inviolable”, in the 1923 version property had a “social function”, meaning that the state could interfere for “public utility” causes, if the justice decided so. The interbelic state of the Romanian economy favored the diffusion of the Marx's ideas. Gherea (1976) took from Marx the theory of “Forms without background”, which supported the idea of a rupture between the traditional economic background and the juridical and institutional forms that were borrowed from the advanced countries. From the point of view of Gherea's theory - which was first formulated by Marx - if a country is economically underdeveloped but is well situated institutionally relative to a more economically developed country, then it reaches the state of "form without background". An alternate interpretation of Karl Marx's work was done by Pătrășcanu, who considered that in the 4th decade of the XX century, Romania had a capitalist form of organization and required a transition to centralized economic planning.

REFERENCES

- [1] Cornescu, Viorel; Bucur, Ion and Crețoiu, Gheorghe, 2008. Economie, Ed. A II-a, Editura C.H. Beck, București
- [2] Gherea, Constantin-Dobrogeanu, 1976-1978. Opere complete, vol 1-5, Editura Politică, București
- [3] Marcu, N. (coordonator); Bozga, V.; Puia, I.; Cherciu, A.; Vasile, R., 1979. Istorie economică, Editura Didactică și Pedagogică, București
- [4] Marx, Karl, 1948. Capitalul – Critica Economiei Politice, Vol. I, Procesul de productie al capitalului, Ediția a II-a, Traducere întocmită sub îngrijirea unei comisii instituite de C.C. al P.C.R., Editura Partidului Muncitoresc Român
- [5] Pătrășcanu, L., 1969. Un veac de frământări sociale, Editura Politică, București
- [6] Rogoianu, Angela (coordonator), Șchiopu Georgiana, Păiușan Robert, 2003. Doctrină economică, Editura ASE, București
- [7] Schifirneț, Constantin, 2007. Formele fara fond: un brand romanesc, Editura București: Comunicare. ro, București