

A READER'S GUIDE TO THE CIRCULATION OF ECONOMIC IDEAS IN ROMANIA, A FOCUS ON THE AUSTRIAN SCHOOL'S THEORIES

ILARIA MARES

UNIVERSITY OF BUCHAREST
BUCHAREST, ROMANIA
ilariamares@hotmail.com

CONTENTS

ABSTRACT

This guide aims at giving an historical overview on the political situation in Romania during the communist era, in order to underline how this situation influenced the limited circulation of economic ideas in the country. Moreover the guide focuses on the late and limited circulation of the Austrian school's theories in Romania during the aftermath of the Ceausescu's regime collapse.

1. HISTORICAL OVERVIEW

The circulation of economical ideas in Romania has of course been influenced by the political situation of the country since the end of the 2WW. An historical overview is therefore useful, in order to understand how the limited circulation of economic ideas during the communist era influenced the country from a political and cultural point of view.

The Romanian communist era started in 1948 and was first guided by the Romanian Communist Party (RCP) and after 1965, by Nicolae Ceausescu. Socialism in Romania was more close to an instrument to justify and rationalize the RCP claim to power, indeed as presented by Katherine Verdery "in Ceausism as much as in Perestroika, the meanings of terms and concepts differ substantially from those of Marx's theoretical analyses." (Verdery 1991:139)

Ceausescu's authoritarianism and the centralization of political power led, by the 1970s, the Romanian socialist experiment toward a "sultanistic phase" (Linz and Stepan 1996) during which him, his family and a limited number of bureaucrats controlled and guide the regime (Tismaneanu 2003).

From the economical point of view, during the 50' the regime followed an orthodox Stalinism that ended when the Romanian regime repudiated Soviets' plans to integrate Romania into a common market and opted for a more agriculture focused economic profile.

A crucial difference, mostly after the 70's, between the Romanian development model and other socialist states, were the absence of any form of private property in industry and services, the near complete state control of agriculture, nevertheless a strong relevance of the industrialization process of the country was central for the regime. Indeed by the 70's Romania was highly industrialized if compared with other European country. This economic model lead to an opening to Western economy and industry, an objective that the regime tried to fulfil for fifteen years (1966-1981).

The industrialization program was strongly defended by Ceausescu also during the debt crisis of the early 1980s, when the country was very close to the default. This choice caused a complete disconnection of the country from the global financial and industrial capital and a hard compression of basic needs and necessities of the population. The collapse of the Romanian development model had of course historical and structural causes.

2. THE CIRCULATION OF ECONOMIC IDEAS IN ROMANIA

With regard to the Romanian economic policy process during the Ceausescu's era, is relevant to underline how the most powerful economic institution, the State Planning Committee (CSP) was strongly supervised by

Ceausescu, who perceived economic policy as one of his main preoccupations and who was therefore influencing the drafting of economic policy strategies without any logical consideration of experts' and bureaucrats' resistances. Mostly during the 80's Ceausescu's controls over economic decision-making and the implementation of Stalinist practices were particularly strong (Ionete 1993).

From the academical point of view, the centre for national economic research and development was the Academy of Commercial and Cooperative Studies in Bucharest, that with the Decree no. 175/ August 3, 1948 turned into the Institute for Economic Sciences and Planning, according to the model provided by Soviet higher education institutions. The Academy after 1968 was renamed "Academia de Studii Economice din Bucuresti", Academy of Economic Sciences (ASE). This institution and economics institutes within ASE, were government think-tanks and were considered the most advanced research centres.

After the 50's imposition of Soviet economics ideas, during which economic textbooks were translations of Soviet originals (Balas 2000: 327), a marginal pluralism was brought in the economic disciplines during the 60's and the 70's as part of a comprehensive rethinking of the role of technical experts. Of course during these two decades the economic discipline was ruled by Soviet orthodoxy, but its translation gave birth to a hybrid: the nationalist-Soviet syndissertation (Aligica and Evans 2008: 37-41).

At the beginning of the 70's Ceausescu had the objective of giving o Romania a relevant role in the Non-Aligned Movement, this enabled the rising of a local syndissertation of Latin American structuralism and the reigning Marxist-Leninist orthodoxy (Aligica and Evans 2009), nevertheless this didn't reduce the relevance and implementation of Soviet economics.

During this period the nationalist-Soviet and structuralist-Soviet experiments were challenged by some important economists, such as Emilian Dobrescu, Aurel Iancu and Gheorghe Zaman, who imported Western methodologies and developed an input-output model for the National communist economy.

Another challenge to the Romania economic model came from some economists like Egon Balas and Tiberiu Schatteles, who practiced mathematical economics. Balas studied other Eastern European versions of marginalism and socialism and worked with the latest Western production in operations research, a field technical enough to escape the rigors of censorship. As stated by Tiberiu Schatteles, "economists did not enjoy much consideration in Romanian culture. Fortunately, mathematicians were respected by almost everyone, including by those who did not feel too comfortable in this science [...] The study of economics had always been too politicized in Romania" (Aligica and Terpe 2007: 20).

As a matter of fact several economists were dismissed if they criticize even minimally the regime's views or policies, and others just left the country, when during the 80's the regime restrict furthermore the chance of dissent, which was only possible in the framework of the academical inner debate in the more important Romanian universities.

Despite the tightness of the regime control, the academical debate was active and productive and therefore when the regime collapsed in 1989 several mathematical economists had the skills and the expertise to become translators of neoliberal transition economics, and when these economist had access to relevant political positions they had the chance to promote a reform package within 1990 and 1992.

3. THE CIRCULATION OF AUSTRIAN SCHOOL'S THEORIES IN ROMANIA

The circulation of Austrian School ideas and theories has been very limited in Romania until the 90's. Before this period is possible to track down the use of Austrian School theories in a work published by Tiberiu Schatteles in 1972, in which he took into consideration the Austrian School critique of socialism in order to emphasize the problematical issues of centralized planning.

With regard to the translations of Austrian School of economics, is necessary to underline the relevance of Mihai Radu Solcan, an assistant professor at Politehnica, the Bucharest engineering university. Thanks to his relevant academical position and his role as an editor of Humanitas, Romania's most respected private publishing house, he had the chance to promote the publication, in Romanian, of the main works of libertarian movement authors. Moreover also Adrian Miroiu, the Dean of the philosophy department of University of Bucharest, had a relevant role in the circulation of libertarian economical ides in Romania. (Ban: 2011)

Furthermore in 1992 Cristian Comanescu founded the Ludwig von Mises Institute, a network of libertarian economists that had the aim of promoting libertarian ideas, without focusing on policy issues (Evans 2009). Only during the late 90's libertarians started promoting more effectively policy debates both in economic and

social sciences departments (Evans 2009). Ludwig von Mises Institute's seminars became an incubator for the economic commentariat by attracting a flow of young journalists from leading national (Ban: 2011). By the time Nastase's government was elected, in December 2000, several libertarian professors were teaching very important courses, like economic theory or comparative economic systems, in the economics departments of the University of Bucharest and University of Cluj.

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