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- *STUDII*

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QUALITY OF LIFE IN ROMANIA 1918–2018: AN OVERVIEW

IULIAN STĂNESCU

This paper aims to provide an overview of the quality of life in Romania during the hundred years since the country's unification in 1918. Three highly relevant domains for the quality of life are reviewed using secondary data analysis: (1) the living standard, with a focus on household income and consumption, (2) living conditions, especially urbanisation, housing and utilities, (3) perceived quality of life. Behaviour, factual, and opinion data was collected from a variety of sources: statistical and social surveys, census data, official statistics, archive documents, and academic research. The periodisation is based on the two major historical events that shaped Romanian history from 1918–2018: the Second World War and the December Revolution of 1989, resulting in four discrete blocks: the interwar years (1919–1939), the Second World War and first post-war years (1940–1947), the period of the communist regime (1948–1989), and the period following the Romanian Revolution of 1989.

Keywords: Romania; quality of life; living standard; living conditions; housing; urbanisation; interwar; Second World War; communism; transition; capitalism.

This paper aims to provide an overview of the quality of life in Romania during the hundred years since the country's unification in 1918. Reviewing a century of history through the quality of life prism means, in essence, to see in which period the people enjoyed or not a better life and which are the key points in the modernisation of Romanian society. 1918–2018 was a century with a tortuous history, marked by two watershed events, the Second World War and the Revolution of December 1989. In their aftermath, Romania's economic, social, and political structure went through a fundamental change twice in less than half of century. Furthermore, this is the century during which the country experienced, in up to four generations, a crucial modernisation process, first through industrialisation and urbanisation, then by deindustrialisation.

When dealing with such a long period of time, the sheer complexity of the quality of life concept (Zamfir, 1984; Zamfir, 2005; Mărginean, 2005; Dumitru,

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2005; Mărginean, 2011) poses a real challenge. For instance, the operationalisation scheme developed by Mărginean (2005: 38–48; 2011: 20–23) features no less than 24 quality of life domains comprising 100 objective and subjective indicators. Obviously, an overview of the quality of life in Romania over so many domains exceeds the scope of this paper. Therefore, a choice needed to be made about the domains of social life with the highest relevance for the quality of life. We chose three such domains, which are to be reviewed using secondary analysis:

– *The living standard*, focused on household *income and consumption*: as this is the domain with the highest relevance for the economic dimension of living conditions, it features subthemes and indicators concerning: key processes and structural change in the social structure; land and farm ownership breakdown; the distribution and redistribution systems; income breakdown by type and real term dynamics for main types of income; consumption breakdown: food consumption, ownership of durable goods; household budget breakdown and income-expenses balance; poverty and material deprivation; social and economic inequality; free time and cultural consumption;

– *Living conditions: urbanisation and housing*: considering that urbanisation is a process associated with better living conditions throughout history, this domain comprises: population urban/rural breakdown; internal migration; housing availability and construction, housing quality and living conditions: breakdown of housing by building materials, utility and fixtures availability, overcrowding, etc.;

– *Perceived quality of life*: evaluations and attitudes of the public regarding life satisfaction, health satisfaction, changes in Romanian society, direction of the country; subjective wellbeing; the main source of data is the quality of life survey programme of the Research Institute for Quality of Life (RIQL), which began in 1990.

Other relevant domains for quality of life during 1918–2018, such as health and education, had to be left out due to paper size constraints.

Data availability is a major challenge when dealing with such a long period of time. The sources for the empirical data used in this paper include: behaviour, factual, and opinion data from surveys and census, official statistics, archive documents, and academic research. The method used is secondary data analysis. On the whole, data availability shows the level of concern and opening of the various political regimes and governments from 1918–2018, as well as the general level of development of Romania during this period. For instance, public opinion data is available only from post-1989 surveys. Last but not least, due to the fact that more information and data is available for the post-1989 period in comparison to the communist or interwar periods, there is an inherent difference in terms of length between the sections of the paper covering different historical periods or time blocks.

The periodisation used in this paper is based on the two above mentioned major historical events. Therefore, the process is straightforward, resulting in four discrete blocks (or periods) of time: (1) the interwar years (1919–1939), (2) the Second World War and first post-war years (1940–1947), (3) the period of the communist regime (1948–1989), and (4) the period following the Romanian

Revolution of 1989. For each of these periods, the analysis is structured according to the above mentioned three quality of life domains, based on data availability.

THE INTERWAR YEARS

The legacy of the Bucharest Sociological School, led by Dimitrie Gusti, provides a reasonably clear picture of the living standard during the interwar years, especially for the peasantry. The predominance of food poverty is probably the most important finding of the 1920s and 1930s village monographs. On this issue Gusti (1968: 490) noted that “the diet (...) is deficient through excessive corn intake, low animal, fresh produce intake (only 48% of households have dairy cattle), through lack of ability in cooking, and through totally lacking food hygiene”. A significant case of peasant food poverty is the one cited by Gusti (1968: 451) in his theoretical work on the problem of sociology: the weekly food intake in the summer of 1938 of a member of a family named Spulber from Nereju in Vrancea county. For brevity, we list only Wednesday: “breakfast: polenta [boiled cornmeal] with a pickled cucumber; lunch: nothing; afternoon snack: cold polenta with 5 apples; dinner: polenta with pickled cucumber”.

Using survey data from 60 villages from all the historical provinces of Romania, collected in 1938, Golopenția and Georgescu (1941/1999: 291) show that two thirds of peasant households registered a surplus in the household budget, and one third a deficit. Overall, peasant households were dependent on income from labour outside the household due to insufficient owned land in comparison with their needs.

On the living standard of the peasantry, Axenciuc (1999: 384–385) distinguishes three socio-economic categories, based on data from the 1930 census: (1) upper, (2) “middle”, and (3) mass majority of the peasantry. (1) The upper category comprises the “wealthy” households that farmed 10–50 hectares of agricultural land; some 250,000 households or 7% of total peasant households were in this category. (2) The “middle” households, which owned from 5 to 10 hectares “had an uncertain living, being threatened by drought years, the tax burden, with incomes at the limit of conserving their assets, prudent expenses and very modest consumption”. 560,000 households were in this category, equivalent of 17% of peasant households. These peasants farmed one fifth of the total agricultural land. (3) The third category included the mass majority of the peasantry, which farmed less than 5 hectares or nothing, around 2.5 million households in all. These peasants “had difficult problems to live and survive, (...) at the limit of biologic life, most of them always in need, (...) with no real perspective for change”. The “chiabur” (equivalent of Russian/Soviet kulaks) category covers some of the “middle” and “wealthy” peasant households and is defined by Țăra (2011: 132) as “land-owning peasants (...) between 10 and 100 hectares that used wage labour in addition to their own labour”.

The analysis of the Romanian bourgeoisie of Manoilescu (1942/2002) remains to this day the most outstanding work on this issue for Romania in the interwar years. According to Manoilescu (1942/2002: 119–132), the Romanian bourgeoisie included: major industrialists (around 3,000 individuals); major owners of trading companies (2,000); bankers (1,500); major landowners (10,000) – this category comprises owners of at least 100 hectares, the majority of whom were the former landed aristocracy that crossed into the bourgeoisie following the land reform act of 1921; the major landowners controlled 0.4% of farming units, but farmed over 27% of the agricultural land; engineers in the private sector (1,500); economists in the private sector (1,500); rentiers (property owners) from the abovementioned categories, afterwards retired (1,500). The consolidated total for the bourgeoisie is 22,500 individuals, equivalent of 0.11% of Romania's population at the end of the interwar years or 0.4% if one counts the typical 4 member household at the time. Around 44%, a large minority, of the bourgeoisie comes from the landowner class before the 1921 land reform act.

Alongside the bourgeoisie, Manoilescu introduces the “pseudo-bourgeoisie” category, which features individuals with non-manual work and higher education: civil servants (engineers, economists, and high ranking civil servants), university professors and secondary education teachers, lawyers, physicians, judges and prosecutors, army officers, journalists, writers, artists, others, as well as pensioners and rentiers from these categories. With some rounding up, Manoilescu reached a grand total of 125,000 pseudo-bourgeoisies. With family members included, it means less than 3% of the total population and around a fifth of the urban population. Closer to the reality of interwar social stratification is the comment by Schifirneț in the introduction to the 2002 edition of Manoilescu's book that the pseudo-bourgeoisies actually belong to the middle class, “which is nor bourgeoisie, nor proletariat, nor peasantry” and which also includes individuals with secondary education residing in urban areas.

One peculiarity of the population by ethnicity breakdown in interwar Romania was the fact that a large share of the bourgeoisie and the middle class or pseudo-bourgeoisie in Manoilescu's terms belonged to ethnic minorities. Manoilescu (1942/2002: 122–125) makes numerous references to “a high degree of allogeneic individuals” for almost all bourgeoisie and pseudo-bourgeoisie categories. For instance, estimates and totals for bankers and physicians show that one third were ethnic minority, according to 1940 data. The share of ethnic minorities bourgeoisie and pseudo-bourgeoisie varied by region and foreign capital ownership. Larionescu and Tănăsescu (1989: 337) show that, in 1935, over 60% of board members in the extractive (mostly oil) industry were not Romanian nationals. Moreover, in 21 cities in the provinces of Transylvania and Banat the share of industrialists of Hungarian, German, Jewish and other minority descent was almost 90%. This fact, in addition to overpopulation of rural areas, the Great Depression of 1929–1933 and declining economic living standards were the root causes of social tensions in the late interwar years that in politics led to growing support for the far right in the 1930s.

In the non-manual labour strata, the civil service was an important, but heterogeneous segment. Measnicov (1938: 23), citing budgetary records, gives a round total of 250,000 people. In the civil service one could find Manoilescu's pseudo-bourgeoisie or the middle class, as well as the large majority of the public administration clerical workers, but also teachers (65,800), the clergy (21,300), army officers and non-commissioned or warrant officers (43,400), police officers and Interior Ministry officials and clerks (21,100), auxiliary and support personnel, as well as local government clerical workers (45,000).

Manual and non-manual labour employees of for-profit entities, irrespective of ownership type, were a very heterogeneous category. 1.022 million employees were recorded at the 1930 census, out of which 590,000 in urban areas (Gusti, 1938: 54). Included in this total were employees in the public sector, but also employees in state owned enterprises, some 100,000 in total, half of which worked for the state owned railways. Experiencing proletarianization were also servants (300,000) and apprentices (95,000) that had incomes similar to employees. Somewhat closer to proletariat than the incomes and living standard of the middle class were the self-employed and the owners of small businesses (327,000) from urban areas. Usually, these people owned small workshops where they also laboured as tradesman.

The size of the industrial workers is somewhat difficult to establish. Axenciuc (1999: 298) puts forward an estimate of over 700,000 in 1938 for the total number of employees in manufacturing and transportation, most of which were workers. In his analysis of social stratification in interwar Romania, Țâra (2011: 164) places the industrial workers (the proletariat) around the half million mark. The education and/or training breakdown of employees in manufacturing and transportation was as problematic as it is revealing for the general development level of Romania in the interwar period: 16% illiterate, two thirds elementary school graduates, 5.5% vocational school graduates, 9.2% high school graduates, and just 1% university graduates (Axenciuc, 1999: 298).

The price and cost of living statistics data collected by the interwar Institute of Statistics is a good starting point concerning the living standard of the urban strata. Measnicov (1938: 25) cites the monthly expenses thresholds from the cost of living statistics for a households of "middle employees" comprising 5 individuals, out of which three children: for Bucharest (the capital city) – 10,500 lei, for large cities – 7,500–9,000 lei, for towns with lower cost of living – 5,500–6,000 lei. Measnicov also deals with the wage distribution of non-manual employees in the public sector, based on budgetary data. Almost 80% of them had monthly wages below 5,000 lei. Less than 5% of clerical workers had wages above 10,000 lei. As a result, it was common practice for non-manual workers to supplement their income from other sources, such as tutoring or teaching at private schools for teachers, property income (rents) or through petty corruption.

There is no data regarding wage distribution for manual workers, especially industrial workers. Axenciuc's work (1992: 542–545) on nominal wages in manufacturing and transportation points to lower wages for workers in comparison

with non-manual workers. What about the purchasing power of workers in the 1930s compared to 2016? A (quasi-) purchasing power index based on (1) nominal wage data of workers employed in the food processing, textiles, and metallurgical industry for 1934 from Axenciuc and for 2016 from official statistics (Institutul Național de Statistică, 2017c: 102–107), on one hand, and (2) yearly average prices for three basic foodstuffs – eggs, milk, potatoes – from 1934 (Institutul Central de Statistică, 1940: 632) and 2016 (Institutul Național de Statistică, 2017b), on the other hand, reveals a purchasing power 1.5–1.8 times higher in 2016 compared to 1934. In other words, an average wage worker employed in processing, textiles, and metallurgical industry in 2016 could buy 1.5–1.8 times more eggs, milk or potatoes than his counterpart from the same industries in 1934. This means that most interwar workers faced a daily struggle to make ends meet. Most likely, some worker households supplemented their food intake from their allotment.

The living standard, especially in urban areas, was severely degraded by the Great Depression of 1929–1933 (Academia Română, 2003: 142–143). During that time, unemployment climbed to 300,000, equivalent of up to 10% of the urban population. After the economic recovery, unemployment decreased to just 27,000 in 1937. Besides unemployment, even more painful were the “sacrifice curbs” of January 1931, 1932 and 1933, as the austerity policies enacted at the request of foreign creditors were called. Each of the three successive rounds of “sacrifice curbs” meant cuts of 10–15% of wages, suspension of other wage rights and deferrals in the payment of wages and other social rights, such as pensions.

Pasti (2006: 36) notes that in interwar Romania “the market is still a secondary mechanism of distribution”. Most of those employed in agriculture – 78.2% of the total active population, according to the 1930 census (Manuilă and Georgescu, 1938: 155) – had a minor or no participation in market relations; their needs were met mainly through self-consumption (Golopenția and Georgescu, 1941/1999: 267), namely subsistence farming. The state’s part in resource distribution was through the incomes of public employees and through redistribution. Last but not least, corruption was an important part of the distribution system and a main trait of social and economic life in interwar Romania. References about corruption, especially about the relationship between leading capitalists and state elites, are often found in political memoirs. For instance, the memoirs of Constantin Argetoianu, cabinet minister in many interwar governments and briefly prime minister in the late 1930s, provide a short but vivid history behind the rise to fortune of Nicolae Malaxa, the largest industrialist in Romania by the end of the 1930s (Academia Română, 2003: 151–152). Archive documents from the 1940 commissions for wealth control of leading political figures (including King Carol II) and major industrialists, are a major source of factual data regarding high-level corruption (Axenciuc, 1999: 297). Corruption permeated all levels of society, leading to lower living standards, and the erosion of social cohesion and public morals. Overall, the distribution system in the interwar period is revealing for the pre-industrial level of development of Romanian economy and society.

Massive income inequality and social polarisation are main traits of the interwar period. The income tax data from 1938, cited by Georgescu (1992: 218), is revealing: 716 persons declared a yearly income above 1 million lei (7 of which above 10 million lei), 70,529 individuals has a yearly income above 100,000 lei, 304,400 taxpayers had an income of 20,000–40,000 lei. Adding to these categories the high income civil servants and “chiabur” peasant households (“middle” and “wealthy” peasants, equivalent of Russian/Soviet kulaks), Țâra (2011: 188) estimates that “a share of 3–4% of the country had a very high living standard”, while the rest of the employees “struggled to survive from one day to another”.

Social protests, especially workers’ strikers, were a consequence of social polarisation. Social strife intensified during difficult economic times – the post-war years 1918–1920 and the Great Depression years 1929–1933. According to Scurtu (Academia Română, 2003: 142), at least 50 workers died during the repression of the printing press workers strike of 1918, the general strike of 1920, the miners’ strike of 1929, the Prahova Valley oil workers and the Bucharest railway workers strike of 1933. These were the most important, but only a fraction, of the interwar strikes.

Living conditions: urbanisation, housing, utilities

A mainly peasant society, interwar Romania was in a pre-industrial development stage. During 1919–1939, higher natural growth of the rural population compared with the urban population led to slight growth of the former’s share in the total population. According to calculations made by Axenciuc (1996: 17), the share of the rural population actually increased by 4 percentage points from 77.8% to 81.8% (*Figure 1*). Despite some progress, the economic growth of the interwar period was insufficient to trigger an ample urbanisation process and thus change the ratio of urban-rural population.

This fact appears even more poignant if one looks at the real urbanisation level in cities and towns. According to data from the 1938 public health survey, cited by Scurtu (2001: 30), out of 176 cities and towns, 74 had no running water, 123 had no sewage system. The picture becomes more revealing if we consider the fact that one fifth of people employed in agriculture resided in urban areas (Georgescu, 1938: 50).

In 1938, 565 urban and rural localities, in which around one fourth (24.5%) of the population resided, were connected to the power grid. The number of households with electricity was almost 436,000 (Institutul Central de Statistică, 1940: 500, 506), equivalent of just 10.5% of the total number of households registered at the 1930 census (Institutul Central de Statistică, 1938–1940). There were more than 395,000 households with electricity in cities and towns, almost 45% of the urban population. Households used electricity almost exclusively for lighting (and much less for home appliances) due to the low purchasing power of the population (Axenciuc, 1999: 380).

Housing availability and quality were highly problematic in the interwar years (*Table no. 1*). The 1929 housing survey, conducted by the Labour Ministry, showed that out of the 3.08 million housing units in rural areas, some 29% had wood floors, while for the rest the floor was made of a mixture of earth and manure; over one fifth (21.6%) had a single room; the breakdown of the roof materials was: straw 13%, reed 15%, shingle 29%, slate 25%, and 19% tile (Academia Română, 2003: 159).

Table no. 1

Housing by building material of outside walls

	1929	1977	1992	2002	2011
Urban					
Reinforced concrete, prefab concrete, brick, stone or substitute	50.0	55.2	76.5	90.0	85.5
Wood (beams, logs)	20.0	4.7	2.3	2.1	2.1
Adobe and other similar materials	30.0	17.1	8.0	7.8	6.6
Other, no information					5.8
Rural					
Reinforced concrete, prefab concrete, brick, stone or substitute	30.5	33.4	39.7	41.0	43.6
Wood (beams, logs)	33.0	20.3	15.8	15.4	12.1
Adobe and other similar materials	36.0	46.3	43.3	43.6	36.9
Other, no information		0.0	1.2		7.4

Sources: Academia Română (2003: 159), Axenciuc (1999: 381), population and housing census of 1977 (Direcția Centrală de Statistică, 1980–1981), 1992 (Comisia Națională pentru Statistică, 1994–1995), 2002, (Institutul Național de Statistică, 2003b), 2011 (Institutul Național de Statistică, 2013b).

In urban areas, especially in the capital Bucharest and several other large cities, there was a housing crisis. A first effect was overcrowding of available housing. The number of people per building was 6.5 in urban areas, compared to 4.5 in rural areas, with a peak of almost 10 people per building in Bucharest. The second effect was the high price of housing and rent. During 1918–1938, there were 16,400 housing units built in Bucharest (Academia Română, 2003: 163), a city in expansion of 631,000 inhabitants and 158,000 households at the 1930 census (Manuilă and Georgescu, 1938: 138).

In the interwar period, the periphery neighbourhoods of the cities, especially Bucharest, featured slums, usually with improvised housing, no paved streets, no sewage, and water available only from public wells. Manuilă (1939) left a vivid description of the squalor, diseases and infections found in the Tei neighbourhood, at that time in the outskirts of Bucharest.

The 1941 census provides further data on the living conditions only in Bucharest (Institutul Central de Statistică, 1943: 360). By that time, the city's population of almost 1 million lived in 105,000 housing buildings comprising

266,000 housing units. One quarter of housing buildings were built using adobe, the rest by bricks or substitutes. Out of total housing units, 21.1% had water from public wells, the rest running water; just over half (53.4%) had electricity; 89% used wood for heating, the rest had central heating; wood was also used in the kitchen as fuel for cooking. Last but not least, 28% of households had radio sets (Axenciuc, 1999: 378–379).

THE SECOND WORLD WAR AND FIRST POST-WAR YEARS

Of all the periods covered in this paper, the Second World War is the most difficult period for quality of life research due to precariousness of data sources, as well as incomplete and fragmented data series. Official statistics ceased to be published in 1941 because of wartime restrictions. Although data collection continued (Institutul Central de Statistică, 1945a: 2), publication of statistical yearbooks would resume only in 1957. The single source for official statistics is the “Statistical Communications” series of booklets, issued by the Central Statistics Institute during January 1945–September 1948. Other sources include: archive documents, such as transcripts of cabinet meetings, intelligence and Interior Ministry bulletins on social issues, and other archive documents; public documents from the period, i.e. laws and regulations, policy documents, articles from print media; other sources, including scholarly publications from the war years that feature some statistical data and memoirs. Of the available sources in print, the most important by far are the transcripts of cabinet meetings.

In the summer of 1940, Romania ceded Bessarabia, Northern Bukovina, and the Hertza region to the Soviet Union, Northern Transylvania to Hungary and Southern Dobruja, also called the Quadrilater, to Bulgaria. In the fall of 1940 Romania formerly joined the Axis. Romania entered the war by joining Nazi Germany in the invasion of the Soviet Union on June 22, 1941. In the second phase of the war, Romania, joined the United Nations on August 23, 1944, and signed an armistice with the Allies on September 12/13, 1944. The participation in the war continued, this time against Nazi Germany until its unconditional surrender on May 7/8, 1944. The peace treaty between the victorious Allied powers and Romania was signed on February 10, 1947. Following the Second World War, Romania was in the sphere of influence of the Soviet Union.

The Romanian Army lost 794,562 military personnel during the Second World War, of which 92,620 killed in action, 367,976 missing, and 323,956 wounded and sick (Academia Română, 2008: 373–374). The exact number of civilian casualties is unknown. However, the number of civilian casualties from the 1944 British and American air raids 1944 is known – 7,693 dead, of which 3,994 in the capital city of Bucharest (Institutul Central de Statistică, 1945d: 12), and 7,809 wounded (Axworthy et al., 1995: 314).

Romanian citizens of ethnic minorities were exposed to policies based on racism and a failure of political leadership during 1940–1947. Under the regime of

Marshal Ion Antonescu from 1940–1944, Jews – both Romanian citizens and from Soviet territories under military occupation – were victims of war crimes, deportations, and other atrocities. The total number of victims is estimated between 280,000 and 380,000. Some 25,000 Roma/Gypsies were also deported. In addition, racial and anti-Semitic laws first enacted by the regime of King Carol II were toughened (Wiesel et al., 2004: 388, 326). Businesses and property owned by Jews were “Romanianized”, resulting in “quick enrichment of capitalist elements”, Romanian and German (Constantinescu, 2000: 52). Following the August 23 coup, the German minority’s privileged status came to an end. Ethnic Germans suffered deportations, arrests, camp internment, forced labour, and property expropriation due to the 1945 land reform act (Academia Română, 2008: 742–760).

The war years are different to all other periods when it comes to living standards due to an obvious reason: the wartime organisation of the economy and society implies certain peculiarities. The first such peculiarity is a greater role of the state in the distribution system. Dirigisme was openly acknowledged and encouraged by political leaders (Arhivele Naționale ale României, 2003: 23, 94). This is to be expected in a war economy and was practiced by all major participants in the Second World War. The precise ratio between state and market in the distribution system during the war remains to be established. Scurtu (2011) provides a general assessment that “the market had a decisive role in the cities”, but in villages “the peasant household continued to be closed, and expenses very low”.

The second peculiarity is that during wartime consumption becomes more relevant than income for living standards. As resources are redirected to support the war effort, scarcity of goods occurs. In this situation, the population’s supply is less achieved via the market, but rather through various forms of rationing. Therefore, the quantity and quality supply of food and essential goods, such as clothing and footwear, becomes critical.

The third peculiarity concerns the nonlinear growth of the economy during 1940–1947. Despite the lack of official statistics, the general trend of the economy, especially concerning living standards, is possible due to major contributions by Axenciuc (1992, 1996, 2012) and Alexandrescu (1986, 2008: 761–812). The economy registered ups and down, with a high watermark in 1943, due to a bumper harvest, and freefall during 1944–1946, caused by multiple causes: destruction by military operations and Allied air strikes in 1944, dispersion of enterprises and civil administration, armistice commitments, prolonged war effort, major transportation crisis, failure of the fall 1944 sowing campaign and a severe drought during 1945–1946, which led to catastrophic crop failure for two years in a row.

Employment and population income remained similar to the interwar years. The peasantry remained by far the main majority of the population: 75.6% of the population lived in rural areas and 71.6% of the population was employed mainly in agriculture (Institutul Central de Statistică, 1945a: 10). The income of the peasantry continued to be very low (Șandru, 1996: 410–426). Even after the March

1945 land reform, smallholdings continued to be the mainstay in the farming unit breakdown (Golopenția and Onică, 2002: 486).

In urban areas, the wage inequality continued the interwar patterns: between manual workers and technical and administrative employees (Axenciuc, 1992: 542–543), and between high public officials and the rest of public employees, as set by the civil servants pay act (1941b). According to cabinet transcripts, the relative position of workers seems to have improved to a certain extent during the war years, and the wage differences to have somewhat reduced. On wage differences in the public sector, the finance minister explained, “in September 1941, the maximum difference was 6 times over, and last year declined to 4.9” (Arhivele Naționale ale României, 2006: 393, 384). Despite such efforts, wage incomes were low due to high taxation to finance the war effort. Moreover, taxation was regressive. By August 1944, the net wage was only 29% of the gross wage for low paid employees and up to 45.8% for higher paid employees (Constantinescu, 2000: 78).

The motivation for the increased attention to the workers’ living standard was political, aimed at securing public order. In the Economic Council of Ministers meeting of August 6, 1943, Mihai Antonescu, vice president of the Council of Ministers, cited the urban areas of Ploiești (oilmen), Petroșani (miners), Grivița (rail workers), and the Autonomous Companies of Bucharest as “the areas in which the social factor, namely the communist tendency and the occurrence of disorder and usage of action are the most acute”. Mihai Antonescu went on to say that these “are hotbeds of agitation. We must understand that a continuous supply is a preventive way to insure public order. It must be done even with some sacrifice. You must do all that is possible concerning footwear and clothing. Please make all effort” (Arhivele Naționale ale României, 2006: 332).

The Antonescu regime intended to advance “work as a national duty for each Romanian” (Decret-Lege pentru organizarea muncii naționale, 1941a). Subsequently, the population was mobilised for public works. In addition, work was explicitly advanced as the sole legitimate source of income. To a certain degree, these measures anticipated post-war developments after 1947. The labour legislation became harsher, according to the needs of a war economy: the number of working hours increased, paid leave was suspended, some state owned and private enterprises were taken over by the military, “farming mobilisation” was introduced in rural areas to maximize agricultural output (Constantinescu, 2000: 54, 60–61, 72) and continued even after the regime change in August 1944 (Arhivele Statului din România, 1994: 116, 118–119; Ciucă, 2012: 39).

Income from wage, pension and other social benefits declined in real terms during the war period. High inflation, even hyperinflation from 1944, led to an explosive cost of living growth. Unfortunately, the only available data covers just the capital city, Bucharest (*Table no. 2*), where the cost of living was higher than the rest of the country (Arhivele Naționale ale României, 2006: 387), while the only data on real wages cover only public administration employees. According to the transcript of the Cabinet meeting of February 9, 1944, the wages of several public

employees categories were lower in real terms compared to 1940, and even lower by 35–75% compared to 1913 (Arhivele Naționale ale României, 2007: 131–132).

Table no. 2

**Cost of living and public administration employees' average real wage index in Bucharest
(1940–1947)**

1940 = 100	1941	1942	1943	1944	1945	1946	1947
cost of living index	143	211	285	429	2,537	15,561	362,543*
public administration employees' average real wage index	106	94	96	87**			

Sources: author calculations based on statistical data in *Statistical Communications no.2* (1945b: 15), no. 19 (1948: 17), * December 1947; ** December 1944.

Since foodstuff and goods were, with some exceptions, free to trade on the market, speculation occurred. It manifested both before the coup of August 23, 1944, but also more intensely afterward (Arhivele Statului din România, 1996). Due to scarcity of goods, speculative behaviour was extensive. Mills, closed circuit shops, co-operatives, physicians, even priests were just some of the cases discussed in cabinet meetings (Arhivele Naționale ale României, 2006: 259–260, 269, 588, Arhivele Naționale ale României, 2007: 588).

Regardless of the ideological stance of the regimes in power, starting with 1941 the authorities tried to compensate the increase in prices and rarity of goods by two main methods: firstly, by introduction of closed circuit shops attached to factories or public offices, in which workers or public employees could buy food, goods, wood for heating at official prices that were lower than market prices, and secondly by rationing some basic foodstuff, such as bread, rice, sugar, etc., footwear and clothing.

The Antonescu regime tried to increase the living standards and fight inflation at the same time mainly by securing a better supply of goods through closed circuit shops and rationing, rather than nominal wages increase. Also for taming inflation, German army units stationed in Romania were forbidden to buy goods directly from the market (Arhivele Naționale ale României, 2006: 337–340). However, with all the efforts, inflation and speculation would be decisively mastered only by the 1947 monetary reform.

The structure of the consumption also followed the pattern from the interwar years, namely a very high degree of self-consumption for the peasantry, and a high level of food and clothing expenses in the household budget for the urban population; in Bucharest, rent was also high in the household budget. In addition to purchasing power, the level of consumption depended on the agricultural output and the performance of the supply system, mainly of transportation. In this issue, Mihai Antonescu, Vice President of the Council of Ministers, said in the Cabinet meeting of August 6, 1943, that “there are so many incoherences in our supply

system, that, if you do not permanently supervise the transportation and supply regime, (...) we risk blockage, because leaving to the private initiative the demand and supply of rail cars we risk, at a certain point, to have oversupply in some regions and insufficient supply in others” (Arhivele Naționale ale României, 2006: 336).

Besides food, insufficient supply of footwear and clothing was the other main hardship for the population during 1941–1947 (Arhivele Naționale ale României, 2006: 333, 337, 340). This problem was never solved due to three causes: lack of raw materials, insufficient transportation capacity, and the high share of military consumption, which, for instance, left only 20% of natural leather output for civilian consumption (Ciucă, 2012: 64).

Heating during the cold season was another issue. In the 1940s, the country required up to 600,000 railway cars of wood for heating per cold season. Once more, securing the transportation for this quantity was problematic. In search of a solution, one outcome was the introduction of natural gas in Bucharest (Arhivele Naționale ale României, 2008: 487–497).

A prolonged and severe drought caused crop failure in 1942, 1945, and 1946 – a hardship that added to war difficulties. Cereal output, especially wheat and corn used for staple food, was catastrophically decreased by the drought (Axenciuc, 1996: 501, 517). In 1942, the situation was salvaged by food brought from occupied Soviet territory (Arhivele Naționale ale României, 2006: 131, 238, 251). The years 1946–1947 were marked by famine, especially in the East and Southeast of the country, which led to increased death and infant death rates, over and above those during the war years 1941–1945 (Institutul Central de Statistică, 1947: 7). Relief over the high point of the famine in 1947 came through large cereal imports from the West. A share of the National Bank of Romania official gold reserved had to be put aside as collateral to pay for the imports (Academia Română, 2008: 798).

Taking into account the consequences of the famine, and the human and economic losses of the war (Belli, 2001: 45–48), we regard the 1945–1947 years as the period with the lowest living standard for Romania’s population in the entire 1918–2018 century.

The war meant an increase in the need for social care, especially for the war invalids, orphans and widows. Monthly payment of child benefit was introduced, in the beginning paid for by employers. The Patronage Council for Social Work was established as a government body. It provided social services for families in need and other vulnerable groups, including meals for free or at token prices (Scurtu, 2011). After the coup of August 23, 1944, the organisation was renamed as the League for Social Work and subsequently dismantled.

Evaluations of the populations regarding the living standard and living conditions are found in memoirs and, especially, Interior Ministry and intelligence briefings regarding the social issues. Some memoirs, cited by Scurtu (2011), such as the ones by academicians David Prodan and Gheorghe Zane, students at the time of the war, reveal a rather favourable evaluation for the period before the summer

of 1944. Most likely, the favourable subjective appraisal of the 1940–1943 is based on the severe degradation in the living standard during 1944–1947. The intelligence bulletins on social issues reveal a full range of hardships and dissatisfaction by social categories: issues with the supply of foodstuff and goods, mainly clothing and footwear, especially for rationed items and in closed circuit shops; severe lack of food during 1946–1947; work conditions and delays of wage payments for workers, etc. (Scurtu, 2011; Arhivele Statului din România, 1996).

Although the Antonescu regime continued the public works programme from the interwar years, especially in Bucharest, the quality and quantity of housing continued to be a major social problem, especially for workers and the urban poor strata. After a visit to the *Rogiferul* factory in Bucharest, owned by the industrialist Nicolae Malaxa, Marshal Antonescu recalled during the Cabinet meeting of March 2, 1943 that he had seen “the most horrible exploitation of man, in the most horrible filth that one could imagine – they were shadows of humans that worked, not humans, exploitation of man through man and the distraction of man (...) People from the countryside came and settled in the most miserable conditions possible (...), candidates for typhus, tuberculosis, etc.” (Arhivele Naționale ale României, 2006: 133).

THE COMMUNIST REGIME

Following the Second World War, Romanian society experienced a series of structural changes in all areas, reaching a new form of organization after the socialist model developed in the Soviet Union under the leadership of Josef Stalin.

The research of the living standard during 1948–1989 raises special issues. Romanian sociology registers only 31 large scale empirical research projects during this interval (Zamfir and Filipescu, 2015: 101). Although almost all of these were published in books or journals, the great majority are village or industrial monographs, closely packed between 1957–1974, and less representative on a national level. As a result, the main sources for the 1948–1989 period are the three censuses of 1956, 1966, and 1977, as well as the statistical yearbook series.

Living standard: income and consumption

The periodisation put forward by Poenaru, Molnar and Csorvassi (2000) remains highly relevant for changes in the living standard. Accordingly, the over four decades of communist regime could be separated into three distinct periods: (1) post-war and recovery years up to the end of the 1950s, (2) economic boom of the 1960s and 1970s, (3) crisis period of the 1980s.

The first period comprises the post-war and recovery years after the Second World War. Although this period saw a sustained increase of incomes, one must take into consideration the low starting base, caused by a series of factors, such as

the freefall of the economy during 1945–1947 and the dominance of foreign capital in the control heights of the economy, with the Soviet Union taking over the former German participations under the guise of Soviet-Romanian concerns called Sovrom. The post-war and recovery period featured a chronic shortage of consumption goods, including food, which led to rationing for some basic foods and goods, even during the 1950s. The end of this period was in the late 1950s, but difficult to pinpoint.

According to the secular series of Axenciuc (2012: 40–41), Romanian GDP per capita at purchasing power parity (in constant 2000 US dollars) of 1950 is comparable to 1938. In addition, the social product index of 1951 is above the one of 1938 (Direcția Centrală de Statistică, 1966: 103). The recovery period for the living standard was longer. Data series regarding yearly average consumption per inhabitant for main food products reveal that the 1938 level is not surpassed in 1950, but in 1960 (Comisia Națională pentru Statistică, 1990: 129). Due to a gap in the data series between the beginning and the end of the decade, the point of overtaking the 1938 level is impossible to pinpoint. Most likely it is somewhere in the second part of the 1950s, but this remains to be identified in further archive research.

The second period covers the economic boom of the 1960s and 1970s and it features sustained increase in the living standard, free universal access to key public services, especially health care and education, improved infrastructure, housing access, and better living conditions. All this meant “taking out of poverty the great mass of the population” (Poenaru et al., 2000: 450) and, in effect, Romania’s full entry in modernity from a quality of life point of view, due to the industrialisation process. In the 1970s, the economy started to reveal to show signs of weakness that at the end of decade began to manifest in the living standard. Gaston Marin (2000: 195–197), leading central planner from the 1950s to the mid-1960s, chairman of the state prices committee in the 1970s, shows that a general resetting of prices was necessary in 1974–1976. However, this would have led to a decline in the national income and, possibly, social problems. Based on these considerations, communist dictator Nicolae Ceaușescu ordered a resetting of the prices according to political objectives. In the 1970s, Romania was also severely hit by natural disasters: flooding in 1970–1971, 1975, and a catastrophic earthquake in 1977. Beginning in 1978, the economy experienced balance of payments and foreign debt problems that would decisively impact the living standard in the following decade (Stroe, 2000: 375–377).

The third period comprises the years 1982–1989, of prolonged economic and social crisis, marked by the effort to restore the balance of payments deficit and the policy decision to fully pay the foreign debt. These policies had deep negative consequences for the living standard, leading to a “pauperisation of the entire population” (Poenaru et al., 2000: 450–451), which featured severe cuts in the

supply of consumption goods, chronic shortage of foodstuffs – cues were notorious –, and, towards the end, even peacetime rationing.

The communist period stands out due to the profile of the distribution system. Political decision replaced the market (supply and demand) as the main distribution system. Incomes were set through decisions taken by the Communist Party leadership, carried out via the command economy (state owned enterprises, banks, cooperative system etc.), as well as via the government (redistribution via taxation, public services, wages in the public sector etc.). Although under a command, state run economy – through collectivisation of agriculture and nationalisation of the means of production –, the market was never fully eliminated from the distribution system and it remained as a secondary (sub)system. Market relations were present formally (legally) through tradesmen, free practitioners, and, especially, individual (non-collectivised) and collectivised peasants, but also informally through the black market, supplied even by theft from the socialist enterprises, co-operatives, and collective farms.

Poenaru, Molnar and Csorvassi (2000) identified a series of key traits or peculiarities of incomes during the communist period: (1) the growth of real incomes, although high, was inferior to the overall pace of economic growth; (2) earnings from work (wages, income from agriculture) had, by far, the main share in the breakdown by types of income; (3) over time, the share of income from social insurance and social benefits in total earnings increased, as the population aged; (4) there were some policy induced income gaps between social categories, favourable to workers and to the disadvantage of all other categories, mainly peasants and agriculture pensioners, secondary social insurance pensioners, as well as non-manual employees, including those with tertiary education, known in the communist period under the term technical, economic, and socio-administrative personnel; (5) wage and income differences were flattened overall, a process formally known as “social homogenization”.

The distribution system during the communist period faced the so-called “problem of material co-interest”, a distinctive feature of Soviet-type societies. According to economist and politician Alexandru Bârlădeanu, in charge of economic policy during 1955–1965, “the Achilles’ heel in the socialist economic system was the lack of material co-interest of economic agents (...). The problem of material co-interest was out there both in industry and agriculture. We were looking for those ways. The fact that we did not found them – we did not search for them, or maybe it was not even possible to find them – led to the collapse of the socialist system. Because an economy could not run with clerks” (Betea, 2008: 134–135).

Concerning the consumption part of the living standard, the structure of the household budget was, in large, the same during 1960–1989. Food and beverage expenses were over 50% of the household budget for employees, between 63–74% for peasants, and around 58–59% for social insurance pensioners (Comisia Națională

pentru Statistică, 1991: 125). In employee households, this was followed by clothing and footwear (16–18%), and housing and durable goods (15–19%). An important trend in the population consumption was the decrease of self-consumption, namely of consumption from the allotments of collectivised farmers, individual allotments of employees and pensioners, or individual peasants farms. The share of this category declines from almost 41% in 1950 to around one fifth in the early 1970s, a level maintained up to 1989 (Poenu et al., 2000: 463). On the other hand, the share of consumption from retail commerce increased from 38% in 1950 to less than 60% in the 1980s. This change is the outcome of industrialisation and urbanisation, as wages and pensions became, by far, the main sources of income for the population, surpassing income from collective or individual agriculture and replacing subsistence farming.

Looking at the dynamics of consumption, the over four decades of the communist period could be broken down in two distinct sub-periods: (1) up to the end of the 1970s, and (2) the 1980s. The first, which dates from 1948/1950 to the emergence of the foreign debt crisis of the early 1980s, is the longest unbroken period of increase in the living standard in the entire 1918–2018 century. However, in the 1950s the population was still experiencing hardships and shortfalls in food and consumer goods consumption. The average yearly food intake per inhabitant in 1950 was lower to the one in 1938 for important foodstuffs: by one fifth for meat and eggs and by half for fruit. In fact, rationing continued during the 1950s for some key foodstuffs, such as bread, and meat. By 1960 the food intake saw marked improvement and the 1938 level was surpassed. In 1978–1981, the high point of consumption per inhabitant during the communist period, it was significantly higher, between 1.3 and 2.6 times, for all foodstuffs and consumer goods (Comisia Națională pentru Statistică, 1990: 129).

The second period dates from the early 1980s to 1989. It is the longest unbroken period of unrelenting decline in the living standard during the entire 1918–2018 century. Despite an increase of real incomes by less than 6% between 1981–1989 (Poenu et al., 2000: 453), the living standard saw a decline that remained strongly in the memory of contemporaries. The purchasing power declined for most of the population. Compared to official data, which showed an increase of 5.9% of the average real wage for the entire 1981–1989 period, calculations done by Ionete (1993: 24–27) – using data that could be published only after the fall of the communist regime – revealed, on the contrary, a decline by 5%. The decline of the purchasing power was also caused by “the significant increase of the monetary mass”, which in turn led to “high stress in insuring the volume of merchandise for the solvable demand by the population, as effect of forcing exports based on resources earmarked for the internal market” (Stroe, 2000: 341–388). In the day to day live, the population faced “a progressive increase in the scarcity of goods, including basic foodstuffs”, added to which there was “a quick decline in the quality of goods” (Zamfir and Zamfir, 1999: 37).

In aggregated terms, the shortfalls and scarcity of goods in the 1980s featured: a decrease by 12% of the household electricity consumption, including enforced temporary power cuts for households; heavy restriction of central heating for homes and workplaces starting with the winter of 1984/1985 (Poenaru et al., 2000: 467); hot water supply reduced to several hours a day for all cities with centralised heating systems; last but not least: cuts in the food intake.

Compared to 1980, the average daily calories intake per inhabitant saw a 10% cut (from 3,259 to 2,949) by 1985 (*Figure 4*). The average yearly meat intake per inhabitant saw a 20% cut. The decrease in the living standard is also revealed by the higher share of foodstuff expenditure in the household budget for all types of households of up to 6% for employees and pensioners households (Comisia Națională pentru Statistică, 1990: 131). The period is marked by cues, (people waiting for foodstuffs to be supplied to shops), and, by the end of the 1980s, of the reoccurrence of rationing, but this time in peacetime. The sharp and prolonged decline in living standards was the cause of protests by industrial workers, despite the dictatorship. The first such mass movement was by Jiu Valley miners in 1977, followed by Brașov industrial workers in 1987.

The dynamic of the living standard during communism reveals two ambivalences. First, according to Pasti (2006: 85–87), is that the increasing material wellbeing of the population during the economic expansion period up to 1980 was twinned by giving up other components of a good life, such as fundamental rights and freedoms, as well as real access to political power. In our opinion, the second ambivalence is that although the people were the ones to carry on their shoulders, almost entirely, the burden and costs of modernising Romania by industrialisation, the same people did not reach a sustained period in their lifetime when they could enjoy the benefits of modernisation by having a content, good life. After three decades of growth, there was a decade of persistent decline in the living standard, especially at the level of basic needs: food, heating, light. As a result, the population of Romania ended the communist period on a weary, worn-out note.

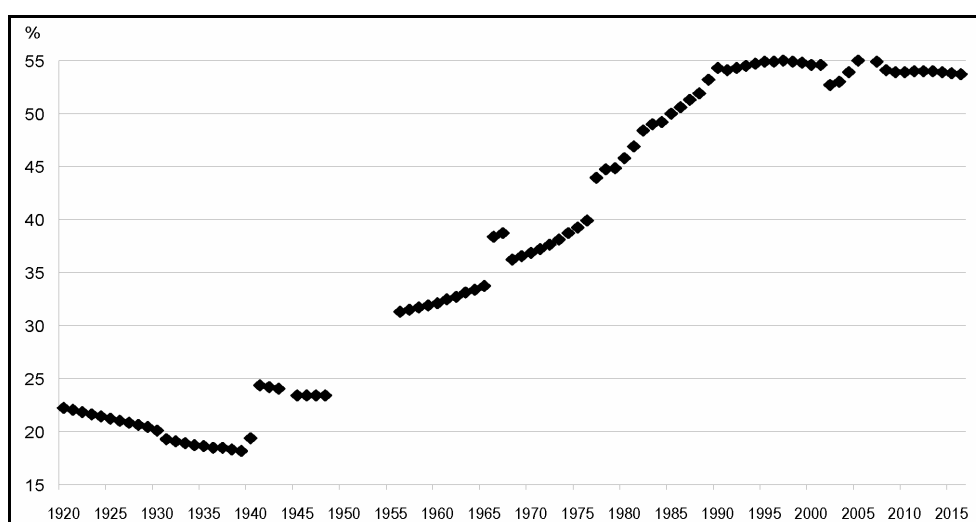
Living conditions: urbanisation, housing, utilities

Urbanisation is one of the main processes in the modernisation of Romanian society during 1948–1989. The share of the urban population increased from 23.4% at the 1948 census (the first census on the borders of Romania as decided at the 1946 Paris peace conference), to 31.3% at the 1956 census (Direcția Centrală de Statistică, 1959–1961), and 43.6% at the 1977 census (Direcția Centrală de Statistică, 1980–1981). Beginning with 1985, the urban population is in majority, reaching a share of 53.2% in 1989 (*Figure 1*). During 1948–1989, the yearly increase of the urban population was close to 210,000 individuals, from 3.7 to 12.3 million. However, urban population growth was not linear. Up to 1969, including

for the census, hundreds of suburban communes or other assimilated places were counted as urban areas (Comisia Națională pentru Statistică, 1990: 49, 51). During the communist regime, the rural-urban migration was the main cause of the urbanisation process, driven by industrialisation (Rotariu et al., 2017: 90–91). Secondly, urban areas also increased by changing the administrative status from communes to towns. For instance, the number of towns and cities increased from 183 in 1965 to 260 in 1989.

Figure 1

Share of the urban population



Sources: Statistical Yearbook 1939 and 1940, 1966–2017, Statistical communications no. 5 (1945c: 3–5) for 1940–1943, Victor Axenciuc (1996: 21) for 1945–1947, Golopenția and Georgescu (1948: 12) for 1948.

Electrification is another key process through which Romanians' life entered modernity. For the quality of life, this meant the substantial decrease of time allotted to household duties, less hardships and more free time, especially for women. Compared to 10.5% of households connected to the power grid in 1938, the 1966 census showed that 83% of homes had electricity, a share increased to 85.3% in 1977. Housing and living conditions surveys of the National Statistics Commission in 1981 and 1990 revealed that 95.4% and, respectively, 98.7% of families had electricity, according to data cited by Vâlceanu (2000: 474).

The growth by about 46% of the total population between 1948 and 1989, but especially the size of the urbanisation process – the urban population increased by 3.3 times – meant an intense demand for housing, the quantity and quality of which was highly problematic in the interwar years. According to estimates by Vâlceanu

(2000: 468–469), Romania experienced a housing crisis in the 1950s, when the industrialisation process was taking off: between 1948–1956 urban population increased by some 150,000 people per year, but newly completed housing units were below 20,000 per year.

From 1951 to 1989, 5.5 million housing units were built in Romania, out of which 2.98 million by the state, state owned enterprises and co-operative and local organisations, and 2.54 million from the population's private funds (Comisia Națională pentru Statistică, 1991: 524–525). The peak of housing building was in the 1970s, especially the second part of the decade: 42.5% of all housing built from public or socialist enterprises' funds during 1948–1989 were delivered in those years. According to Vâlceanu (2000: 471), between 1966–1989 “in urban areas the growth of housing exceeded population growth”.

From the quality of life viewpoint, there are two ambivalences in the social memory about housing and housing policy during the communist regime. On one hand, the sheer scale of housing construction and the easy access to housing for the population through token rent or purchase with very accessible loans. In fact, housing policy in Romania was similar to the one in the other socialist states in the Soviet camp, both in terms of policy design and volume of new housing per population size (Dan, 2006). On the other hand, there was the systematisation policy, especially its most sensitive aspect, the demolishing of housing, churches, monuments. The policy also included village “systematisation”, namely the abandonment of depopulated villages, resettlement, and new town-like blocks of flats and social infrastructure. According to data compiled by Dan (1999: 451), over 182,000 housing units were demolished between 1977 and 1987, out of which 98,000 in urban areas and 84,500 in rural areas.

The 1980s saw a quantitative decline in housing construction. The number of new housing units from public funds decreased year by year down to slightly below 55,000 in 1989, a level comparable with the early 1960s.

By 1989, the number of housing units exceeded the number of households by over half a million units, based on data from the housing fund balance, cited by Vâlceanu (2000: 472). As to the question whether the housing stock was sufficient or not in comparison with demand for housing, the answer is rather negative, especially if one considers the uneven housing demand between expanding urban and declining rural areas. Vâlceanu (2000) and Dan (2006) show that by 1989, despite all the efforts and the volume of new housing, and because of the 1980s austerity, Romania was placed among last in Europe both in terms of access to housing and housing living conditions, as measured by several indicators: average rooms per housing unit, living space per room, average number of rooms/housing units per person etc. In addition, overcrowding was still an issue. According to data from 1990 the housing and housing conditions survey by the National Statistics Commission, cited by Vâlceanu (2000: 473), 73.1% of families lived in housing units with two or three rooms.

Table no. 3

Main utilities and facilities of housing units

	1966	1977	1992	2002	2011
Running water, total	12.2	29.5	51.6	53.2	79.0
Water from the public network	12.0	28.8	48.7	48.7	58.4
Hot water	5.2	20.2	43.1	43.4	59.5
Sewage, total	12.2	29.5	50.7	51.1	68.5
From public network		25.6	44.3	44.6	48.8
Natural gas from public network	10.5	18.7	32.2	40.5	45.3
Bathroom		26.4	47.0	50.0	64.2
In the housing unit		24.4	46.3	49.1	62.4
Water closet (WC)		22.5	47.1	50.5	61.2
In the housing unit		21.6	45.0	47.3	59.4
Electricity	48.3	85.2	96.7	96.3	
Heating					
Own and central heating	15.8	20.4			45.7
Solid fuel ovens	69.1	71.8			46.3

Sources: population and dwelling census 1966 (Direcția Centrală de Statistică, 1969–1970), 1977, 1992, 2002, 2011.

Living conditions also include the housing comfort level, measurable through the access to utilities and availability of facilities. According to census and official statistics' survey data, Romania registered a remarkable progress during 1948–1989 (*Table no. 3*). However, according to data compiled by Vâlceanu (2000: 476), at the end of the 1980s Romania was at the level for these indicators achieved by Western developed states a decade earlier. Moreover, there were notable urban-rural differences: in urban areas, the share of housing connected to public water and sewage networks reached 81–87% at the 1992 census, in comparison to just 3–11% in rural areas.

AFTER THE ROMANIAN REVOLUTION OF 1989: TRANSITION AND THE NEW CAPITALISM

The three decades (1989–2018) from the Revolution of December 1989 and up to the 1918 Union centennial could be divided in two main periods: the transition and the new Romanian capitalism (Pasti, 1995; Zamfir, 2004; Pasti, 2006; Stănescu, 2014; Zamfir, 2015).

By and large, the transition process was completed by the mid-2000s. Ownership structure and relations, employment, incomes and living conditions form a different general picture during 2004–2006 compared to 1989–1990. Added to this is the functioning market economy qualification, issued by the European Commission in 2004, and the fulfilment of the twin major national political objectives of the transition: NATO membership (2004) and European Union accession (2007). The structural

features of a new capitalism, different from the interwar capitalism, emerged during the transition and gradually expanded and consolidated afterwards.

Living standard: income and consumption

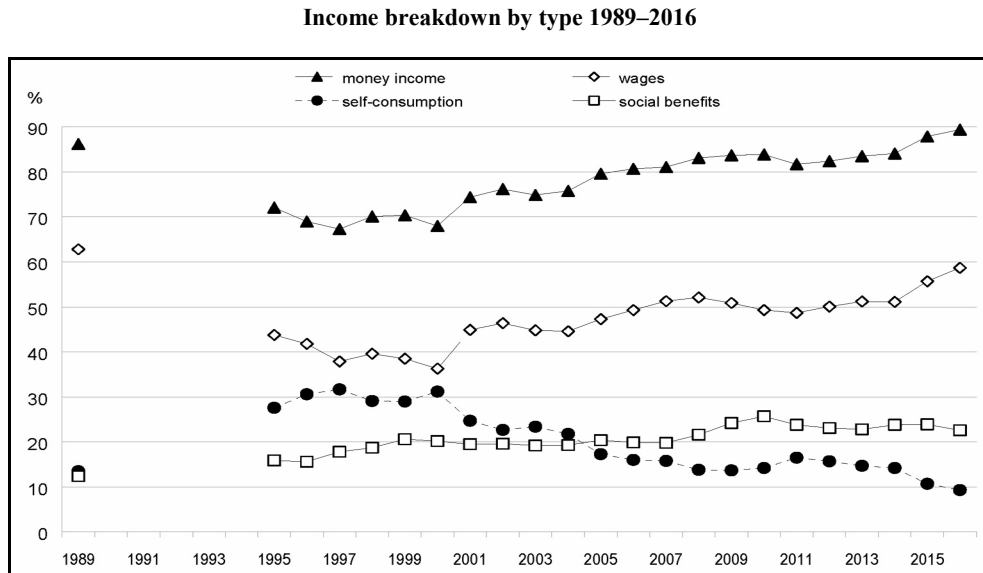
Using as criteria the dynamics of population incomes and consumption with 1989 as base year, two distinct periods emerge. The first covers the transition period with its sharp decline in the living standard at the beginning and thereafter a recovery to the level of 1989–1990. From the quality of life point of view, the transition seems more like a continuation of the 1980s crisis than a solution to it. The recovery process was both long, about a decade and a half, and sinuous. During 2004–2006, the values of several key indicators were at last comparable to 1989–1990: average yearly meat intake per inhabitant – 2004; income per capita – 2006 (Zamfir et al., 2010: 12); real average wage earnings – 2007; real average pension – 2008 (Institutul Național de Statistică, 2006, Institutul Național de Statistică, 2017a). The sinuous trait comes from the nonlinear dynamics of incomes and consumption, deeply eroded by the 1990–1992 and 1997–1999 recessions. The cumulative GDP decline during the two recessions was sharper than in each world war, according to economist Nicolae Belli (2001), who coined the phrase “transition more difficult than a war.”

The second period, after the mid-2000s, covers the new capitalism. During this period, significant real income growth was interrupted by the 2009–2010 recession. The recovery to the real wage and pension levels before the recession took 6 years. In 2016, incomes, especially wages, again experienced a sustained growth period, similar to 2006–2008.

Structural changes in the transition period in the economy and ownership relations were matched by changes in the structure of population incomes. Compared with the communist period, the market replaced the state as the main distribution system. De-etatization meant the (re)emergence of earnings from private property and capital – rents, interest, dividends, stock market gains etc. The 1994 Research Institute for Quality of Life survey (Stroie: 40) showed that, less than five years since the fall of communism, property and capital earnings covered 14% of the income of the richest 10% of the population. The overall effects of de-industrialisation and de-collectivisation processes of the transition are observable in the income breakdown by type (*Figure 2*). During the 1990s, the share of wage income decreased, while the share of pensions, social benefits, and self-consumption increased.

Besides changes in the distribution system, the defining feature of the transition was privatisation. According to Pasti (2006: 507), this process entailed “the transfer of the largest part of national wealth to the ownership of at most 1% of the population, in terms that could not be regulated and even less legitimised”. Changes in the living standard were determined not only by changes in the distribution system, observable in the income breakdown by type, but also through the transfer of the “people’s” wealth, inherited from the defunct socialist regime.

Figure 2



Sources: Ilie (2006: 271), Romanian Statistical Yearbook (2003a–2017).

The choice of persons that benefited from the largest part of this wealth transfer, unique in the entire 1918–2018 period, was and remains a moral issue, a social justice issue or, in Pasti's terms, a legitimacy issue. Zamfir (2015: 37) points to the crux of the issue: "*privatisation* and [communist confiscated or nationalised] *property restitution* were the main source of a complex corruption system that swallowed the entire state". Based on this reason, Zamfir (2015: 34) writes that "during transition, corruption is not a strictly individual deviant behaviour, but the main instrument for establishing the new rich class".

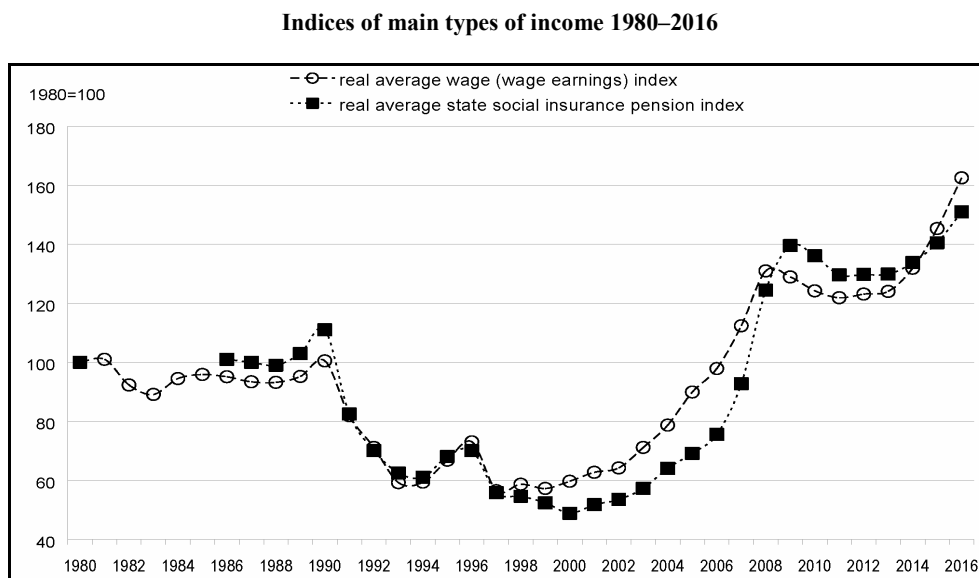
Almost 30 years after the beginning of the privatisation process, data about wealth distribution in Romanian society is even more lacking than for income distribution. Due to this reason, a review of wealth – to see who owns what – at national level should be pursued, based on an individual asset declaration form and on the completion of the systematic registration in the national cadastre programme.

The dynamic of the two main types of income for the population, wages and social insurance pensions, reveal a sinuous trend after 1989 (Figure 3), heavily dependent on the two transition recessions (1990–1992, 1997–1999) and the one in the new capitalism period (2009–2010).

The decline of real wages and pensions from the transition period is a continuation, albeit even sharper, of their decline in the 1980s, the last decade of the communist period. The recovery to the 1990 level of the real average wage (or wage earnings) and the real average social insurance pension in the years 2007 (for wages) – 2008 (for pensions) marks, therefore, also the recovery to the 1980 level.

As observable from *Figure 3*, this was an unusual long – 27–28 years (1980–2007/2008) – crisis for incomes and, in broad terms, for the living standard, which adds up to more than a quarter of the entire century since the 1918 Union.

Figure 3



Sources: author's calculations based on data from Romanian Statistical Yearbook 1990–2016, INS Tempo-Online database, and Ionete (1993: 25).

The living standard decline in the 1990s is more similar to the one in 1919–1924 and 1944–1947 as it featured reduced employment and hyperinflation. On the other hand, the erosion of purchasing power during the 2009–2010 was also based on the austerity policy to cut public sector pay by 25% in a manner very similar to the three successive “sacrifice curbs” (public wages cuts of 10–15% each year) during the Great Recession era of 1931–1933, but also the austerity policy to cut household consumption – and not nominal income – by 10–20% in the 1980s. In other words, the transition recessions, on one side, and the new capitalism recession, on the other side, had different paths to the decline of the living standard.

During the transition, the ratio between the average social insurance state pension (excluding collective farm pensions) and the average wage deteriorated from 45–49% in the last decade of the communist regime to the lower 40s and even below 40% (Zamfir, 2011: 50). In the late 2000s, the relative position of the pensions against wages started to improve; the ratio was between 51–56% during 2009–2015 (Institutul Național de Statistică, 2013a, 2017a). Close to 2020, there are two outstanding pension issues: farmers' pensions and the so-called special pensions, in fact occupational pensions for former army, police and intelligence

services personnel, former judges and prosecutors, diplomats, MPs, parliamentary clerks, civil aeronautics personnel, justice auxiliary personnel, and court of auditors' personnel. Both involve income inequality and social justice issues.

The role of the state in regard to the living standard went through a fundamental change in the transition period. In the distribution system, the state (re)turned to a secondary position, behind the market. The redistribution system, which includes fiscal and social policies, adds to the role of the state in terms of outcome for the living standard. Redistribution shrunk through a string of policies: replacement of progressive taxation for individual income with a flat tax, first at 16%, further reduced to 10% starting with 2018; high taxation of labour in comparison with capital via high social contributions for wages, with a high of 57% in 2002 (Bercea, 2003: 396) and around 40% on a decreasing trend afterward, and low taxation for capital – 16% corporation tax since 2005, gradual decrease of dividend tax from 16% to 5%, no wealth tax, no capital earnings tax. On the social policy side, less redistribution is achieved through less public services for the general public, especially health care and education, and overall reduced social spending. “If developed countries invest over 30% of GDP in the sphere of social policies, Romania invests less than half of the [2000–2007] EU average: 16.4%, below all European countries that experienced the transition” (Zamfir et al., 2010: 8).

Changes in the consumption side of the living standard involve a different pattern in the breakdown of the household budget. The share of food expenditure increased up to 60% in the 1990s, following decrease in real wages. Official statistics data allows long-term analysis on several household types: employees, peasants, pensioners. For all these types of households, the share of food expenditure returns to a comparable level with 1980 in the mid-2000s (Comisia Națională pentru Statistică, 1991: 125; Institutul Național de Statistică, 2007: 256). Starting in 2004–2006, the entry in the new capitalist period, the breakdown of the household budget experiences change: food expenditure began a long term decline, even with a slowdown during the 2009–2010 recession, reaching 44% in Q2 2017 (Institutul Național de Statistică, 2017b).

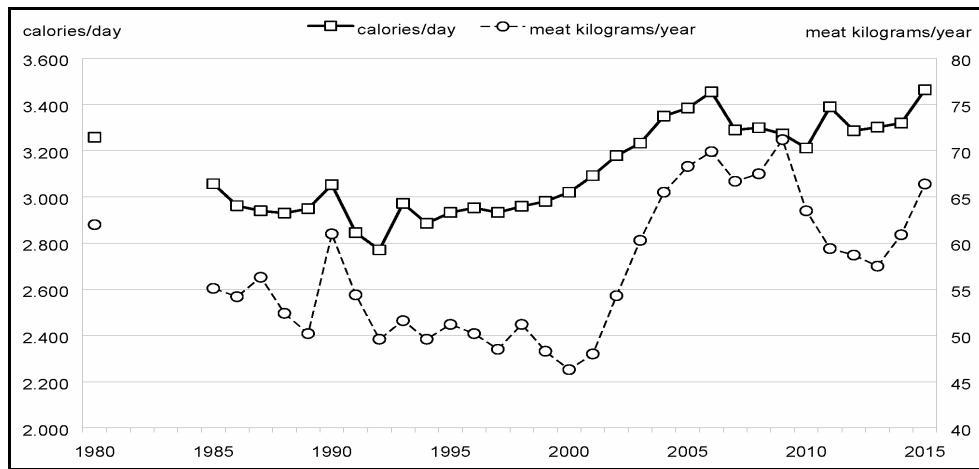
The average food consumption or intake of the population after 1990 (*Figure 4*), measured by daily calories and quantity of meat per year, adds to the general picture of an unusual long crisis, around a quarter of a century, in the living standard. The transition period seems more like a continuation than a break with the crisis of the 1980s. In terms of food intake, the crisis was left behind in 2004. Even if not that hard as the transition recessions, the 2009–2010 recession left a clear negative, half decade long mark on meat consumption.

Ownership of consumer durables experienced a positive change after 1989. The scarcity of goods from the end period of the communist regime was left behind. If in Soviet-type socialism the solvable demand of households exceeded consumer goods supply, during transition the consumer goods supply had difficulties in finding solvable household demand. The consumerist boom knows two major periods: the early 1990s and the mid-2000s, when retail loans became

widely available and with it the household consumption of durable goods – electronics, white goods, but also cars – took off. For instance, the number of cars per 100 households increased from 5.02 in 1989 (Comisia Națională pentru Statistică, 1991: 124) to 30.5 in 2016, a year in which the share of households that own at least one car reached 37% (Institutul Național de Statistică, 2017b).

Figure 4

Food consumption 1980–2015



Sources: Statistical Yearbooks (1990–1991), (2003–2016).

Another consumption-led improvement in the living standard comes from the emergence of new technology, mainly about mass communication and digitalisation: mobile and fixed telephony, the Internet, computers, laptops, smartphones and other devices. In 2016, over two thirds of households owned a laptop or a PC (Institutul Național de Statistică, 2017b), while the number of mobile telephony connections exceeded the total number of inhabitants (Institutul Național de Statistică, 2017a: 595).

The income-expenditure balance of the household budget saw a constant pressure. Despite the significant real term income growth during the new capitalism, a substantial part of households experience difficulties in keeping up with current expenses. The share of households that could not pay some bills in time actually increased during 2007–2016 from 24% to 34%, with a 38% high in 2014. Despite the lower share of food expenditure in the household budget, pressure arises from two main sources. The first one concerns new aspirations and old deprivations, part of the evolving side of the living standard. Some are accumulated consumption needs, unfulfilled during the quarter century living standard crisis of 1980–2004/2006, other needs come from the new technologies. The second source comes

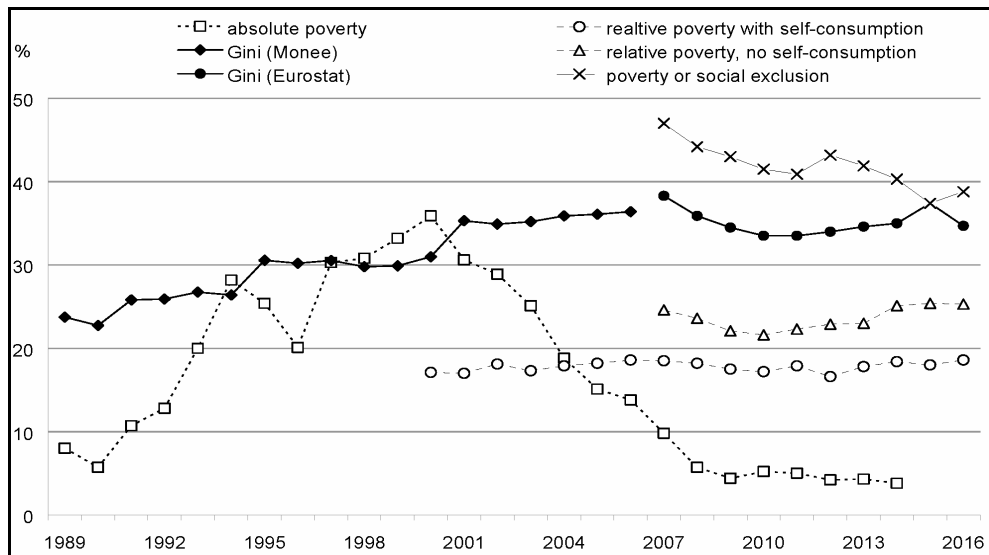
from the quantitative and qualitative decline in public goods and services, especially health care, education, and housing. The overall result is that even households that are better placed on the income scale, such as the more prosperous, tertiary educated, corporate or professional households, feel an expenditure pressure arising from: private kindergarten and school tuition fees, education related costs (tuitions, manuals, books, school supplies), to be paid regardless of a formally free public education service or not, health care costs (medicine, treatment, doctors, sample tests), car loan, home mortgage or loan etc. Although these kind of expenses are not yet fully included in the statistical household budget survey model of the National Institute of Statistics, increases in the share of expenses with non-food goods and services are observables in areas such as education, health, transport and communications (Institutul Național de Statistică, 2017b).

Free time, an important part of quality of life, experienced important changes during transition. Data from the RIQL quality of life diagnosis programme show that, during 1990–1999, only church attendance went up. All other free time activities saw a decline, either a more moderate decline in case of television or a massive decline for reading books, newspapers, magazines, theatre and concert attendance, going out for parties, meetings, sports, or weekend travel (Urse, 2005: 303–304). These changes came both from households unable to afford their costs, but also from a change of pattern in spending free time, continued in the 2010s with the gradual replacement of television by the Internet as the main medium of spending free time.

In the 1990s, Romanian society experienced a poverty shock caused by the freefall of the economy. Many structural changes in employment, distribution and redistribution systems, income and consumption, find their social equivalent in the profile of poverty. Also in this regard there is a marked difference between the transition and new capitalism periods. During transition, the defining trait of the living standard was, according to Zamfir (2004: 47), “the explosion of poverty, with quick increase in inequality in the background.” The main indicator for the transition period is absolute poverty (*Figure 5*), which for Zamfir (1995: 15) means “lack of minimum living conditions (foods, clothing, housing), necessary for simply surviving in the setting of a certain society. (...) In the long run, absolute poverty produces irreversible biological degradation. In the medium run, it produces a quick deterioration of minimum skills and opportunities for a person to take part in society”. The trend of the share of population below the absolute poverty threshold followed the overall trend of the economy, with one important caveat: the high point of absolute poverty (35.9%) was in 2000, the year when the economy began to recover after the second recession of the transition period. Therefore, the economic and social cycle are not fully overlapping or, in other words, the social sphere experiences a slower recovery following a crisis than the economic sphere.

Figure 5

Poverty and inequality 1989–2016



Sources: Eurostat (2017a, 2017b, 2017c) for Gini (disposable income per adult equivalent), poverty or social exclusion, relative poverty, no self-consumption; Transmonee (2016) for Gini (income per inhabitant); absolute poverty, World Bank methodology, in Zamfir et. al (2010: 28) for 1989–2004 and MMPS (2015: 6) for 2005–2014; relative poverty with self-consumption, in Zamfir et al. (2010: 32) for 2000–2008, MMPS (2010: 1), (2017: 1) for 2009–2016.

A complex phenomenon, poverty is not limited to being below a certain income threshold. It varies across social communities, both regionally and between urban and rural areas (Ministerul Muncii, 2017). The transition also featured the occurrence of extreme poverty, of poverty stricken and ghetto type areas (Stănculescu and Berevoescu, 2004). Among ethnic minorities, the risk of poverty was and remains higher for the Roma/Gypsies (Zamfir and Zamfir, 1993, Zamfir and Preda, 2002). Moreover, poverty was twinned with “severe social disruption processes, most of which impossible to measure: workforce degradation; families’ dissolution; increased crime, especially organised crime; the emergence of drugs; lower citizen security; increased violence, new forms such as blackmail, kidnapping, protection taxes, human trafficking, economic and sexual exploitation, up to and including children; the increase of the street children phenomenon; increased challenges in social integration of youths from poor environments, especially those exiting the social protection institutions; lower school enrolment and the professional skills of the active population” (Zamfir, 2004: 51). The impoverishment of the population also had marked social-political outcomes, in good part similar to the interwar years: social conflicts, strikes, changes of government, including by street protests, systematic change of governments (but not of presidents) following each election.

The resumption of economic growth following the end of the transition also meant getting out of absolute poverty for millions of Romanians. In this context, the absolute poverty threshold gradually lost its relevance. Since 2014 it has been dropped from official statistics, as the threshold value was only 69.72 EUR per month for a single person (Ministerul Muncii, 2015: 3).

The issue of living standard analysis using a threshold for decent living or subsistence minimum remains open. One alternative to the income thresholds approach, such as the absolute or relative poverty thresholds, is the normative method or the budget standards approach, developed and in use in Romania by RIQL since the early 1990 (Mihăilescu, 2014). Moreover, it is the same method employed by the Central Statistics Institute up to 1948. The ratio between incomes broken down by income types and household types by place of residence, on one hand, decent living and subsistence minimum, on the other hand, reveals the same issue of constant pressure on the household budget for large parts of the population during 1989–2016 (Mihăilescu, 2017: 75–102).

Regardless of the indicator in use – relative poverty, Gini coefficient or S80/S20 income quintile share ratio (Ministerul Muncii, 2017: 4) – an increase of income inequality and social polarisation is observable during the transition (*Figure 5*). The new capitalism saw no major decrease in income inequality; in certain aspects it even increased (Molnar, 2011; Precupețu, 2013; Dumitru, 2015). In fact, in 2016 Romania is in the unenviable position of being the EU member state with the highest level of income inequality, ranked last in relative poverty (Eurostat, 2017b) and second to last, after Bulgaria, in the poverty or social exclusion indicator (Eurostat, 2017c).

One of the key sources for the high level of social and economic inequality in Romania is the distribution of the economic gains as measured through the net national income, which is favourable for capital and unfavourable for labour. Compared to other European countries, including those highly developed and regional peers at a comparable development level, such as Poland, Hungary, Bulgaria, Romania features the most unbalanced distribution between capital and labour. In 2014, labour received less than 40% of the net national income, compared with around 60% in developed countries and 44–52% in the region (Georgescu, 2015a: 16). Moreover, this pattern of distribution explains why in Romania economic gains, measured by GDP growth, are not matched by a similar improvement in the living standard.

In our view, the disproportionate, unbalanced distribution in Romania between capital and labour has at its source both the distribution and redistribution systems, which are set by neoliberal public policy options, but also by “objective” factors, which stem from the structure of Romania’s economy, decisively marked by the deindustrialisation process that took place during the transition. For instance, according to the comparative analysis at European level of gross added value in the

economy by Georgescu (2015b: 14), low gross added value jobs predominate in the Romanian economy.

Evaluations and attitudes of the population regarding the quality of life and the living standard

Life satisfaction is, according to Dumitru (2005: 333), “the most important reference system when people evaluate quality of life.” Based on data from the RIQL quality of life survey programme (1990–2010), Romanians were rather dissatisfied with their day to day life during the transition period and rather satisfied in the new capitalism (Mărginean and Precupețu, 2011: 250). Family life and work are the main sources of satisfaction (Dumitru, 2005: 333), while earnings are the main source of dissatisfaction (Zamfir, 1995: 27).

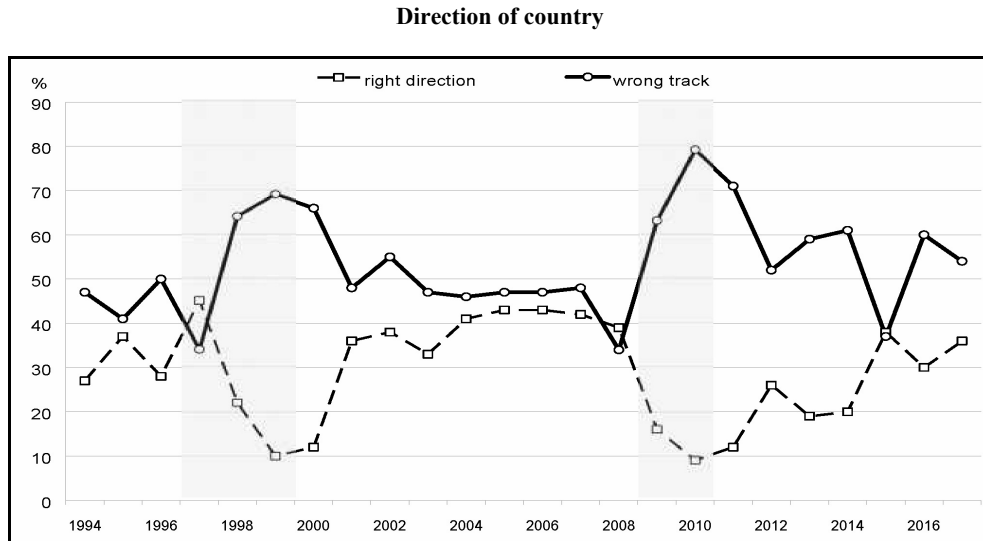
Appraisal of the personal health status is a key indicator for the perceived quality of life (Pop, 2010). Although evaluations during 1990–2010 are rather positive than negative, the social impact of transition is observable. The difference between positive and negative appraisals is lowest between 1997 and 1999, the timeframe of the second transition recession.

Subjective wellbeing data (evaluation of family income compared to needs) shows, according to Zamfir (2015: 18), that “the expected prosperity [of transition] was not achieved”, and that “the social cost [of transition] was high”. The share of the population that viewed income as not enough even for basic needs or only for basic needs declined very rarely under two thirds after 1993, according to RIQL (Mărginean and Precupețu, 2011: 249) and Soros Foundation (1995–2007) data. Moreover, the systematic high share of subjective poverty, even during times of economic boom and significant real term income growth, also points to the abovementioned constant pressure on the household budget.

The results of the transitions are negatively viewed by the majority of the public, with the exception of 1996, according to RIQL data (Mărginean and Precupețu, 2011: 237, 260). Zamfir (2015: 17) views the mainly negative evaluations of how the country is led as yet another way for the public to voice its negative opinion about the transition, its strategy and outcome. In our view, these evaluations, taken together with the ones about politics (Mărginean and Precupețu, 2010: 61–63), also reveal the disruptive nature of the transition process, which caused the deep inequalities in the distribution and redistribution of wealth and incomes and, therefore, an increase of the perceived social distance between those who rule and those who are ruled.

The direction of the country question brings together economic, social and political evaluations by the population, about the past, present and future. After 1994, these evaluations are persistently negative for the longest part of the time (*Figure 6*), heavily influenced by the impact of recessions (Fundăția Soros România, 1995–2007, Comisia Europeană, 2008–2017).

Figure 6



Sources: Soros Foundation Romania Public Barometer (1995–2007), European Commission Eurobarometer, (2004–2017).

Notes: recession are in grey; the difference up to 100% are non-answers.

Living conditions: urbanisation, housing, utilities

Deindustrialisation and the freefall of the economy during transition caused an end to the rural-urban migration that marked the urbanisation process during 1948–1989. Starting in 1991, internal migration in Romania has two main traits. First, “a relatively low rate of migration compared to the one in highly developed societies” (Sandu, 2009: 274); second, net migration from urban to rural areas. The increase of the rural population share is not a result of natural growth, negative from 1991 onwards (Mihalache, 2015: 199), but precisely because of migration from urban to rural areas. Driving this process, according to Sandu (2009: 275), is the freefall of the economy and the waves of poverty in the 1990s, observable in “the survival strategies for segments of the urban poor”.

Similar to the communist period, another source of relative growth for the urban population was the change by administrative means from communes to towns. The number of towns and cities increased from 260 to 320 during 1990–2015, the largest increase being in the 2003–2005 period. As a result, the share of the urban population resumed its increase, up to 54% at the 2011 census. Even allowing for the population aging in rural areas, as a result of declining birth and fertility rates, the share of the rural population resumed its growth after the 2011 census due to continuing migration from urban to rural areas (Institutul Național de Statistică, 2016). Poverty could not be the main cause due to income growth and the significant drop in absolute poverty rates, but the suburbanisation phenomenon

(Dumitrache et al., 2016), which in turn is based on the increase of the living standard, especially for the high income urban strata, in the final years of transition and in the new capitalism.

Suburbanisation could be traced both through the urban-rural breakdown of housing construction by private funding and especially through the regional breakdown of housing development. Over 61% of the 858,000 housing units build by private funding during 1990–2016 were in rural areas. Ilfov county, the hinterland of Bucharest, has placed first in the country in new housing in almost every year since 2003. Moreover, it is the only part of the country where the resident population actually increased from 1992 to 2016, and by no less than 63% (Institutul Național de Statistică, 2017b).

During the transition, the social outcome of the retreat of the state led to a housing crisis and a worsening of living conditions. After 1990, “the number of newly built housing units collapsed spectacularly”, notes Dan (2009: 104). It would be the mid-2000s, at the end of the transition and beginning of the new capitalism period, that housing construction would see a major increase, driven by private funding. In 2008, the number of new housing units reached 67,000 units (Institutul Național de Statistică, 2017b), higher than around 60,000 in 1989, but far from the 103,000 total in 1988 (Comisia Națională pentru Statistică, 1991: 524). The housing building boom from the mid to late-2000s was based on a housing and real estate credit bubble, which crashed in late 2008 triggered by the Great Recession (Voinea, 2009: 85).

Compared to the communist period, at the end of 2016 the main indicators for housing showed improvements across the board: housing units per 1,000 inhabitants (12%), living area per person (71%), number of rooms per person (35%), rooms per housing unit (21%), living space per housing unit (71%), etc. All these are the outcome of the 12% increase in the housing stock, but also of the over 15% decline of Romania’s resident population.

Better housing quality is one of the main components of the increase in quality of life after 1989. Put side by side to the transition, the new capitalism features improvements to building materials, including for outside walls. In comparison with 1929, the 2011 census data reveals an increase of the share of housing with walls of concrete, prefab, bricks, stone or substitutes from 50% to 85.5% in urban areas and from 30.5% to 44% in rural areas. In the same interval, the share of housing made by wood declined from 20% to just 2% in urban areas and from 33% to 12% in rural areas. Housing with walls made from adobe and other similar materials remained around the same share of 36–37% in rural areas (*Table no. 1*).

Major improvements in living conditions came from better access to utilities and housing facilities (*Table no. 3*). In 2016, almost 70% of all households had a bathroom and water closet (WC) inside home. In rural areas, the share of these facilities is 41% for bathroom and 38% for WC. In the age of global connectivity, over 68% of households were connected to the Internet at the end of 2016 (Institutul Național de Statistică, 2017b).

SOME CONCLUSIONS

In this section we will focus on some key trends of facts regarding quality of life in Romania during the 1918–2018 century.

In the interwar period, living standards were very low for the great majority of the population. Romanian society was deeply polarised and income inequality very high. Therefore, the image of thriving economy and society during the interwar period is nothing more than a myth.

The communist period is strongly ambivalent. It features both the longest unbroken period of increase in the living standard in the entire 1918–2018 century from 1948 to 1978/1982, but also the longest unbroken period of unrelenting decline in the living standard during the entire 1918–2018 century from the early 1980s to 1989. Therefore, the population of Romania ended the communist period on a weary, worn-out note. Another way of looking at the ambivalence of the communist period is that the people who carried on their shoulders, almost entirely, the burden and costs of modernising Romania by industrialisation, did not reach a sustained period in their lifetime when they could enjoy the benefits of modernisation by having a good life.

The transition period of the 1990s through the early 2000s was more of a continuation than a solution of the 1980s living standard crisis. Indeed, between 1980s to the late 2000s, Romania experienced a major secular economic and living standard crisis, which covers more than a quarter of the entire 1918–2018 century. It is an unusually long period of time, even in comparison with average length of economic recessions, with obvious long term effects in terms of social cohesion and inclusion. At the close of the 1918–2018 century, most of Romanians still bears the scars of the social cost of transition. Despite new technologies, evolving living standards, and significant real income growth, the new capitalism period features income inequality and deep polarisation reminiscent of the interwar period. Romania exited from the 2009–2010 recession in the unenviable position of being the EU member state with one of the highest levels of income inequality.

The low point in terms of quality of life was undoubtedly during 1945–1947. While there were no less than four major recessions apart from wartime – 1929–1933 Great Depression, 1980s crisis, the two transition recessions of the 1990s, the 2009–2010 recession, 1945–1947 remains the only one which featured a famine. Overall, food poverty, up to the limit of preserving biological life, marked everyday life up from 1918 to the late 1950s, especially for the great majority of the peasantry that did not own enough land to feed themselves. Deep seated food insecurity remains a legacy of the 1945–1947 famine and the long living standard crisis of 1980–2014.

The decisive breakthrough for Romania's entry into modernity in terms of living standards and living conditions was achieved during the 1960s and 1970s: most of electrification and urbanisation took place at that time. Despite the industrialisation and urbanisation effort, it was only in 1985 before the urban

population became the majority. Housing access and quality in urban areas was highly problematic from 1918 up to the early 1970s. The massive building programme of the 1970 and early 1980s relieved most of the pressure, but a new housing crisis occurred in the 1990s, when housing construction all but collapsed. Housing access was improved in the 21st century, despite the mid-2000s real estate bubble, due to resumption of large volume housing construction, but also because of a 15% population decline. Access to utilities was achieved in the great majority of urban areas by the late 1980s, but at the price of virtual abandonment of rural areas. Good coverage of water and sewage systems at a national level was attained only in the late 2010s following the 2007 EU accession. It remains one of the top gains of EU membership.

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Articolul de față își propune să ofere o sinteză a evoluției calității vieții în România în secolul ce a trecut de la Marea Unire din 1918. Trei domenii ale vieții sociale înalt relevante pentru calitatea vieții au fost supuse unei analize secundare de date: (1) standardul de viață, cu accent pe veniturile și consumul populației, (2) condițiile de viață, îndeosebi procesul de urbanizare, locuirea și accesul la utilități, (3) calitatea percepută a vieții. Datele factuale, de comportament și de opinie au fost selectate dintr-o varietate de surse: recensăminte, anchete statistice și sociologice, date statistice oficiale, documente de arhivă și cercetări științifice. Periodizarea pe care o propunem are la bază cele două evenimente majore care au schimbat istoria României între 1918–2018, al Doilea Război Mondial și Revoluția din decembrie 1989, cu patru etape distincte: perioada interbelică (1919–1939), al Doilea Război Mondial și primii ani postbelici (1940–1947), regimul comunist (1948–1989) și perioada de după Revoluția din decembrie 1989.

Cuvinte-cheie: România; calitatea vieții; standard de viață; nivel de trai; condiții de viață; locuire, urbanizare; interbelic; al doilea război mondial; comunism; tranziție; capitalism.

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LEGITIMIZING THE POST-SOCIALIST TRANSFORMATION IN ROMANIA

SEBASTIAN ȚOC

In this article I argue that political decisions in the Romanian post-socialist era have been tacitly accepted by the population mainly because political actors legitimized them through a “breaking up” with the communist past and through the projection of a future Romanian society which has a similar level of development as Western countries. Therefore, an official discourse, in which political decisions that generated major social costs were “necessary and inevitable” for the construction of an advanced capitalist society, was employed. In the first part of the paper, I describe the economic situation of Romania at the beginning of the transition process (1990) and the official strategies proposed for a successful transition. In the second part of the article, I discuss the processes of justification and legitimization of the economic reform and the involvement of international organizations such as the International Monetary Fund (IMF) or the World Bank (WB). In the last part, the article focuses on the results of political decision-making in the transition period, mainly discussing the primary consequences that affected the population.

Keywords: post-socialist transformation; economic reforms; social policies anti-communist ideology; Romania.

ROMANIA’S ECONOMY IN THE 1990S

In order to understand the process of transition towards a Western-type developed society we need to understand the development gap between Romania and the Western countries¹. In 1990, Romania had the lowest gross domestic product (GDP) per capita in Europe, except for Albania. The gap between Romania and the other former socialist countries was significant, while the difference between Romania and the EU average was even higher (*Table no. 1*).

Regarding the structure of employment, Romania, together with the Czech Republic, had one of the largest shares of the population employed in industry, more than any other former socialist countries, and above the EU 15 average. Moreover, in 1990, Romania had one of the highest proportion of the population

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¹ In the comparisons with the Western countries, I use the average of the EU 15, considered to be the most developed countries in the EU: Austria, Belgium, Great Britain, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, and Sweden.

employed in agriculture in Europe: approximately 30%. In fact, the only countries in Europe which had more than 20% employment in agriculture were Poland (25%) and Greece (24%). Also, in most of the developed countries, 6 out of 10 persons were employed in the service sector. By contrast, Romania had 27% employees in the service sector, below the EU 15 average and the former socialist countries.

Table no. 1

GDP per capita (constant 2005 US\$) in the 1990

Country	GDP per capita
EU 15 (Luxembourg not included)	15 427
Hungary	6 471
Yugoslavia	5 695
Bulgaria	5 552
Poland	5 115
Romania	3 525
Albania	2 482

Source: World Development Indicators (2016).

Table no. 2

The structure of employment in the 1990 (%)

Country	Agriculture	Industry	Services
Romania	29.1	43.5	27.4
Czech Republic	12.3	45.5	42.2
Estonia	21.0	36.8	41.8
Poland	25.2	37.0	35.8
Hungary	18.2	36.8	45.0
UE 15 (Germany not included)	8.7	30.6	60.5

Source: World Development Indicators (2016).

These indicators are relevant in order to understand that, at the starting point of economic restructuring, Romania had a low level of economic development and a different occupational structure than those in Western countries, with more employees in agriculture and industry, and fewer in the service sector. Therefore, the beginning of post-socialist transition should be understood by taking into account the development gap between Romania and the Western countries, on the one hand, and between Romania and the former socialist countries which implemented a similar set of political reforms, on the other hand.

THE BEGINNING OF THE TRANSITION

This analysis starts from the assumption that the social history of Romania in the last three decades is to a great extent the result of strategic political options, implemented in the transition period, which caused structural transformations.

From a political point of view, the beginning of transition can be understood as one of the most confusing periods. The National Salvation Front Council (NSFC) broadcasted live on National Television that it has taken the state control, and launched a political program whose objective was the structural transformation of the political and economic system. The justification for taking power, in the context of lacking democratic legitimization, was based on the necessity to reestablish order and stability in Romania and to govern provisionally until the first democratic elections². The NSFC has been associated with the former technocracy³, and their objective was to promote structural changes in politics and economy, although the process of switching to a multi-party system was not self-evident (Zamfir, 2004: 118). The technocracy promoted a national consensus idea, but the historical parties⁴, reestablished after the revolution, immediately rejected it.

Even if during the revolution one could speak about a consensus of the population regarding the anti-Ceaușescu attitudes, the following events, such as the reestablishing of the historical political parties, the anti-government protests in Bucharest's University Square, and the miners counter-movements labelled *Mineriade* (in Romanian), divided the population. The public debate primarily became one about political legitimacy and less about which political decisions are appropriate to start the process of building a modern democratic society. After the February *Mineriad*, another governing body, The Provisional National Unity Council (PNUC) which was composed by members of all political parties, but still dominated by NSF⁵ led the country. It was considered a "compromise of the power struggle", a negotiation between the former communist technocracy and the representatives of the historical parties, together with the opponents of the old regime, but still without democratic legitimacy to represent the population (Zamfir, 2004: 57).

The most important objectives, such as the transition to a Western type of democracy and market capitalist society were adopted by all political parties, at least in their official position. But consensus did not last long when the opposition launched allegations of neo-communism against NSF, the party led by Ion Iliescu (Zamfir 2004: 59–60). In fact, the allegations had quickly turned into the primary ideological debate, focusing on the persons who were or were not entitled to govern Romania (Pasti, 1995: 152). In spite of this, the political actors did not think of it as an issue, especially due to the existence of beliefs about "scientific solutions" which could easily be applied in the case of Romanian transition. Therefore, independent of political ideology, these policy solutions were to be

² Based on the official statement of NSFC, published in the Official Monitor, no. 1, December 22, 1989.

³ The label technocracy is a category used by Romanian transitologists (e.g., Vladimir Pasti, Cătălin Zamfir) which include not only the former members of party bureaucracy but also former members of the industrial and financial management.

⁴ National Liberal Party, National Peasants' Party, and Social Democratic Party.

⁵ The National Salvation Front Council (NSFC) was a structure resulted from revolution, which later became a political party: National Salvation Front (NSF).

accepted and implemented by those in power (Pasti, 1995: 153). This theory was supported both by the technocracy and the World Bank or International Monetary Fund experts, actors with essential roles in establishing reform directions. Ultimately, even though the internal or external experts scientifically legitimized the path of the reforms, most political decisions, generally had substantial consequences for the majority of the population (Pop-Elecheș, 2006: 57–59; Pasti, 2006: 66).

If initially NSF had no declared political aspirations, subsequently they decided to transform into a political party, so that it could participate in the following elections. NSF split in 1992 in two sides⁶, but one could argue that it continued under various names (PDSR, PSD) and remained one of the most important political forces in Romania. The institutionalization of political parties was a long process. In the beginning, those who had the support of ad-hoc civic and political organizations such as fronts, unions, and conventions, won the elections (Pasti, 1995: 164–165). Although ideas like democracy and political competition were often limited to the struggle for power and privileges, the primary objective of all governing programs during the first decade of transition was to close the gap between the Romanian and the Western development, through the adoption of Western institutions. The central assumption was that between Eastern and Western Europe there was not only a development gap, but also *backwardness*. Therefore state intervention was considered necessary only to achieve the objective of modernization (Rado, 2001: 11). Perhaps the most important political debate was the pace of change. The political groups ultimately divided between reformists and conservatives – after 1991 the latter have won, that is, those who advocated for the “gradual reforms” at the expense of “shock reform” (Pasti, 1995: 145), while after 1996 the former adopted austerity measures and shock therapy.

THE POLITICAL OPTIONS IN POST-SOCIALIST TRANSITION

One of the recurring themes in the history of the Romanian society since the second half of the 19th century was the local elite fascination for Western Europe (Pasti, 2006). The development and modernization goal was fundamental in all historical periods, and the analysis of the gap between Romania and the Western countries was one of the central concerns for social scientists⁷. For them, the post-socialist transition that followed the fall of the socialist regime was an excellent opportunity to reopen discussions about building a democratic and capitalist society, similar to the Western ones.

The term transition was used both in the daily life and in the political and scientific discourse, to describe all the transformations needed to replace the

⁶ One that renamed itself in the Democratic Party, and the other Romanian Social Democratic Party (PDSR).

⁷ One representative work that follows this logic, analyzes how economic gaps between Romania and Western Europe have increased and deepened over the last 500 years (Murgescu, 2010).

political and economic socialist system with a democratic and capitalist one⁸. The role of political elites was considered essential to generate a top-down social change through political decisions, often informed by “technical expertise,” supported by international organizations, in particular, the IMF and WB (Pasti, 2006). Therefore, at least as a starting point, the transition in Romania can be understood as a declared attempt by the national and international political elites to construct the institutions required for economic, social and political development, in order to close the gap between Romania and Western Europe.

Several key directions have been considered major objectives of the transition: (1) the replacement of the totalitarian political regime with a democratic one; (2) the transformation of the economic system, from a planned state economy to a capitalist market economy; (3) the integration in Euro-Atlantic international alliances. All policy measures have been justified by the necessity to meet these goals, including the “the ideology of transition costs”, which assumes that the success of the transition implies the bearing of social costs in the short run by the population. The construction of a new Western-type society enjoyed broad, widespread support, and the anti-Ceaușescu feelings, later equated with anti-communist ones, offered legitimacy for the decisions made in the post-socialist transition (Pasti, 2006: 5; Zamfir 2004: 29). The broad transition model was unique throughout the Central and Eastern Europe space, and the differences consisted in the rhythm of the political reforms. Similarly, Zamfir (2004) argues that, at the most general level, the transition strategies were the same for all the CEE countries as a result of the strategic options set by the Western nations⁹.

To understand the directions of the change and the outcomes of the transition process over the last 30 years it is essential to understand the critical strategic options during the '90s. Some of the most important are summarized below:

1. Economic recovery through privatization. In the context in which state institutions were considered inefficient, the privatization of industry and agriculture was considered the convenient solution of Romania's economic recovery. Even though in the first years of the transition one political group advocated restructuring, technology upgrading, and limited privatization as solutions, after a short period, the unanimous political decision was quasi-total privatization (Pasti, 2006). As Ban (2016: 66) puts it:

“Policy elites in postcommunist Romania embraced neoliberalism late, but when they did, most went all the way down, giving birth to a policy regime and

⁸ Influential authors such as Szelenyi (2008) tried to distinguish between the type of process employed in each country, concluding that in Central and Eastern Europe there were several transitions, from a neoliberal one in Central Europe to a more neo-patrimonial system in Eastern Europe.

⁹ One could argue that all post-socialist countries could not employ an alternative path to development if wanted to be part of the EU. Therefore, it was not only about the local elite fascination about the EU but also about the EU economic interests in the region. Moreover, TINA (There is no alternative) discourse was very present in the local landscape with the support of the advocates of the Washington Consensus (for a brief review, see Montecinos (2012)).

economic system that leaves few tools to embed markets into progressive societal demands. Indeed, Romania's policy regime went from a synthesis of neoliberalism and the developmental state in the early 1990s to a neoliberalism with marked libertarian tendencies during the 2000s, mainly because this is how the elites du jour understood the conventional economic wisdom of the day".

The justification was mainly related to the lack of efficiency and viability of state institutions, which was also supported by international organizations such as IMF (Zamfir, 2012). In the public discourse, the only condition for economic development was privatization, the critical decision for a successful transition.

2. Economic development was considered the natural result of integrating the Romanian economy into the global economy. Therefore, the state's lack of intervention in the economy was the "correct solution." All political parties considered that it is the primary way to ensure the necessary economic growth needed to improve the standard of living of the population. It was a process of radical change of a system in which political coordination was essential for the economy, with one in which the state has limited attributions, even by comparison with Western countries.

3. The wage policy was constantly detrimental to employees. The justification was linked to the need to attract private investors. The "low wage policy" as Zamfir (2004, 2012, 2017) calls it was considered the central mechanism to generate economic development. The result was keeping the minimum wages below a decent threshold, without a substantial change until the present day. Almost three decades after the revolution, Romania is known to be one of the countries in Europe where labor force cost is meager.

4. In the context of the state withdrawal, there was a lack of responsibility for job creation, in the context of collective layoffs. The Romanian state was not considered responsible for other job creation, but only to provide facilities to attract investors. In this context, the population had to find solutions for ensuring a decent living, most clearly illustrated by the phenomena of family assistance and intergenerational support (including help for raising children), unpaid work in the household, especially in the agriculture, economic migration in the Western countries, etc.

5. Although restructuring the economy during the transition had significant social costs, the dominant policy was to limit the attributions of the state in the social sphere. The tendency has been towards a residual social policy and a low degree of government social spending. The ideas about the welfare state retrenchment had a major influence in all countries, but even more so in the former socialist ones. Therefore, most social functions have been underfunded and underdeveloped. The share of government spending was small, while the share of social protection expenditures in GDP was consistently low. Taking this into account, together with the economic underdevelopment, Romania experienced increasing inequalities, poverty and social exclusion, increasing international labor migration, and degradation of public health services, education, and social assistance.

The concept of transition is not new, as it is being used in the literature to describe politically coordinated social change attempts. There are several meanings used by various authors. For example, in papers such as those of Rustow (1970) or O'Donnell and Schmitter (1986), the transition concept is discussed in the light of conditions that make possible to move from an authoritarian political regime to a democratic one. Another approach is that of Rostow (1971), who proposes five stages of economic growth to explain how underdeveloped countries can reduce the development gap by building similar institutions with those in developed countries.

But the transition from socialism to capitalism was a new process in history. For this reason, it was difficult to determine what should be the characteristics of a systematic program to replace the complex institutional systems on which the socialist system was built (Zamfir, 2004: 18–25). There are at least two theories that have influenced how transition should be understood: modernization theory and transition theory. Both were instruments for the analysis of social change determined by shifts in the political regimes. None had empirical evidence in the post-socialist space, but even so, they were regularly mentioned in the Romanian public and scientific discourse.

The theory of modernization, which emerged in the middle of the 20th century, argued that the history of societies should be regarded as an evolutionary process¹⁰. The evolution of the dominant mode of production is the central factor determining the social change (industrialization, changes in the division of labor, urbanization, advances in the educational attainment, and the emergence of new forms of communication). These changes are prerequisites for the development of democratic institutions (Lipset, 1960 *apud*. Gans-Morse, 2004: 325). According to Rostow (1971: 54), the developing countries can learn from the history of developed democracies in order to reach a high degree of stability and development. Transition theory emerged as a reaction to the theory of modernization, stating that there are no preconditions for the emergence of democracy, only smaller or larger probabilities for democracy to bloom, determined by specific structural contexts. The most important explanatory variable for the direction of change, according to this approach, is the negotiation between elites, especially the interaction between representatives of the former regime and those of the opposition (O'Donnell and Schmitter, 1986 *apud*. Gans-Morse, 2004: 326).

Both theoretical approaches assume the existence of a final point of transition and modernization, both results being desirable because of the progress generated at the level of society. For example, concerning the post-socialist context, there was an assumption that liberal democracy is desirable, or even that there is a global tendency towards liberal democracy (Gans-Morse, 2004). Therefore, the literature on the post-socialist transition in Central and Eastern Europe was dominated by the analysis of institutional changes in the economic and political system whose

¹⁰ For example, the change from feudalism to capitalism and democracy has taken place as a result of the evolution in the economic sphere that led to changes in both political and social institutions.

“ultimate goal” is the creation of a capitalist and a democratic society (Voicu, 2005: 43–45). However, other perspectives exist in the literature, such as the transformations described and analyzed with an anthropological eye. These studies do not follow the changes in relation to the ultimate goal (capitalism), but instead, they look either at social and cultural shifts, or analyze the social order as a *sui-generis* reality¹¹ (ibid.: 45).

One of the political discourse in transition argued that the reforms involve major social costs, but once completed, will produce progress and development. In the public discourse, progress was constituted by the delimitation of everything associated with the old regime and finally the transformation of the former post-socialist countries into developed capitalist economies. Thus, in the post-socialist context, the strategy of offering the former socialist countries the chance to become member states in the European Union meant the necessity to meet the rules for integration. With the completion of this process and the inclusion in the European Union, the transition was considered to have come to an end. In the beginning of the '90s, at the level of public opinion, there was a high degree of optimism, but in the next years turned into pessimism and even resignation. According to survey data, in the first years after the revolution, subjective evaluations of directions of change were somewhat positive, but as time went on, the attitudes became predominantly negative (for example, in 2010 a majority of the population was unsatisfied with life in the last twenty years) (Zamfir, 2015). Moreover, future prospects were also pessimistic. According to a Quality of Life Diagnosis survey, in Romania, 9 out of 10 citizens thought in 2010 that Romania's direction is wrong (ibid.), and this situation continues to be the same today.

MECHANISMS TO JUSTIFY REFORMS

With the end of the Cold War, the transition strategy and post-socialist reforms have been particularly influenced by Western institutions, such as the IMF, the World Bank, the European Commission, the International Labor Organization, UNICEF, UNDP, etc. These institutions took advantage of the broad consensus at the level of society on the direction of change and started to offer consultancy to national governments. The external support was legitimized through a discourse of “superior competence” in the elaboration and implementation of reforms. The main reforms, with the deepest impact, took place in politics and economy.

The fundamental principles were the following (Zamfir, 2004: 94–98):

- The creation of a democratic multi-party political system;
- The withdrawal of the state from the economic and social planning functions;
- The introduction of market economy mechanisms, such as price liberalization; privatization of enterprises;

¹¹ See for example: Burawoy and Verdery (1999), Chelcea and Mateescu (2004), Kideckel (2010).

- Opening up to international trade; integration into the North-Atlantic military system;
- The attempt to reform the entire public sector with the support of international institutions.

The most important players that have shaped the economic policy since 1989 were the IMF, which promoted strict and rigid measures, and the WB, which has adopted a more flexible position (*ibid.*: 97–98). Stănescu (2014: 173) argues that the IMF, WB, and US Treasury intervention programs for countries in crisis (e.g. Latin America in the 1980s, Central and Eastern Europe in the 1990s) were based on neoliberal economic theories. They promoted measures such as “price liberalization, stabilization policy, and privatization” alongside “restrictive monetary and budgetary policies to keep prices under control, high positive interest rates, lower public deficits, liberalization of foreign trade policy, and the convertibility of the national currency”, known as the Washington Consensus (Williamson, 1989 *apud*. Stănescu, 2014: 173).

To legitimize the reforms, the topic of “prosperity” played a dominant role, being used as a justification when implementing policies that on the short term negatively affected the population, such as the restructuring of public enterprises. Thus, the majority of the population had no choice but to accept the social costs of these reforms¹². The idea that social change can be planned using specialist expertise to set the direction of reforms was also one of the myths promoted in the public discourse. In fact, the restructuring of the economy also meant a change in the social structure, some authors discussing two major categories of citizens: winners and losers of the transition (Preotesi, 2006). Therefore, economic change and restructuring policy have generated a process of social differentiation or stratification (Poenaru, 2017: 9–10; Stănescu, 2014: 172), while “prosperity for all” was retained at a strictly discursive level. One of the factors that influenced the process of social differentiation was the minimum wage policy. The minimum wage had a significant decrease in the first ten years of transition: 35% of the 1990 value (Preotesi, 2006: 216). Even though, after 2006, the minimum wage exceeded the 1990 threshold, the problem persists in the present days, as Romania has one of the smallest minimum wages in the European Union.

Another reason for accepting the costs of reforms was the lack of criticism against the dominant ideology of transition, which did not exist in the politics, media and public intellectual discourses or editorials, or universities (Ban, 2016). Only recently, several authors assume the metaphor of the “great post-communist robbery” to question how political decisions never had the objective of public good in mind, even if the majority of these decisions were rhetorically justified by it (Copilaş, 2017). The attempt to de-legitimize the communist past by withdrawing

¹² Even though during 1990 there were large protests against the reforms in most of the sectors: transport, industry, education and medical systems, public administration, etc., their effect was not significant. For an overview of the protests during 1990 see Kiel and Kiel (2002).

the state from all the spheres of society describes post-communism in Romania. Two results are representative:

- The collapse of social policy, and more generally, of the public sector;
- Chaotic privatization at any price (even for one dollar to those willing to cover the companies' debts).

Also, the myth that the EU or other international organizations will assume the responsibility for the direction of reforms and for the integration into its economic and political structures, and ultimately, for the prosperity of the population, was widely used (Copilaș, 2017: 6–9).

Anti-communist ideology as primary mechanism to legitimize the reforms

Perhaps the most used tool to justify difficult reforms was the one of breaking-up with the communist past. Those who opposed the reforms were labeled as communists, and the debate was quickly redirected to who should be the legitimate participants in these kind of debates. Two significant political groups evolved during the transition period:

1. The group formed around Ion Iliescu, with former or current managers and professionals in the former socialist institutions (in the academic literature they were also called technocrats, although they identified themselves as social democrats until the present day);
2. The group formed around the National Peasants' Party to which the other historical parties joined, together with a part of the group of revolutionaries and some well-known public intellectuals.

Members of the second group all defined themselves as anti-communists, benefiting from the symbolic support of Western Europe, and the right-wing think-tanks. Anti-communist groups have become active in politics, especially those reunited under former historical parties banners, which were prohibited by law during the communist regime (the dissidents of the former regime have been unable to organize themselves into a political force, in contrast to other former socialist countries). The discourse about communists and anticommunist has quickly transformed into one of the most important political cleavages, regularly used in political debates, but also in academia, mass-media and everyday life discussions.

In fact, the anti-communist ideology can be considered an essential principle of political reform, the main purpose being the denouncement and punishment of the former activists or former Securitate¹³ collaborationists (especially those politically involved in the transition period). The latter was considered the representative of the old communist nomenclature, and for this reason, it was argued that it should not have the legitimacy to govern in the new political regime. The main arguments were related to the "communist mentality" which was considered inadequate in a

¹³ Romania's secret police during the Communist regime.

democratic system, but also because it was considered to be primarily responsible for the horrors committed by the communist regime. Western countries supported the struggle against the former Communists and especially the Securitate former informers. The way in which the problem was raised focused on individual guilt, instead of an institutional problem of Securitate. The result was that of explaining almost everything, including the social costs of transition, in this anti-communist paradigm. For example, the “communist mentality” of the population and the former communists and Securitate collaborators involved in politics and economy, who opposed the radical change, was the primary explanation for the failure of transition.

Another perspective was illustrated by Poenaru (2017) who analyzes anti-communism as the dominant ideology of transition. The anti-communist ideology also had an active political role, being against those who had any connection with the communist regime and culminated in the formal condemnation of communism by Romania through the Presidential Commission Report for the Analysis of Communist Dictatorship in Romania, known as the Tismăneanu Report (2007). The assumption made by the adherents of anticommunist ideology was that the communist system was inherently evil, and therefore should not be investigated from a sociological point of view, but from the perspective of the regime’s horrors (Poenaru, 2017: 147–148). This scientific literature relies heavily on the victims of the regime (politically persecuted people as dissident or those whose properties had been nationalized are some examples) and the need to compensate them to restore justice (ibid.: 152). Several groups can be categorized as anticommunist during the transition period. The most well-known is the Păltiniș group and its followers, but also the groups formed around former dissidents or politically persecuted people, the intellectual diaspora, and ultimately the far-right sympathizers who have tried to rehabilitate personalities associated with the interwar legionary movement, most of them persecuted by the communist regime. The adherents of the Păltiniș group, formed mainly from conservative intellectuals, had an important role in legitimizing the ideology of transition (Ciobanu, 2009). They used violent discourses against the people associated with the former regime. Also, as self-proclaimed representatives of the civil society, they often promoted cultural elitism, by blaming the population for not having the competencies required to understand how a democratic society function (Zamfir, 2004: 113). The anti-communist intellectuals, who obtained their legitimacy by “demonstrating their attachment to everything that was right-wing, capitalist, and neoliberal” adhered quickly to the neoconservative ideology of the Washington Consensus, promoting the fundamentalism of unregulated free market and becoming the defenders of these ideas, without any kind of critical analysis, in the absence of any competence in the social and economic sphere (Iliescu, 2017: 80–84).

Another result of the anti-communist struggle was an antagonization of the population labeled as “nostalgic”. Nostalgia for the Communist period has become the object of study for researchers in social science, especially in the West. These

studies were using the concept of *nostalgia* to explain the inadaptability of the population to the new conditions of post-communist capitalism. Also, the concept was used to explain the incompatibility between “collectivist values,” specific for the socialist regime, and “individualist values”, desirable in a democratic political regime and in a capitalist economic system (Poenaru, 2017: 191–192).

The industrial working class is most often associated with nostalgia both in the ideological discourse, and scientific studies, such as Kideckel's (2010) ethnographic analysis of the uncertainties faced by dismissed workers in Valea Jiului and Făgăraș. By defining this group as *nostalgic*, inadequate for the new post-socialist reality, the processes of restructuring and privatization were easier to be legitimized (Poenaru, 2017: 194–196). Positive evaluations of the communist past could be better understood not in terms of a passive nostalgia, but rather as a critical discourse on the present state of Romanian society (ibid.). Although the uncertainties could be analyzed from a structural point of view, the issue was presented, especially in the public space, by the failure of individuals to adapt to the new realities.

The anti-communist discourse was dominant in the political arena, mass-media, or universities, while the sociological studies of the former socialist system were rare and rarely mentioned. Pejorative labeling by the term “communist” is suggestive in this respect, the common meaning being “Securitate collaborator, or snitch” while the more nuanced meaning was “backward thinking”, “resistant to change,” etc.

DISCUSSION

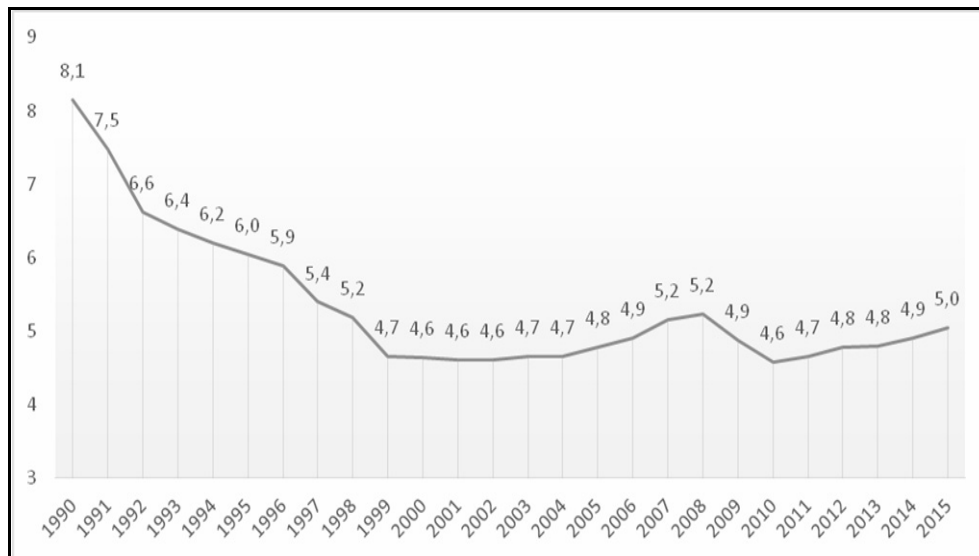
Romania's EU accession was considered by some analysts to be the end of the transition. However, the development gap between Romania and the Western countries continues to be significant, with a substantial part of the Romanian population living below the poverty threshold. The lack of trust in the state institutions is almost generalized, and in the context of state withdrawal from most of the social spheres, individuals are turning to alternative ways to “cope” so that they can handle with everyday life difficulties. A suggestive example is the in-depth analysis of Guțu (2018) who describes how football supporters act as support networks for accessing resources. Unlike trust in state institutions, interpersonal trust within organizations of football supporters is high. The members of the *ultras* groups “use football as a pretext” and spend time together creating both horizontal networks that are activated when needed to solve everyday problems, and vertical networks, with the group leader usually being an influential person (including political ties) that can facilitate access to different kind of resources, including providing stable jobs for group members.

Recent data on the economic and social situation in Romania show that poverty remains a major issue. One of the causes is related to the fact that the

Romanian economy could not recover after the transition restructuring, so that it could offer jobs to a large part of the workforce (Stănescu and Dumitru, 2017). Even if the economy recovered (in 2003 GDP reached 1989 level), the number of paid jobs in the economy has fallen by more than 50% (see chart below).

Chart 1

Number of employees (million): 1990–2015



Source: National Institute of Statistics, online database, indicator FOM105A.

One of the conclusions of the Research Institute for Quality of Life's Social Report (2017) is suggestive from this point of view. After 27 years, Romania is “an underdeveloped, impoverished country with a de-industrialized economy and a disorganized agriculture, an economy incapable of providing jobs for the entire population, with low value-added jobs and a demoralized community” (Zamfir et al., 2017). Poverty and social inequalities are reproduced and become permanent. The social protection system has a low impact on reducing poverty after transfers (Domnișoru, 2014; Dragolea, 2017). Poverty is first among the issues that have a substantial impact on access and participation in education (Neagu, 2012; Țoc, 2016), on access to health services (Precupețu and Pop, 2017), on access to quality housing (Briciu, 2016). Also, in spite of the numerous strategies and projects to improve the situation of historically marginalized Roma, the largest part of the Roma population face discrimination in all aspects of their lives, poverty, segregation, and marginalization (Anghel, 2015).

The rhythm in which social and economic inequalities have increased explains the triumph of neoliberalism in Eastern Europe, simply because of the

“attention”¹⁴ that local elites (political, economic, and cultural) received from the promoters of neoliberal ideas (Ban 2014: 158). Later, these elites either implemented or ideologically defended policies to limit government interventionism and to reduce government spending on the welfare state, (including in areas that traditionally are not considered part of the welfare state: education, healthcare, and housing). The social costs of transition policies were significant, and the population was increasingly reluctant to reforms. In fact, survey data shows several stages in the subjective perception of changes in the transition period: enthusiasm and high hopes immediately after the revolution, followed by an attempt to adapt to new realities, a period of resignation and dissatisfaction, followed by a new period of optimism generated by the economic growth (Precupețu, 2010). The results of neoliberal policies justified by the necessity of breaking up with the communist past meant creating a peripheral state within the global economy, with small chances of catching up the development of Western countries, which was the primary objective of the transition.

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¹⁴ Expressed through funded programs.

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*** Eurostat Database.

*** National Institute of Statistics, TEMPO Database.

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În acest articol argumentez că deciziile politice din perioada post-socialistă în România au fost acceptate tacit de către populație, în principal pentru că actorii politici le-au legitimat prin „ruperea” de trecutul comunist și prin proiecția unei viitoare societăți românești cu un nivel de dezvoltare similar celor occidentale. Prin urmare, a fost utilizat discursul oficial conform căruia deciziile politice care au generat costuri sociale majore au fost „necesare și inevitabile” pentru construirea unei societăți capitaliste avansate. În prima parte a lucrării descriu situația economică a României la începutul procesului de tranziție (1990) și strategiile oficiale pentru o tranziție reușită. În a doua parte a lucrării, discut procesele de justificare și legitimare a reformelor economice, accentuând pe prezentarea lor ca inevitabilă și pe implicarea organizațiilor internaționale precum Fondul Monetar Internațional sau Banca Mondială. În ultima parte, articolul prezintă o parte dintre rezultatele deciziilor politice din tranziție, discutând principalele consecințe care au afectat populația.

Cuvinte-cheie: transformarea post-socialistă; reforme economice; politici sociale; ideologia anti-comunistă; România.

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HOUSEHOLDS' INCOME IN ROMANIA FOR THE 1918–2018 CENTURY: RESOURCES AND SOCIAL PROTECTION

SIMONA ILIE

The paper addresses the changes that have occurred in household incomes in Romania after its constitution as a national state (1918). Land work, industrialization, migration, vocational training and social policy, as income determinants, are discussed in the context of the three great periods that have shaped the last century in Romania: pre-communist, communist and post-communist.

Keywords: incomes; industrialization; land reform; employment; social policy; social protection; households' budget.

INTRODUCTION

The present paper is circumscribed to the initiatives occasioned by the celebration of the centenary since the unification into Greater Romania, in 1918. The time of the union pertains as time to an economic, social and institutional development and modernisation trend initiated at the mid of the foregoing century in the Old Kingdom (the southern and eastern parts of today's Romania) which was parallel to the European trend of economic and social change. During this last century, Romania crossed two capitalist periods governed by market economy, separated by the period of the communist regime that exceeded both these periods in length. Despite pursuing different paradigms, each of these periods started with a land reform and an inflationist period, had as objective to develop industry and looked to ensure some rights for the population. Their achievement in an international context just as dynamic and not always favourable to Romania exposed the population to deep changes at economic and social level. The paper follows the changes on work opportunities and social policy, as well as their echoes on population's incomes, during the three large periods defining the past Romanian century: pre-communist, communist, and post-communist.

By achieving the Union, Romania doubled its territory and population. The new government had as task not only the economic development, but also managing

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regional differences regarding the administration, the economic potential, and the social policies. By the time of the outbreak of the Second World War, Romania was still a fundamentally agrarian country, with advanced labour and social protection legislation that covered rather modestly the population. The Second World War imposed heavy reconstruction efforts and started under harsh inflationist conditions. The immediately subsequent period had as economic target an accelerated development model, centred on industrialization, aimed to diminish the gaps against developed European countries, in parallel to the consolidation of the Communist Party in power. By the time of the collapse of the communist regime, Romania was less prepared for shifting to the market economy than the neighbouring countries that had to exceed during the same time, challenges related to territorial changes, late industrialisation, and the communist regime. The Romanian economy had to recover the technological and structural distance against the European one of the time, and soon economic restructuring and liberalisation programmes emerged by implying inevitable high social costs. The sentiment of economic insecurity, along with the de-structuring of the economic life, dominated the first post-communist decade followed by an unrelated, however, particularly restrictive one, preceded by three decades of unprecedented levels of economic growth and accruals for living standard. The Romanian economy was relaunched after 2000, accompanied by reforms in almost all social areas. As opposed to previous periods, the external migration for labour had sizeable effects in building up the incomes of the population, as it began immediately after the downfall of communism and was subsequently potentiated by Romania's accession to the European Union.

Methodological aspects. The historical perspective cannot be left aside in such an approach, but it has also proved necessary to supplement the statistical information where the last one did not cover the entire time horizon. If a similar thematic structure could have been followed for each of the periods, the cross-section of the indicators was actually unachievable. A series of nowadays-routine indicators were lacking from the statistical records of 50 or 100 years before. On the other hand, quantifying the economic-social development level for such different periods implies more or less accurate procedures of aggregation for these data. Moreover, statistical records in the second half of the communist period were less generous, a series of indicators (including the prices index), being oversized or adjusted and subordinated to objectives defined politically (Ionete, 1993; Dăianu, 1999a; Gaston, 2000; Grigorescu, 2000).

Depicting the social, economic and politic context generating the population's incomes takes up a significant part of the paper, documenting trans-sectional sub-themes such as the economic and political context, work in the rural area, vocational training, labour migration and social policy. The documentation used the legal and memoirs' analysis as well, along with qualitative studies of the respective times. The statistical analysis of the population income dynamics used the data series that was possible to reconstitute.

ECONOMIC AND POLITICAL CONTEXT

The Agrarian Reform and the industrialisation of the pre-communist period held the promise of a positive impact on the resources of the population. These almost three pre-communist decades, however, were segmented by phenomena adverse to economic development, as there was the food and clothing penury after the war, resources destroyed by war, inflation, draught, monetary unification and stabilization, the economic crisis of the thirties, the World War II and, again, hyperinflation (1942–1947). Romania remained an agrarian country for the entire pre-communist period, where only 15 to 24% of the population lived in the urban area.

Between the two World Wars, the direction to be followed vacillated between industrialisation under the protection of the state (for fear of Romania's capital marginalisation due to the stronger foreign capital), along with the policy of open gates to foreign capital, simultaneously with agriculture's promotion based on Romania's natural advantage. During the twenties, Romania did not have an actual industrial regime, as the industrial activity was focused on activities that put to good use natural resources (construction materials, glass, ceramics, wood processing, and textiles); products such as oil, coal, iron, salt, and agricultural and meat produce supported foreign trade. With few exceptions, during the interwar period it recorded surplus even though exports were preponderantly constituted by primary products and processed goods were imported (AS, 1930; Teodorescu, 1936). By contrast, the balance of the foreign trade in the post-communist period was constantly negative, with the highest deficits in the years foregoing the economic crisis of 2008 (INS-Tempo/EXP103A).

On the census from 1930, employees represented less than 10% of the population aged 15 to 74 years, and only 18.9% from them were women, while 61.7% from existing companies in industry and commerce were set up after 1919 (AS, 1939–1940). A distinct and significant category among employees, about one third from total, was represented by civil servants in domains such as finances, defence, justice, territorial development, education, health, cults, and central administration, in a broader meaning than is used nowadays.

With 78.2% of the population employed in activities related to land exploitation, Romania was exceeded only by USSR and Bulgaria (by over 80%), against less than 50% in Hungary or Czechoslovakia, and comparable to Germany, Italy and France. Regarding employment in industry and constructions, the hierarchy is reversed, with an employment level by 10.2%, Romania ranked above USSR and Bulgaria (under 10%), and was exceeded by Hungary (23.0%), or Czechoslovakia (42.4%) (Georgescu, 1938: 48).

The economic crisis at the beginning of the 1930s unleashed its effects less than one year after the inflation toned-down, and the monetary stabilisation occurred. Bankruptcies (including of some banking institutions) and the loss of

jobs were accompanied by a decrease by half of the prices for agricultural and extractive goods, affecting directly the population employed in land and subsoil exploitation. At the same time, wages decreased of up to 62% in 1935 against 1929, and the drop was never recovered up to the time of the war outbreak (Matheescu, 1943: 87). Among these, the wages of public employees registered three periods of wage cuts, known as the “curves of sacrifice”: by 10–23% in 1930, 15% in 1932, and 10% in Bucharest, in the period 1933–1934, respectively a fall by 64% against 1929 (BNR¹). The rural household stagnated also in disadvantaged circumstances, the price of agricultural produce failing to increase at the level foregoing the crisis (only 81% in 1940), while the price for industrial goods they were using lost only 20 percentages during the crisis, and increased to 150% in 1940 (Madgearu, 1940: 80).

After this socio-economic implosion, the industrial development was resumed in 1934, even though criticisms were made about its *greenhouse* nature, much too dependent on customs’ protection (encouraging the import of technological equipment), on imported semi-finished goods, and on foreign capital (Brânzescu, 1941). Despite the accelerated industrial development during the interwar period, Romania never recovered the gap against Central-Western European countries, as many of these were already at an industrialisation level superior to the one of Romania, and accelerated in their turn the development (*Figure 1*) (Murgescu, 2010).

The communist regime had started a particularly difficult time. To the effort required for human and economic reconstruction after the war was added the payment of war compensations to be paid by Romania to the USSR as defeated country, combined with the inherited industrial underdevelopment and with the effects of the draught during the years 1946–1947. Under these circumstances, black market flourished, and inflation already considerable over the wartime, exploded; against 1938, the retail prices index – in Bucharest – increased from 934.4 in 1944 to 853 163 in July 1947 (Murgescu, 2010: 333). The draught afflicted in particular the eastern and north-eastern areas of the country triggering the massive migration of the population from these regions, but also a phenomenon of children separation from their families who could no longer care for them (Gaston, 2000; Constantinescu and Bozga, 2000). Even though food paucity was generalised, the period was known as one of famine, households from less draught afflicted areas were imposed to deliver a share of produce to be redistributed to the first mentioned category (Chefani-Pătrașcu, 2011²). The consumption of the population was rationalised and food and textiles cards were circulated in the first half of the fifties.

¹ Muzeul Băncii Naționale a României, Istoria monedei, Perioada contemporană, <http://www.bnr.ro/Perioada-contemporana--1051.aspx> (februarie, 2018).

² <https://www.historia.ro/sectiune/general/articol/din-minuni-administrative-ale-comunistilor-in-vremea-secetei-studiu-de-caz-judetul-arges>.

Throughout the communist period, the strengthening of the communist party's leading role was pursued, along with imposing the prevalence of labour, equity, and supremacy of collective property in the hierarchy of social values. Up to the beginning of the sixties, the process of population cleansing of elements regarded as *enemies of the people* took place. Initially aimed at former legionnaires and collaborators of the fascist regime, this process focused subsequently on the opponents of the communist regime, against the bourgeoisie and small peasant landowners (*kulaks*), that is against the classes that by their very nature opposed communism. This process took aggressive forms (such incarceration of individuals in inhuman conditions, sometimes without any trial, forced labour in detention conditions, deportation on industrial objective building-sites). To these were added also blocking any chances of progress, by property and personal goods seizure, relocation in improper conditions, employment of high skilled people in unskilled jobs, hindering access or expelling them from higher education, even for other members of the family (Gaston, 2000; Cosmovici, 2004; Giurescu c., 2001; Pop, 2012). The socio-professional ascension was conditioned by a clean family history in relation to the new ideology and adhesion to the communist movement, a condition maintained during the sixties: "*Many joined the Party as they knew they will get from it a house. I became party member to promote, otherwise you never got promoted*" (Bodeanu, 2004: 324; Berindei et al, 2016).

The mitigation of the *kulaks*' issue was given by means of the collectivisation process, while the nationalisation (1948) addressed the issue of the bourgeoisie. The law transferred into state ownership all soil and subsoil resources, all enterprises and individual associations of any kind. The stabilisation (1947) and thereafter the monetary reform (1952) were other processes that led to wages' levelling for people among, as for both processes there was a maximum limit of the amount that could be exchanged (Gaston, 2000; Constantinescu and Bozga, 2000). The positive facet of nationalisation was the possibility of allotting production factors (labour, capital and resources) in relationship to the national priorities and necessities, which for agriculture made possible collectivisation. Additionally, mechanisation allowed for increasing agricultural productivity.

The nationalisation of the National Bank occurred in 1946, part of the real estates in 1950, and foreign trade becomes state monopoly in 1952. It is estimated that in 1950 the level of the Romanian economy achieved the level of the year 1938 (Axenciuc, 2012) (*Figure 1*) and thus marked the beginning of the development based on five-year plans.

The economic reconstruction began by rebuilding the infrastructure and the transportation park that were destroyed by the war, by the conversion of some payment obligations to Romania in technology (equipment, and know-how), by reconverting some industrial rooms and developing the electric grid and metallurgic industry (Gaston, 2000; Constantinescu and Bozga, 2000). The priority of industry was never put into debate as of the debut of the communist period as

opposed to the interwar one. Romania (just like Poland and Hungary) disagreed to economic specialisation within COMECON as proposed by the USSR, based on relative advantage (Balassa, 1991; Gaston, 2000); a certain specialisation took shape in bilateral relations between these states after 1971, especially in the field of machine-tools construction, and car building, as well as in the chemical industry (Balassa, 1991).

After the oil shock by the beginning of the 1970s, the European countries, even the COMECON area, restructured their economies (some had already initiated the process) and resorted more emphatically to new technologies, developed their services and made room for decentralised decision and free initiative. To the contrary, Romania maintained the policy of extensive economic development, based on the priority development of heavy industry and on allotting resources by hyper-centralised decision. Moreover, the communist authorities promoted at the time the diversification of commercial relations of the clearing type with developing countries outside COMECON (for instance, raw materials vs. machine tools), diversified the objectives of social policies, and resorted systematically to prices' control for maintaining the economic objectives (Ionete, 1993; Gaston, 2000; Murgescu, 2010); the outcome was what might be called pauperising growth (Dăianu, 1999b).

At the beginning of eighties Romania had difficulties in paying the external debts generated by the insufficient energy resources from domestic supply and some technological imports needed for major industrial objectives. Some contracts even provided for their payment, partly or in full, with Romanian products (Betea, 2011). There was an interdiction of new loans, and for the end of the 80's full payment of external debt was foreseen. This led to cutting down imports, including technology ones, in favour of what existed and on what could be produced in the country, to orienting production towards export, to severe quantitative and qualitative diminishment of population's consumption, and subsequent plunge of the living standard.

Under such conditions, the last decade of the communism meant that a series of large consumption goods (colour TVs, washing machines, refrigerators, cars, phone number) were obtained only by means of the enterprises, based on lists, and in some instances after years of waiting, or on the informal market. The food penury was accutely felt. In order to ensure the required foodstuff but also an additional state fund, in 1980, was provided on legislative basis for the obligatory households' contribution (share) by contracts concluded with local authorities to ensure 10, 20, respectively 30% of the local consumption of meat, milk, respectively vegetables. From random supply or at improper hours for the employees as ensuring subsistence means consumed all the extra-job time of the family, the shift was made (again) to the quotas per person system, more restrictive in the rural area, or to quotas based on the identification card thus corralling purchases favoured by commuting. The imperative of energy saving led to electric power shut-downs for a

several hours daily (as a rule during the peak hours) in houses, but also in enterprises and commercial units.

N-W: *I go each morning with two bags to hunt for milk, butter, meat, fire matches, potatoes, and others that I cannot find. Some days I'm lucky and make a catch. For instance, yesterday was my lucky day as I bought 5 toilet paper rolls, and 2 boxes of detergent* (Țăranu, 2012: 96).

C: *Before work, we prowl in the city for milk, butter, bread. If we find something, we go content to work, if not we spend all the time thinking what we're going to do. After an 8-hour shift, we do again the same thing: searching for something to eat.*

C: *Endless queues are everywhere. One cannot find cheese and butter, meat not at all, sugar, oil and flour we receive on lists with the ID-card, one kilo per person, per month. We receive bread at three days.*

Rural, C: *Now for two weeks already they cut the power off on saving grounds. In this period at the state farm, because of the cold, died 400 piglets. Supply is even worse: for one kilo of sugar per month, you must give eggs. For potatoes we go all the way up to Făgăraș, and bread has no longer been made for weeks* (Țăranu, 2012: 83–84).

The limits of the system were felt at enterprises' level as the lack of raw materials, of orders, and even as the production on stock that generated fluctuations or even stagnation of the activity, accompanied sometimes by personnel layoffs. Unemployment and job insecurity were denied officially. However, when the enterprise reduced its activity for periods of 1 to 3 months, the so-called technical unemployment, it threatened the financial balance of the families, as the unemployment benefits were non-existent. Commuters were the main target for the layoffs, who could be thus redistributed in agriculture. The intensive industrialization process by the beginning of the communist period attracted preponderantly the youths and the male labour force (see the migration section), a process becoming even more marked, so that towards the end of communist era the rural population was aged and feminized.

S: *We, about 600 workers were forced by the unit's management to ask for unpaid leave of absence, in other words to go home as of February 5th 1981. ...How will we pay rents, maintenance, electricity and other expenditures? About 100 persons were restructured by the sugar enterprise. As solution, we received the proposition to be detached in units from [NE], [NW], but what shall we do with our families? Another proposition was to carry out unskilled labour at a pork-meat farm and at one for calves.*

Bucharest: *About 100.000 employees at the Public Transportation Bucharest Enterprise (I.T.B.) will find themselves in the situation to look for a job* (Țăranu, 2012: 76–77).

Faced with these situations, the population developed various survival strategies: support of the extended family from the rural area for supply with foodstuff, building personal relationships with colleagues and superiors for leaves-of-absence during the working hours, or with other persons in privileged positions, especially in commercial units, for access to food (Bodeanu, 2004). Others were thefts from the collective farms, declaring lower numbers of livestock in the own household as these were the reference for determining the quota to deliver (Șișeșteanu, 2011). Theft at the workplace (from the food inventory, but also from non-food factories) in order to obtain products that could be individually traded by sale or in exchange for something else (Bodeanu, 2004; Berindei et al., 2016), and demands for emigration (especially of the Saxon population) which seldom received positive resolutions and as a rule after repeated attempts (Țăranu, 2012).

Once the communist regime collapsed, Romania paid for the political decision of the previous two communist decades by closing up, against the European economic trend. The Romanian economy became an industrial citadel, diversified unsustainably, dominated by large industrial complexes with scarce experience in decentralised economic decision (Dăianu, 1999b). As compared with neighbouring countries, it ranked at the lower end from the viewpoint of free economy indicators' perspective, and for some criteria, the country was exceeded even by former countries of the USSR (Ionete, 1993). Just like for other former communist countries, GDP dropped in the first transition years as result of the COMECON market downfall. Unlike some of the EEC (the Vișegrad countries, Estonia and Albania) Romania did not recover its pre-transition level until 2000, but just shortly before the economic crisis of 2008 (Maddison, 2010) (*Figure 1*). The legislative and institutional building specific to the new economic organisation began immediately, but progress and efficiency of transition were not the ones aimed at.

The debut of transition was a stage of moral reparation as well: on one hand down-top pressure existed for consumption goods, and this motivated putting a halt to exports and, on the other hand, liberalising imports. Next, a series of social rights were claimed by trade unions and last, but not least, the issue of the property rights suppressed fifty years earlier was raised. The privatisation in industry (1990), and next, the one of real estates (initiated in 1995 but undergoing substantive alterations in 2001 and thereafter) were more complicated processes than the same process in agriculture (1991). Enterprises from the "defence, energy, mines and natural gas exploitation, postal services and rail transportation, and some of the areas pertaining to other branches as determined by the Government" had a distinct privatisation regime and were turned into autonomous administrations where the State maintained notable influence by appointing their administration councils and approving the balance sheets. The share capital of the economic entities not entering into this category could be divided into shares or social shares, 30% of these being distributed free to the Romanian citizens with their residence in

Romania. The participation of the shareholders to decision was done in frameworks that were constituted then, as well. Currently, the incomes from dividends, just as those from rentals and interest are minimal within the households' budget, close to the ones in other former communist countries, but much smaller than in Denmark, or Finland (1.5–2%, against 4.4–7%) (Ilie, 2018: 224).

The set-up of private economic agents was legalised simultaneously, and the liberalisation of prices was initiated. Similar to prior periods, the beginnings of the post-communist period are marked by hyperinflation, which in 1991–1994 melted down population's financial resources. However, the yearly maximum of 256% in 1993 (INS-IPC) was below the severity of the one at the beginning of the communist regime. Prices' liberalisation was achieved in three stages, between 1991 and 1997. The first stage aimed the prices of all consumption goods save for twelve food products regarded as essential and energy. The latter were the object of the last liberalisation period that, in parallel to the programme of significant restructuring in economy, defined the period of population's most severe living standard decrease in post-communism (Zamfir et al, 2010: 26, 28).

Nevertheless, economic restructuring was not accompanied by the crystallisation of a modern economic structure, competitive at European level. After the fall of the communism, trade has been one of the sectors with accelerated increases in the number of its employees, however wages remained small: in 2015, it comprised 16.2% of total employees, with wages by 85% from the national average wage. The most consistent fall in the number of employees was in manufacturing industry, from 42.3 to 24.3% of the total (INS-Tempo/FOM106E, FOM104F). The population laid off from industry was reabsorbed by the rural area, as they turned, in general, into self-employed in agriculture. Almost over two decades after the downfall of communism, Romania has a share of employed population in agriculture, and a segment of unpaid family workers that is at atypically high levels as compared with the European area (*Table no. 1* and *Table no. 2*). This last occupational form reached 28% for the age-group in the immediate post-pensioning period in 2015 (against only 5.6% the average of the EU28), respectively 30% for the age group 15 to 24 years (against 2.1%; Eurostat/ *lfsa_egaps*), and just like in the pre-communist period, represented widely in agriculture. This was the mitigation reply to the low level of incomes and to lacking employment opportunities.

The decrease in the employment rate was to be expected along with the generalisation of education and its extension at secondary and tertiary levels, the improvement of the general health condition, wider access to food and decent housing, with the expansion of the pensions' system, and the access to more consistent incomes, in general, during the communist regime. It was to be expected, as well, that economic restructuring of the post-communist period would be accompanied temporary by employment decrease, during the time of labour force reskilling according to the new directions. Left at the free will of the invisible hand

of the market, the new directions in employment failed assuming a clear shape, nor did they benefit of the support of educational, fiscal, and legislative policies, etc. The information technology is an exception from this perspective. This field expanded as of the first half of the nineties top-down throughout the educational system, as the labour force employed in the field benefitted of favourable wages and taxation, it was fuelled by the entry of multinational companies on the Romanian market, and once agreed on the Lisbon Agenda, it became an explicit goal of the development plans.

In the dynamics of Romania's economic development for the last century (dotted lines) is identified the relative stability during the interwar period, the decline in the wartime, and the one caused by the post-communist transition (more marked), and the spectacular increase during 1950–1980 and the re-launch by the beginning of the current century. The Figure also captures the fact that the spectacular economic growth during the communist time, though improving Romania's position in relation to the performances of the former communist Eastern European countries was not an exception. These latter countries, as well, knew accelerated growth, Romania failing to achieve the average performance of the former south-eastern communist Europe (75–80% in the eighties, against less than 60% in the fifties). Romania's strategy in the transition to market economy proves to be less efficient than of the other Eastern European countries, the gap against their average performance *increasing* to levels comparable to the ones at the time of the incipient communist regime. Constantly much higher was the gap against Western European countries.

Table no. 1

Level and structure of employment³, %

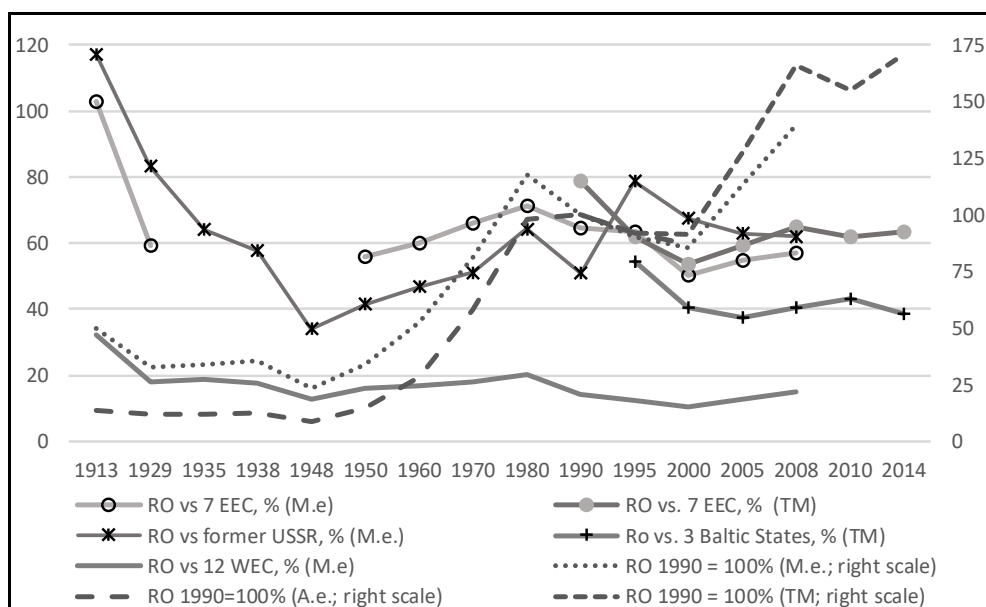
	1930	1956	1966	1977	1992	2000	2010	2015	
								RO	UE_28
Employment rate (15+ y.o.)	88.1	82.4	73.3	67.1	53.6	56.5	45.7	50.8	52.2
Employees	10.4	31.3	46.7	67.7	79.9	55.1	64.8	71.0	83.9
Self-employment	32.0	60.9	7.6	6.5	15.0	24.9	22.6	19.4	14.9
Contributing family workers	44.4	—	—	—	2.1	19.7	12.6	9.5	1.2

Source: Census 1930, 1956, 1966, 1977, 1992; INS_Tempo/AMIGO, Eurostat/lfsa_egaps, lfsa_ergan.

³ For the employment rate up to 1977 inclusively, the active population indicator is used, similar to the definition of the employed population used thereafter. The indicator is computed by the ratio between active/employed population and total population aged 15 years and over. In 1930, the employed category did not include servants and apprentices, while in 1956, 1966, and 1977 this category included peasants with individual households, intellectuals/clerks, and artisans in collective farms. Self-employment up to 1977 inclusively included peasants with individual households, private artisans, and free lancers. Contributing family workers from 1956, 1966, and 1977 were considered according to the actually performed occupation, without any distinct records for them (Census 1977).

Figure 1

GDP per capita dynamic (real terms estimates)



Source: M.E = Maddison, 2010 (1990 International Geary-Khamis dollars); TM = TransMonEE 2016 (constant 2005 US\$); A.e = Axenciuc, 2012 estimates (PPP dollars, 1990).

Table no. 2

Employment characteristics, %

Indicators	m.u.	1930	1950	1960	1970	1980	1990	2000	2010	2015	
										RO	EU28
Employment in industry and constructions	From total employment	7.2	14.2	20.0	30.8	43.8	43.1	27.3	28.2	28.5*	23,9*
Employment in agriculture and forestry		78.7	74.3	65.5	49.3	29.8	28.6	41.4	29.1	25.6*	4.5*
Employees' dynamics	1990 = 100	12.5	26.0	39.8	62.6	90.0	100	56.7	53.7	58.4	—
Pensioners' dynamics		-	12.5	19.2	71.9	83.0	100	167.3	154.3	142.9	—
Employees/pensioners			4.6	4.6	1.9	2.4	2.2	0.7	0.8	0.90	—

Source: Population Census 1930; AS 1939/40, 1991; INS_Tempo, (AMIGO after 2000); * Eurostat, lfsa_egan2.

Table no. 3

Distribution of agricultural exploitations by their size, % from total exploitations

	1930	1948	1998	2005	2013	
					RO	EU28
Under 0.5 ha	18.6	17.2	45	28.5	38.8	26.4
0.5–1 ha				16.5	15.8	
1–2 ha	33.5	36.0	24	21.1	18.1	
2–3 ha						
3–5 ha	22.8	22.9	31	24.6	19.4	16.9
Over 5 ha	25.1	23.9		9.3	7.9	56.6

Source: AS, 1939/1940; AS, 2009, 2015; Golopenția, Onică, 1948/1999; Chircă and Teșliuc, 1999 (WB); Eurostat/ ef_kvaareg.

RURAL LIFE

By the beginning of the pre-communist period, Romania implemented an Agrarian Reform (1921) that aimed at expropriation from properties with over 100 ha as source for the land allotments to peasants/sharecroppers. The expropriated and redistributed lands were of up to four ha and they were granted with priority to the war veterans and the inhabitants from the rural area, but “small clerks, workers living at town edges, workers from mining and industrial centres” could also receive small land plots (0.15 to 0.30 ha) for their household exploitation. Payments for the gained land could be done in instalments, but failure to pay in four semester instalments led to loss of the property right. Even though a large part of the rural population gained thus property over an independent income source, households with no lands or which owned insufficient plots for ensuring their subsistence (under 2–3 ha) continued to exist (*Table no. 3*).

The gained land was not necessarily the most productive of the area (as these lands were kept by those who were expropriated), nor fulfilling the same agricultural function, or distributed in the same place. At the same time, it was not necessarily in the immediate proximity of the house, or it was placed in areas that only of that time began to be inhabited (Ștefănuță, 1939; Tiriung, 1939). Land reform did not aim to the issue of agricultural equipment or if the livestock in ownership, as well, so that farming had weak productivity and ensuring the subsistence necessary required the participation of all household’s family members to working the owned land. These represented the category of auxiliary workers in agriculture, the largest occupational category of the time (*Table no. 2*). Ensuring the subsistence necessities motivated land leasing, and the resort to non-agricultural types of activity (including work-days) or purchasing additional plots of land. Paid work in agriculture was compensated depending on the agricultural calendar, season, region and required competences, but was placed at levels similar to the last wage classes from industry (*Table no. 4*).

Such activities became known under the name of village industries (Anastasiu, 1928) and consisted in raising and selling livestock or animal products, wood processing (for household use, toys, furniture, musical instruments), straw beads, textile processing and embroidery, pottery, tinware, leather/furrier's shops, but also timber and sawmills, mining, railway constructions (Anastasiu, 1928; Dunăre, 1942; Tiriung, 1942b, 1942c). Part of these activities were taken over in towns as well (wood processing, textiles), but under industrial forms and processed comparatively at superior standards (boot shops, duvet manufacture, meat processing; Anastasiu, 1928). The craftsmen from village industries could sell their own products at more or less neighbouring fairs (interregional trade between Central and South Romania is a known fact) and turning back home with products for the consumption of the family and that could not be found in their area of residence (Reteganul, 1939).

In absence thereof, particularly the households with less than two ha, sacrificed their food consumption (as it was anyway poor in animal protein, and with high risk of undernourishment in the summer), or could lose their own land. Else, they were compelled to sell it out, even if only partially, for covering the debts accumulated, and/or to search for a job in town (Gusti, 1938). The demographic growth and the practice of inheritance rights by which land was divided equally between the children, led to the additional division of the lands (even under the minimum limit provided by legislation). These processes determined the composition out of several plots of one agricultural exploitation (6,5 in average) (Golopenția, Onică/ Golopenția, 1948/1999: 514).

This property crunching was constantly deplored by the intellectuals of the time. They insisted on regulations that would lead to increased profitability in agriculture (such as reconsidering inheritance rights, enforcing the legislation regarding the minimum plot of 3 ha, setting up peasant collective farms and credits that would stimulate association and acquisitions of equipment, an issue to which the Land Reform did not provide answers). Their main point regarding the issue being that all agrarian reforms after 1864 did had as effect but "the systematic levelling of peasants in poverty" (Cornățeanu, 1937; Ciulei, 1937) as the social and political considerations were paramount against the economic ones.

In mitigating the issue of agricultural production's profitability, among the first post-war measures takes place another Land Reform (1945). This time, it aimed at the properties of over 50 ha (in either one or several plots) and uncultivated land, in view of expanding the plots held by peasants' households with less than five ha and for building up new ones. At the same time was pursued the "setting-up close to towns and industrial localities of some vegetable gardens for supplying workers, clerks and craftsmen", and "reserving some fields for agricultural schools and model experimental farms in view of increasing the level of agricultural crops, and of the selected seed production, under the direction of the State". These ideas had been circulated also before the Second World War. Those who obtained redistributed land were supposed to pay on acquisition either in cash

or in-kind minimum 10% out of the value of the land, and subsequently, in instalments for 10 or 20 years, depending on the gained plot surface. By the end of the reform, the structure of the agricultural property did not change essentially (*Table no. 3*).

The profitability of agricultural property and the thesis of agriculture's development re-entered into focus by 1949 (Decree 83), as one of the pillars for justifying the collectivisation process, a fact that actually made possible – at least in its first stage – the realisation of this process based on free will adhesions. Next to them the process of social cleansing brought into attention the small landowners (*kulaks*), defined not only based on the surfaces of their plots, but also based on their quality of employers of labour force, a criterion used for defining the bourgeoisie (Manoilescu, 1942/2002). In this way, were aimed as well the households of peasants who had succeeded to achieve a certain degree of economic stability and welfare, despite their lacking extended plot properties. Their properties were seized (land, house, agricultural inventory, or small workshops), and the members of their families were moved to other regions, and with designated/obligatory residences (Giurescu, 2001; Chefani-Pătraşcu, 2011; Pop, 2012). The collectivisation process lasted 13 years and left outside the process few plots especially meadows and others in the mountain area where collectivisation would not have been profitable.

Once the land was ceded to the cooperative, the rural area inhabitants could turn into agricultural workers working in the collective farms from the area (CAP) and they were paid per working day. The payment meant mainly a share of the produce and only marginally an amount of money, as a rule, insufficient (Şişeştean, 2011). After the sixties, next to the imposed production norms for achieving the yearly and five-year plans, after fulfilling the norm within the cooperative, the rural residents could obtain 'a support plot' of about 2 to 3 acres for individual crops, and the obtained production was shared with the Cooperative, as well. In some instances, this plot was reduced to the garden of the household (Şişeştean, 2011).

Employment in collectivised agriculture was represented mainly by women who gained a comparatively smaller income than men who were employed full-time in CAPs, because they shared time between agricultural work and child nurturing (under 4 years; for those with ages between 4 and 6 years seasonal rural kindergartens were ensured) (Țopa, 1970). Leaving aside agricultural work, employment opportunities were minimal, and they were represented by jobs related to agricultural mechanisation, local administrative and public services, small trade, craftsmen/artisan cooperatives, and industries that had working points in the rural area (for instance, extractive industries). In peak times, or for helping out with realising the production norm children and elderly from the family participated as well, along with the husband/wife who were employed (in the urban or rural area) and who delivered their work after the conclusion of the working-time, in weekends or even during their holidays (Țopa, 1970). In the 1980s in the crop gathering process were involved also youths delivering their military conscription

duties, students and pupils from the upper-secondary day education, but also employees of enterprises from the urban area who, in the absence of orders for industrial production were laid off. Throughout the entire period, the income from agriculture represented a complementary income of the family. Up to the sixties, this income was added to wages earned in the urban area, or by performing various regional industrial activities. The latter were higher, in a known amount and on fixed dates (Țopa, 1970) as opposed to the fluctuating incomes from agricultural work depending on the quality of the cooperative's management, and on the natural conditions (Șișeștean, 2011). By the end of the 1970s the resources of the collectivised peasant turned precarious, the shares to be handed over to the cooperative turning into a real burden. Additionally, a series of non-agricultural products that were not generated by the household were obtained by barter. Thefts from the cooperative's production or understating the livestock inventory of the household for diminishing the shares were the chosen paths to ensure a minimum of food for the rural household or for their children who had moved to town (Țăranu, 2012; Bodeanu, 2004).

C: We were that close to have everything taken from us, the peasants (...) If you needed cigarettes, you had to pay by giving eggs, and if you needed corn flour you had to give a hen. All that the peasant needed and lacked, he did not receive unless if and only if he handed over foodstuff he was lacking as well. Milk contracting was almost always forcefully done, and moreover, the quotas were unrealistic and unachievable (...) tiles cannot be found unless in exchange for cereals or meat" (1981–1982; Șișeștean, 2011: 257).

Rural, C: In the country, if you want one kilo of sugar, you must pay 11 Lei and deliver extra a hen. That's how peasants remained without poultry in their gardens, and the state no longer gives feedstuff for these birds (Țăranu, 2012: 75).

Rural, S: For sugar and oil we must plant beet and sunflower on the support plot, otherwise we get nothing. Whom should I work with the plot of sunflower? (woman) (Țăranu, 2012: 83).

My father in law was from the country, from hereabouts in the neighbourhoods of [NE], and they used to have pigs or hens, this and that...and used to give us also meat, potatoes, onions because otherwise it would have been a disaster! You entered into shops and all you got were naked empty shelves (Bodeanu, 2004: 326).

The peasant household had a glimmer of hope with the collapse of the communism. Law 18/1991 allowed for the return of minimum of 0.5 ha, and maximum 10 ha per family (extended subsequently to 50 ha and to forest surfaces), by de jure abolishment of the agricultural collective farms. Some authors even speak about the role of this law in formalising what occurred spontaneously in 1990/91 (Chircă and Teșliuc, 1999). The issue of equipment and infrastructure was

not regulated, so that large parts thereof either deteriorated in time, or was distributed arbitrary. The redistribution in itself was not seamless and repossession of land could not always be done in the old sites, so that for the respective situations regulation was attempted a couple of years later (2001). As result of the privatisation, a segmentation of the rural property occurred which was even more marked than in the pre-communist period, and it continued to become even more noticeable (*Table no. 3*). The idea of agricultural association was abandoned after the wind up of agricultural cooperatives and received rather reluctantly only after 2006 (together with the paradigm of the social economy promoting the classic idea of cooperative, as form of supporting the interests of a professional group). The peasant's household returned thus to autarchic forms of work, based on the labour of the family members or on land leasing to sharecroppers, the latter being supported also by the legislation regarding subventions for the agricultural production after 2000. As opposed to the pre-communist period, this time it was not the landowner incapable of managing alone the entire property who was leasing to sharecroppers, but the former reinstated farmer. However, they were even more often the inheritors of the former farmers; these, because of their age, lack of equipment, lack of competences or because of the distance between the area of residence (very often in the urban area) and the regained land could not or would not work alone on the respective land. The deep economic restructuring and the heavy economic re-launch led to the re-emergence of auxiliary workers in the pre-capitalist period (*Table no. 1*). These are currently known as unpaid family workers and this category is specific not only to Romania, however their weight in the Romanian occupational structure exceeds by far the level in any other European country (*Table no. 2*) (Eurostat/ lfsa_egaps).

LABOUR MIGRATION

The World Wars were both followed by a significant migration process to industrial areas (urban or rural) holding the promise of higher incomes in industry and better living conditions (Gârbacea, 1925: 37 apud Anastasiu, 1928; Țopa, 1970). Migration involved to larger extent young individuals from 10 to 12 years old in the twenties, respectively 14–15 years old in the fifties. In the first case, commuting or migration to fairs in the proximity, or towns with industrial activity where they could get employment as “servants to the boyar”, unskilled workers, apprentices or employees in the developing industry. In the Census from 1930, in large towns somewhat less than 40% of the population was born in the locality of the census review (26% in the harbour town of Constanța, about 40% in Bucharest). Migrants were to the largest extent men. The Census identified among those living in rented residences only 45% women, respectively only 6.6% women apprentices against the number of men in these instances. After paying the rent, ensuring their food and clothing, the money allotted for the family remained in the

rural area, for investment in households, for buying a plot of land, or for building a house (Ștefănuță, 1939; Golopenția and Pop, 1942). Living far from the family could be only over the cold season, thus financing the spring agricultural activities, could last for several consecutive years, representing de facto a family separation or, it could turn definitive (once their family joined them). Even if by vocational training they could obtain a job in industry and trade, or as public servant and consequently better incomes (*Table no. 4*) for a newcomer town life was difficult, with variable incomes, under precarious living or even hygiene conditions (Oprescu Spineni, 1937; Golopenția and Pop, 1942).

[M] was thirty-seven when he left home for Bucharest. Here he worked as unskilled worker on sand deposits and went then to Diaconescu's factory. This winter, always working outside in the cold, he got sick with bronchitis, lying for four weeks in bed with his wife and their baby of just one and half year old. The physician came to visit him, gave him a prescription, he took the drugs, and by the time he finished taking them he died. [...]

I left home as I saw how many went to Bucharest and wrote that they were doing well...I was young, had no land inherited from my parents, as all lands were in the hands of the landowners. In [1914] my father had died, and he left nothing for me, not even dust. After the war, all received five plots of land and place for a house, but I was overseen, as I was not married. So, seeing as I had no fortunes to go by, I went to travel in the world. In Bucharest, I worked first on Borsan's land. Now I work at Berkovitch's factory of construction materials with a carriage and a horse. Earnings are poor: seventy Lei per day, out of which thirty go for food... you cannot make savings at least, say, for a shirt... (Țiriung, 1942a: 497).

People are in more numbers. Now there are many people, but still the same land as before. How can you feed all the mouths? If you don't have what to work, and you don't, then you die. These (makes a move with the head pointing at the tables on the street in front of Café Royal which are all crowded), these, I say, what do they eat, where does all the money come from to have so much time for leisure? [...] Even I, had I been better at learning, I could have been something more special, not a sweeper. [...] I thank God that we could put aside some money; maybe we can buy a plot of land in [my village] and a little house. I put my money on a check, and now I want to cash them, because war is coming, and then it's bye-bye to them" (young man from NW) [...].

They are far, I am far away. Sometimes I wonder if I'm the father or not. You leave all behind, woman, children, everything, you just go to earn some money (M, young man, from South, left one year ago the village)" (Bucharest) (Popescu, 1939: 87).

The studies realised by the end of the sixties identified a commuting level of 28.9% among the young individuals with residence in the rural area (Stahl H. H.

and others, 1970: 71), respectively by 26.6% among those employed in industry, and they were mostly oriented to chemistry and electric power industry, out of whom 70% were men (Filip et al., 1972: 87). Out of all young individuals employed in industry, only about 15% did not commute daily, a type of commuting in which were involved, as a rule, the employees of the industrial objectives' yards from the country. A study shows that in case of such yards living in barracks for periods that could exceed periods of 5 consecutive years, even in more than 4 yards from the various regions. At the same time, the age for leaving the rural birthplace exceeded often 30 years of age (37,8%), and 42,4% from these individuals came from families of at least six members, and over, 32% from their total family members being CAP farm workers (Țopa, 1970: 169–171).

For the absorption of industrial labour force, building urban housing facilities took the shape of flat buildings' as expression of modernity, initially in the free land rooms inside the localities. After 1974 (Law 59), this activity was circumscribed in an excessively wide plan of territorial systematisation which aimed among others "to restrict building perimeters of the localities at what is strictly necessary", and "to bring closer living standards" from the two areas of residence. The law allowed for having only one house per family, rented either from the state, or in private property. Together with this systematisation was initiated also a programme for developing medium and small-sized urban localities. On one hand by "closing" the greater urban for the higher education graduates (students after graduation received job assignments, depending on the specifics of their skilling, in such localities), and on the other by assimilating some rural localities to the smaller urban area (Chircă and Teșliuc, 1999; Murgescu, 2010).

By the beginning of the pre-communist period, emigration had low incidence in the Romanian'pace. The migration abroad was quasi-absent, save for trade purposes, but mentioned for regions outside the Old Kingdom also as long-term migration (mainly to North America; Stănescu, 1930; Reteganul, 1939). Moreover, at the beginning of the century Romania had the shape of an immigration country, as over time was built a community of craftsmen, in their majority foreigner. The craftsmen preferred, in their turn, to employ apprentices of the same ethnic origin, or had showed bias towards importing labour force instead of the vocational training of the autochthonous population (Stănescu, 1930; Tașcă, 1940). These trends justified a law for protecting the employment of the Romanian population, which stipulated that at least 75% of their employed personnel should be Romanians. Immigration was restricted, more precisely better controlled, after the economic crisis, when employment and practising some crafts became conditioned by fulfilling certain certification conditions in Romania, based on mutual criteria with the countries of origin (Ștefănescu, 1939).

In the period of the communist regime, working abroad was possible on building yards in Middle East and North Africa countries, with whom economic cooperation relationships were developed, and only accidentally in other countries.

These instances allowed access to non-food products purchased from abroad. Next to this, small border trade, the contacts of the German ethnics with relatives settled in Germany, and tourism in other countries of the communist block as a rule, were the only legal contacts left for the Romanians with the outside world. These relations were under tight control after 1973–1974, by legislation that implemented the monitoring of contacts with foreign tourists in Romania, as well as the prohibition of currency exchange (Berindei et al., 2016).

After the collapse of communism, migration to the greater urban was resumed, but also a consistent wave of external migration was registered, as well. The migration increase in the rural was negative up to the year 1997 (the beginning of the most severe post-communist living standard drop) and turned subsequently positive (INS_Tempo/POP303A).

The migration for trade outside the country over the first years of transition, was added the migration for work, initially informal, but which became even more marked after 2000 once the visas were removed, and thereafter with the accession of Romania to the EU area. The migration destinations varied over time as priority. Regional destinations, such as Serbia, Israel, Greece or Turkey either for trade or labour, were supplemented with other European destinations (at first more intensive in Germany and France, next to Italy and Spain, and more recently the northern states), or with the older destination of North America (Sandu, 2006). Leaving alone, and subsequently reuniting or forming families, the migrants have tried out multiple destinations and circular migration, as they left and returned to the same destinations (Păun, 2006; Radu și Radu, 2006), under difficult, risky and expensive travelling conditions before visas' removal (Șerban, 2006). Living in improvised conditions or sharing rooms with more individuals sometimes over several years (Păun, 2006), the Romanian migrants were in search for resources that would ensure a minimum decent living standard in a predictable time-horizon. Up to the outbreak of the economic crisis, the remittances sent to the (extended) family remaining in Romania reached notable shares (aprox. 3.5% GDP) (BNR, 2008), covering daily expenditure of the family, or representing investments for the time of returning into the country when enough capital, or pension rights had accrued in the country of destination. The economic difficulties in the countries of destination occasioned by the economic crisis cut down these amounts and generated a more marked circular migration (Stănculescu and Stoiciu, 2012).

Why shouldn't we leave? Here you didn't find any job [...] and if you did, you found anyway in [the closest town], and poorly paid at that, because here, in the village, there's nothing more to be done, but farming and working daily weeding. But in the winters? What can you do in the winter time? (Păun, 2006:108).

I sent money home [...] for my parents, for the husband's parents but especially for the child, and the money were used for daily needs like food, or pressing issues, like wood in the winter [...]. The other extra-money I save

for a house; that's our dream, mine and my husband's, and that's why we left (Păun, 2006: 115–116).

Table no. 4

Wage disparities on branches and professions, 1934–35, Lei/month

Royal Ministry of Foreign Affairs (max)	8011	Extractive industry (max)	2237
Council of Ministers	6526	Transportation and warehousing	1894
Ministry of National Defence	6031	Food industry	1886
Ministry of Education, Cult, and Arts	3577	Commercial professions	1868
Min. of Agriculture and Properties	3346	Unskilled workers	1765
Ministry of Interior (min)	2855	Metallurgic and mechanic industry	1661
<i>Average wage: civil servants = 3908 in industry and trade = 1705</i>		Industry of clothing and hygiene	1558
		Farming professions (min)	1475

Source: AS, 1939–40.

Table no. 5

School participation on educational levels

	1930	1938	1950/51	1970/71	1990	2010	2015
Upper-secondary + post-upper-secondary	7.1	2.8	8.1	12.4	23.7	27.9	25.0
Professional + apprenticeship		2.2	4.3	6.5	8.5	1.6	2.2
Higher Education	1.0	1.5	2.3	3.5	4.5	20.0	17.3

Source: author's calculations after Rec. 1930; AS, 1991; INS_Tempo/SCL103G.

VOCATIONAL TRAINING

Industrialisation over the pre-communist period, and over the communist one, stimulated and induced the direction of labour force professionalization. Up to the Law of vocational training from 1936, this was regulated by pre-war laws. The Law of Social Insurances from 1912 provided a modern basis for licensing trades and labour relations, but vocational training had remained tributary to the system of guilds which operated by the beginning of the previous century (Donea, 1938). As result of this law, but also of the increasing demand, industrial and commercial lower and upper-secondary education is stimulated as it concluded with certification of trade. Higher education grows and diversifies as well, by setting up new universities/departments and by including polytechnical and agricultural schools among the universities. Higher education and vocational training graduates aimed to be employed with public structures, however without mitigating the professional demand of the market (Tașcă, 1940). Between 1920 and 1938, the number of those enrolled in vocational schools increases by 3.5 times, the number of higher education students increases 2 times and the weight of girls enrolled in

tertiary education increases from 14.6% to 24.5%. Faculties of Law remain nevertheless dominant, even though the weight of students with this specialisation diminishes from 49% to 29% between the two periods (AS, 1922; AS, 1939–40). The economic crisis generates a recoil of tertiary education as young individuals with higher education are widely affected, fact that triggered criticisms regarding the accelerated pace of tertiary education, but also injected a more marked practical approach of the entire vocational education after 1936. However, overall, medium, and superior vocational training remained poorly outspread (*Table no. 5*). On the 1930 Census, population literacy was only 58.6% from all those aged over 7 years (68.9% men, 45.8% women). The educational reform of 1948 which provided for gratuity of primary education with compulsory first four grades allowed for combating illiteracy.

The industrial objectives, the construction yards, and even agriculture by the beginning of the communist period required a certain skilling of the labour force, and the solution of skilling on the job was identified along with short-term training courses (couple of months), developed close with economic entities, and evening schooling (after the working hours). All of them were encouraged based on the legislation passed by the beginning of the fifties, which provided for scholarships for students attending these courses, and for students in universities, as these were added to a variable fraction of the wage before beginning education. The amount of the scholarships depended also on whether the students were married, or not, had children, or not. Against the pre-communist period, the weight of the students enrolled in secondary education increased about two times up to the year 1950. This increase continued subsequently with a noticeable leap of those enrolled in upper-secondary and post-upper-secondary education, and a significant increase of higher education in the first post-communist decade (*Table no. 5*).

On a restricted scale, the studies abroad were still possible under the communist regime for the political elites and for those with “healthy origins”, but not for the cultural-intellectual or the traditional economic elites of previous periods, categories which were decimated as result of political cleansing. The field were predominantly of political and technical nature, with a last upsurge for technical higher education in 1973 (Berindei et al, 2016: 20). This year represents the beginning moment of the cultural walling against the outside world by the decision to suspend subscriptions to the majority of international scientific, or press publications (Betea, 2011), added to the economic enclosure. At the same time, occurred the severe marginalisation of social sciences shown not only by the interdiction of studies abroad, but in particular by suspending some sections of faculties (Dăianu, 1999a; Zamfir and Filipescu, 2016).

Together with the bankruptcy or constriction of many industrial entities, the basis and possibilities for practice was lost, and large part of the demand for technical skilling vanished as well. In parallel with the decrease in the numbers of vocational schools' graduates, the numbers increased for the graduates of post-upper-secondary schools, and for those of foremen schools, but all in all, the number of

graduates of secondary vocational training decreased in 2015 under 40% against 1990 (INS_Tempo/SCL109A). The expansion of higher education is owed to the emergence of private suppliers, to the spreading out in localities without university tradition, and to the openness showed for fields previously prohibited. The structure of tertiary education changed in the detriment of technical studies and in favour of the economic and socio-political ones, under the conditions of an almost 9 times increase in the numbers of higher education graduates between 1990 and 2015; the weight of graduates of technical higher education in total graduates decreased from 67% to about 22% (INS-Tempo/SCL109H).

Just like in the interwar period, the opportunity issue was questioned regarding such high pace of tertiary education and of gained practical skills but, as opposed to the interwar case, this proved to be a sound decision. This ensured to graduates less exposure to the poverty risk not only compared with the other occupational categories in Romania, but also compared with the higher education graduates from Europe (Eurostat/ilc_li07). Higher education led with priority towards the sphere of civil servants in the pre-communist period, a field with a limited expansion horizon even given the artificial increase, and thus panning out intellectual unemployment. To the contrary, the graduates of higher education could opt for a wide array of different fields in post-communism. These options could be under, or different from the skills gained in faculty, shaping thus the phenomenon of over-education (Ilie și Eremia, 2016).

The increase in the participation to tertiary education, on slight decrease after 2010, is among the few indicators placing Romania on a better position within the European area in relation to the objectives of socio-economic development. However, the high participation rate to tertiary education is accompanied by low levels of long-term education and high ones regarding early school leavers and NEETs (Eurostat/ edat_lfse_14; yth_empl_150). Merit scholarships and the ones for difficult situations in the secondary and tertiary education were maintained also in the post-communist period and were completed by a series of measures addressing children in primary and secondary education for sustaining school participation after 2000 (basic foodstuff: buns, milk, apples; free transportation to school in the rural area, support for stationery, social vouchers).

SOCIAL PROTECTION

The set-up of the Ministry of Labour in 1920 provided for coherence in rendering professional the labour force but created foremost an institutional framework for social protection. The legislative orientation of the twenties was to level the existing regulations that were developed unevenly in the various regions of the United Romania and to adjust them to the industrial development trend, which began to infiltrate the Romanian economy.

In the field of *wages and social insurances*, the regulations of the first decade were resonant and even preceded some of the regulations of the International Labour Office that were articulated not long before. One of the important regulations was the consolidation of the collective labour contract (1929) as the first attempts dated back in 1909. Among the contained provisions were the increases in the minimum age for apprenticeship from 12 to 14 years of age, and the protection of the apprentices against employer's abuse (it imposed a maximum period of apprenticeship of 4 years, a maximum regarding the weight of apprentices in total personnel, and to allow for school attendance). At the same time, maternity leave duration was expanded to the commercial field, as well. Other items were the improvement of regulations regarding holidays, periods of rest, and the notice period in case of contract cessation, as well as an arbitrage procedure between employees and employers as phase before strike. These added up to the conditions of working days of 8 hours and 48 hours per week (passed in 1928). Holidays, between 7 and 30 days, were at the beginning of their regulation in the entire world (France had no such regulations yet, while in Czechoslovakia or Poland they were less spread than in Romania) (Setlacec, 1930). Although in expansion throughout the interwar decade, collective labour contracts covered in 1930 only 79495 employees, respectively less than 9% from their total. They were valid usually between 6 and 12 months (AS, 1934–35) being the subject of revision thereafter.

After 1927, public officers benefited of a unitary regulation of their wages, and they were on average better paid as compared with industry and trade. The system provided hierarchy coefficients on positions, resulting an uneven distribution on fields. Moreover, it provided for allowances to children, differentiated regressively after the size of the locality (capital, large town/town of residence, other localities, including in the rural area), as well. The model of hierarchical classes and categories was maintained in the unified pay system of the communist regime, and thereafter in the post-communist public system. Public officers benefitted from a distinct system of pension rights, as well.

Social insurances already had a history of over two decades by the beginning of the twenties, each constituent region of United Romania regulating insurances for work accidents, illness and accidents, maternity, and death and the contributions paid were in a fixed amount, but differentiated on five classes of income, in general, only for craftsmen and employees. In the Old Kingdom was enforced additionally the Nenițescu Law (1912) regarding illness and old age invalidity insurances (the fourth regulation in the world, after Germany, England and Luxemburg). Old age pensions were set in a fixed amount (equal to the fixed part of the pensions for invalidity, corresponding to a minimum contribution of 200 weeks, a part that increased in the case of invalidity for each week of additional contribution over the minimum one). The unification, expansion and improvement of these systems was achieved after the outbreak of the crisis (in 1932, 1933 and 1938) (Kernback, 1936; Mihoc, 1938; Marinescu, 1995). Public officers benefited also from a distinct system

of pension rights. The changes aimed to the compulsory insurance for all employees from public and private enterprises, industrial or commercial, apprentices, independent craftsmen, employers, whose monthly wages did not exceed a maximum ceiling (8 000 Lei/month in 1938, about the double of the average wage of civil servants). These insurances covered all types of above-mentioned risks and expanded the non-monetary assistance under the form of health, balneary, and drugs' health care services (formerly this type of insurance existed only in Transylvania), however they did not cover farmers. Neither old age pension, nor unemployment benefits were included in among the insured rights on the unification and generalisation of insurances from 1933, but the first was overturned in 1938.

The minimum wage policy is dissipated in the history of minimum tariffs regulation on fields and occupations. Agriculture had the pioneering role in the Old Kingdom, where in 1907 by the Law of agricultural agreements a minimum payment tariff was set for agricultural workers, conditions, and labour volume per day that was further differentiated on children, women, and men. However, without ever being abrogated, these regulations were no longer enforced by the end of the 1920s (Constantinescu, 1930). The next agreements of this type emerged again only around the year 1940 (Lascu, 1947). In 1920, in the mining and metallurgic field, collective contracts provided minimum (and sometimes maximum) limits of payment on categories of positions, calculated in relation to the cost of living. The procedure of considering the cost of living for collective contracts was maintained up to the Second World War under the form of a mobile scale, benefiting also from the support of statistical registrations. These registrations pursued the dynamics of the cost of living in the main urban localities, and encompassed the majority of industrial activity (AS, 1939–1940). Given the hyperinflation conditions by the beginning of the 1940s, a quasi-automated wages' increase was provided for, based on this scale, and the coverage of 3/5 from the inflation was accepted as a rule, if the inflation exceeded a certain threshold with increases in 2 to 6 months-time intervals depending on the economic and branch context (Matheescu, 1943).

In line with the protection against inflation following a stage of wage increases, as of 1942, it was prohibited to increase prices and the employees received *indemnities for expensiveness and increases of child allowances*, in 1945, which were regressively differentiated depending on the category of the locality. Pensions were increased regressively after their level from 199% to 10% (MO, 1945), against increase between 50% and 200% granted as protection to the inflation from the beginning of the 1920s (Marinescu, 1995). Together with the stabilisation of inflation and the change in the political context, in 1949, all debts of employees to the employer contracted for supply with wood, food, clothing and footwear, either in kind or cash, were annulled (in enterprises and institutions). The same for payments under the form of advance payments in the account of the employee and intended for covering expenditures for emergencies (death, arson, births, treatments, books, and school taxes).

After the Second World War, the law of public officers provided also for the possibility of rewarding *a working method that could lead to simplifying or improving services, expenditure diminishments, or to higher productivity against the standard one*. Thus, was created the inspiration source for the wage model widely used during the communist period when one share of the wage varied (increased by 25% in the mid-eighties) while added to the basic wage and allowing for monthly upwards or downwards variations against the basic wage. In their turn, these variations were justified by *exceeding the production plans, diminishments of the costs, improvements in the quality of the products, reduction of specific consumption indexes for materials, energy, or handicraft* or failure to achieve these indicators and thereby few fields were left aside in these regulations.

The first fundamental changes of the communist payment system occur in 1949, when the payment systems are levelled by setting-up conjoint criteria for payments and bonuses that took into account the performance degree, efficiency, and length of service. Wages were distributed into 5 tariff categories by fields of activity, *in relationship to the importance of their fields for achieving the economic plan* of the State and hierarchy coefficients on positions were set also. A similar procedure was applied to agricultural work but on a separate grid. In 1950, the Labour Code unifies the provisions regarding the collective labour contract, the rights, and duties of employees, on the job and insurances' rights, for all fields and forms of activity. Employment in the workshops of small craftsmen were based on individual labour contracts under conditions and with rights comparable to those of employees in state enterprises with the same profile, and the rights gained by trade unions were extended at branch level.

After the abrogation of the public officers' pension system and the implementation of the social pension for those failing to fulfil the condition of minimum contribution, in 1959 was regulated the pension right within the state social insurances' system, that followed largely the former models. The old-age pension was set as percentage from the average tariff wage (55–100%) and differentiated regressively after its level and progressively according to job difficulty (on work categories). There was a minimum and maximum ceiling for incomes from pensions, and the minimum pensioning age of 55 to 60 years, with 20 to 25 years length of service (save for a couple of exceptions: navigating personnel, artists, people with visual handicap, mothers with several children who had smaller ages and smaller length of service periods than the minimum). Failure to fulfil the minimum length of service conditions for pension granted, nevertheless, the right to social aid.

Up to the end of the communist period, notable changes in the incomes' system occurred in the second half of the sixties, once the leadership of the party was changed, in the second half of the 1970s, and in 1982–1985 (as mitigation to the crisis of the eighties).

In 1966/67, the pensioning conditions become more restrictive, but the maximum limit of the pension rights is removed, and the supplementary pension is

implemented (optional, with a distinct contribution of 2% to be added to the length of service pension). Moreover, specific provisions are formulated for military pensions and collectivised farmers. The important changes of the year 1977 are an increase in the CAP (collectivised farms) pensions (by 20%) and *taking into account the contribution of non-collectivised farmers to the central fund of products of the State*, along with the duration of the contribution, the pension for non-collectivised farmers is implemented. A revision was performed previously, in 1974, regarding the payment system, which shifted from 5 to 7 tariff classes. It comprised in the first group part of the mining industry, followed by the metallurgic industry, by drilling and the rest of the mining industry (2nd group), and up to the 7th, which had the smallest levels and represented the specific local industry and small commercial entities. This revision provided for a ratio by 5.3 between the minimum and the maximum tariff.

During the communist period, all income categories increased by governmental decision, justified as an outcome of the economic progress and a way to improve living standard or to protect against inflation. After the inflationist wave by the time of the war end, the inflation rate reached an annual peak of 17% in 1981 (INS-IPC).

A consistent part of measures taken at the beginning of the nineties was represented by moral reparation-type measures owed to employees, as it was considered that they had been exposed constantly to smaller wages in relation to the productive effort demanded from them. Among these measures was included the elimination of wage limits depending on the realisation degree of production, the annulment of restrictions in hiring (even under conditions of decreasing output immediately after 1989), and higher generosity against the claims of those in heavy work groups (regarded as necessary also because of lacking unemployment regulation, which emerges in 1991). As well, paid maternity leave period is extended (to one year, and as of 1997 to 2 years), along with reducing the working week to 5 days, next to eliminating the superior tariffs for what exceeded the consumption of some energy quotas that were removed also (Ionete, 1993; Zamfir, 1999a). Moreover, to all these is added the opportunity of purchasing in instalments the inhabited flats at very modest prices, actually. In 1992, the former collectivised farmers were assimilated into the social insurances system and a minimum amount was set for integral length of service and age limit, and a percentage share for the cases when the minimum contribution conditions were not fulfilled, by corroborating the pensioning age to the one of the state social insurances (Mărginean, 1999).

The changes in the wage policy were triggered by the decentralisation in setting-up wages (forced also by privatisation) and the (re)implementation of the negotiation procedure of wages between employees and employers, least in the public areas where payments continued to be based on the wage grid determined at governmental level. As of the second half of the year 1990, the wage-inflation dynamics began to be of concern. The exception was the first stage, when wage

increases were agreed on that covered integrally price increases for a series of goods regarded as basic, and 60% from the increases in the other prices (as protection measure for those with low incomes). All next adjustments, at each 3 months' periods, aimed only 60% of the price increases, just as by the end of the pre-communist period. In the period 1991–1992 there were two payment systems, designed to mitigate the changes in the economic organisation and to control inflation. Initially, a maximum payment ceiling on five occupational categories (unskilled workers, skilled workers, personnel with secondary and tertiary education, and management personnel) was implemented, valid for one years as of the time of negotiation. This ceiling could be adjusted to inflation under the above-mentioned conditions, if the enterprise had the required resources. Exceeding this ceiling, even in conditions of economic performance meant an increase in taxation. The second system proposed wages' negotiation in the framework of a maximum limit of the wages' fund of the enterprise, a limit set at governmental level. This latter system left more room for wage disparities, both between the occupational categories and between enterprises that were exposed to the power relationships (Zamfir, 1999b).

The minimum wage was set at low level to demotivate layoffs and prevent wage increases, maintained low with increments by only 25% in relation to prices' increases, to preserve the status quo. The minimum wage policy was continued up to the end of the economic crisis of 2008 to the abovementioned considerations being added the one of preserving the interest of foreign investors for Romania, and the one of the low productivity of labour, among the lowest at European level (Eurostat, *tesem160*). Its dynamics was no longer related to the dynamics of the minimum consumption basket. One official estimate, certified legislatively, of the latter was realised only by the beginning of the 2000s, and it was halted in 2003, while the necessity of such a correlation has been brought (again) into discussion at governmental level in 2018. However, over the entire post-communist period estimates of the minimum consumption basket were realised by social research institutions, the ones realised by the Institute for Quality of Life Research covering integrally the period.

The beginning of the years 2000 is the next moment of reference regarding the post-communist policy of incomes, aiming to congruence of the income policy and systemic reform. In the case of social insurances' pensions, the *pension point* was implemented, a referential determined at governmental level, which is the initial reference for calculating the individual pension depending on former wages, more precisely on length of service and contributions' level. The new law settled the conditions for anticipated pensioning, as well, and it provided for increasing gradually the pensioning age. The private pensions' system was constituted as well, thereafter being proposed a predefined procedure for indexing the pension point, which would take into account the dynamics of the current average wage /the economic growth, and the inflation. The other financial social rights were supposed to be constituted into a system having as core element the minimum wage. Among

these, unemployment benefits were computed not as percentages from the previous income, but as percentages from the minimum wage (75%). Subsequently, a variable share was added, determined as percentage from the wage.

The next milestone in the incomes' policy was the period 2009–2010 (post-crisis), when similar to the beginning of the transition, but based on different arguments, a series of support measures were followed by austerity measures. In 2009, the social pension was (re)implemented, as it ensured to all those outside the labour market, because of their age, a minimum level of income. About the same time, the pension point was increased twice, the indexation according to inflation was done, as well, and the minimum wage increased significantly along with other indexations intended to protect the population with low incomes. Then came 2010, with a decrease by 25% of the wages within the public sector, and this amount was returned gradually over the next year. A series of wage bonuses were eliminated and hiring restricted within the public sector. The pensioning decisions were reviewed in case they were granted for health reasons, along with the revision of social assistance/guaranteed minimum income rights, and some of the rights of the assistance-type were suppressed all these coming on top of layoffs and bonuses' control within the private sector, where such initiatives had been taken one year before. Simultaneously reforms are outlined in the system of public wages, of pensions and of social assistance. The most advanced of them targeted pensions for which was suggested the aggregation of all pension rights according to the calculation formula of the state social insurances' pensions, a process that took place initially, but was abandoned in the subsequent years. Gradually, after 2013, the pensioners from among the justice, defence, and public order corps, as well as those from central administration obtained a series of softening of the pensioning conditions, and rights. In principle, these were no longer set in relation to an average income resulting from the inclusion of the entire active life, but as percentage (80%) from the average income for the last year (nevertheless, in some particular instances they equalised even this last income). The minimum length of service on the respective positions was of 14–25 years (against a minimum of 35 years of contribution to the state social insurance system), as they were (re)defined as service, respectively special pensions.

Even though initiated in 2010, the revision of the public payment system is close to its finalisation in 2018 providing for a relation of 1 to 12 between the minimum and the maximum wage (within the public system). The level is over the double of the communist one, but less than half of the one provided by the law of public officers in the pre-communist period (28).

The period after 2016 takes shape as a fourth reference moment for the post-communist incomes' policy characterised by ambitious increases of the minimum wage, significant wage increments for some occupational categories within the public system, and pensions' increase, all this requiring the rethinking of the budgetary resources and of the fiscal system.

Income taxes were determined as progressive percentage up to the year 2005, when the flat tax was implemented. This flat tax was diminished from 16% to 10% in 2018 at the same time with resuming with the idea of progressive taxation. Taxation (of labour force) with social purposes increased together with the expansion of social rights from less than 10% up to the Second World War to 20–23% in 1990 (Rădulescu, 1938; Marinescu 1995). Thereafter, a notable leap occurred up to the year 2001 (35–45%, depending on the work category) with slight decreases in the subsequent period (26.3–36.3% in 2017; MMJS_CAS). For the first time in the hundred years of United Romania's history, the payment of social contributions was transferred entirely to the employee in 2018.

The concern for the *non-insurance protection* was born in the pre-communist period in direct relationship with considerations regarding public health, as transmissible diseases were widely spread at the time (such as tuberculosis and syphilis) and the pursued aim was promoting hygienic rules. The set-up of the Ministry of Labour allowed for developing social work on systematic bases as an *issue of national economy* under the patronage of the state while private organisations continued to exist that had as patrons' women associations.

In the practice of social work existed the usage of records that presupposed repeated visits at the domicile over longer periods than 1 year, until "those turned dependent are returned to normal". It resulted an intervention plan adjusted to each member of the household (on a case to case basis: medical assistance, temporary or permanent placement of children, purchase of some minimum clothing items, training courses, or minimum endowment for exercising a profession, finding a job, education for managing the budget and nutrition) (Mănuilă, 1927).

A new regulation of social work from 1930 made distinction between social sheltering focusing on preventative health services, and social work. Among the institutions providing mixed services were found pre-and post-natal shelters for homeless poor women in the late stages of pregnancy, when they could no longer work, especially in the urban area, as well as day shelters for children and shower rooms. At the same time, in particular in the rural area, poor mothers could obtain food and hygiene items for children – at the time of the medical inspection of children (provided at least twice per week, by a physician). Based on this regulation, the financing of social work was included in the attributions of the Ministry of Labour, and the resources dedicated to this purpose were limited severely at the outbreak of the Great Depression (Stănescu and Constande, 1938). We might appreciate that organised, systematic social work was largely at the stage of pilot-concept considering that vocational training was initiated by the beginning of the twenties and huge imbalances existed between the urban and the rural regarding sanitary assistance. In 1936, in the rural area was one physician for 15500 individuals, 63% out of all births taking place without specialised assistance – at least of medium level, against 390 persons, respectively 22% in the urban area (Pupeză et al, 1938).

In communist times, social work remained rather poorly extended and covered situations generated by natural dependencies, such as the problems related to the care of children, to health or age and exceptional instances of necessity. The most expanded financial benefits of the social assistance type were those addressed to children. The first measures (1950) approached the difficult situation of families with several children, by setting up family assistance, and social benefits granted to the wives of drafted soldiers when they were in the impossibility of working (due to pregnancy or invalidity). To this was added a yearly allowance for mothers giving birth to more than 10 children, and at least 8 surviving children (as part of a pro-birth policy that characterized the Romanian communist regime). Just as for the education system, after 1950 the gratuities and access to the health system are extended.

Child allowance was introduced in 1960 and it was progressive, depending on the number of children, and regressive in relation to the income, higher for those living in urban area, if at least one of the parents was employed, free-lancer, pensioner, or student/soldier. The threshold of the first income class (where the highest allowances were given) represented about 90% from the level of two average net wages, above the equivalent of five average net wages the eligibility for the allowance was suspended. The principle of eligibility for the child allowance was maintained throughout the communist period, but the conditions became more restrictive in relation to the income level. They were completed with the right to the birth indemnity, as of the second child. Only in 1977, the allowance is extended also to the farmers' children, in a fixed amount, and progressive as of the sixth to the ninth child, if the parents had worked a minimum of 15 days in the respective month (revised in 1985). These differences were extinguished after the downfall of communism and, in 1993, the allowance turned into undifferentiated financial assistance, but conditioned up to 2006 by the participation to education of children over 7 years of age.

The other allowances and financial benefits for the elderly (enforced as of 1957) entered under the incidence of Social Assistance Law (1995) which established for the first time in the considered period a minimum guaranteed income to the individual, and families with 2 children and more benefitted additionally from a supplementary progressive allowance depending on the number of children (1997). Once the employment activation and social inclusion policy was initiated as of 2001 but gaining increased significance after 2005 (together with the intensified efforts of harmonising social policies with the European goals), the allowance turned into a component in the framework of family benefits next to other indemnities and allowances, and child dedicated services. The employment activation policy affected the majority of social benefits, eligibility, and amounts that were reviewed already as of the second milestone with respect to incomes' policies since the beginning of the years 2000. As of 2012, child allowance returns to the calculation

formula similar to the one of the communist period, differentiated depending on the number of children, income level, and number of parents. However, after a steep decrease of its real value occurred during the first post-communist years, and as outcome of some notable principles' changes, it never reached again the communist levels.

POPULATION'S INCOMES: DYNAMICS AND STRUCTURE

Figure 2 catches the dynamics of the main types of incomes of the population and the relationships between them, at times for which the time series could be reconstituted. Two immediate observations result from the figure: the increasing weight of taxes on wages, as social rights expanded, either insured or not (large dotted line), and the high variation of the relation between the minimum and the average wage throughout both periods considered (plain line).

The statistics of the communist period indicate the positive evolution of incomes during it, as economic slack was overcome and social rights expanded. Between 1950 and 1980 the incomes of the population increase over 4 times in real terms (445%), similar to the ones from agriculture (436%). As wage (net) incomes have a somewhat smaller increase (390%), it results that the incomes of the pension and social protection type increased at an even more accelerated rate. In the austerity decade, by the end of the communist period, the total income is maintained at about the same level, while thereafter, the moral restitutions of 1990 led total income at the level of the year 1950 (AS, 1991). The stability is owed to income increases from agriculture and of the pension rights (in particular for farmers and for other rights of the pension type), while the pensions of the former employees and wages, including the minimum wage decreased in 1981 and were subsequently protected against inflation by increases in regressive shares in relation to their level. The minimum wage level was increased only during the last years of the communist period, returning (in real terms) by 1990 at its level in 1980, and underwent next to child allowances a depreciation by 20–25% against the level of 1990, over the first post-communist period. The year 1991 is the one in which the minimum wage drops below the average level of the former employees' pension, a level it will be again close to in the years 2003–2005 and then in 2017. The minimum wage reached its 1990 level again only in 2014.

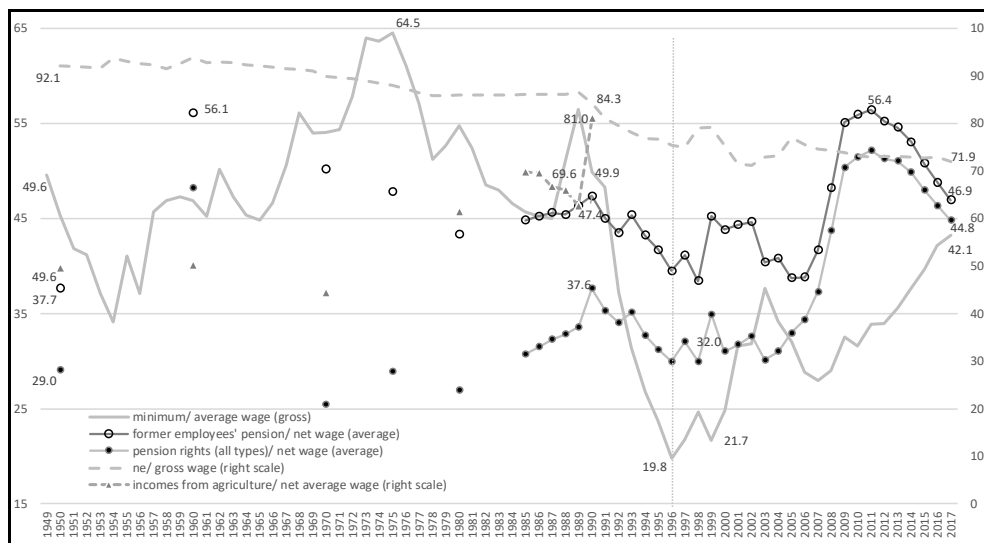
Together with the economic turnaround after 2000, the level of incomes increases as well, returning to the level from the year of beginning the transition only in 2007–08. Just like the minimum wage, the average wage from Romania is found currently among the lowest in Europe (Eurostat/ tps00155, earn_gr_nace2), despite pursuing a trend similar to the one from other former communist countries (UNECE, 2016).

At the same time, the relation between the minimum wage and the average wage achieved the maximum in the years of the Oil Crisis 1973–1975. The outcome of the controlled egalitarian policy, such a relation was not specific to the European area for the last almost 30 years. By the noticeable increase of the minimum wage during the last years, this ratio improves by achieving a level (41%) by which Romania exceeds slightly the average of the European area (where the maximum and minimum are 0.49 in France, respectively 0.31 in Spain) (OECD, 2016).

Income increases of the last couple of years of the communist periods were continued by the reparation measures of the year 1990, least the child allowance and the minimum wage (which confirms the contextual compensatory character of the respective measures and not their pursuance of a social protection policy). Thereafter follows the time when incomes drop, practically throughout the entire first pre-communist decade, to 50% from the level of 1990 in the year 2000.

Figure 2

Dynamics of wages and the relationship between the main sources of income, 1949–2017%



Source: author's own calculations after INS_Tempo, MMJS, AS, 1990 and 1991.

Wages' increases over the last few years, in an economy on a positive trend, have resulted in decreases of the ratio pension-type incomes against the average wage. The pension-type incomes increased in real terms not that much over the last years of considerable changes in the income policy, but throughout the period of economic re-launch at the beginning of the 2000s. The increase was owed, initially,

to the former wage earners pensions' growth, followed by increments of the former farmers' pensions after 2004 and 2006, as well as of other monetary pension rights type (indemnities for war orphans and widows, social benefits). In the period 2010–2011, the state of play between wage policy and pensions led to a ratio between former employees' pensions and the net average wage that was most favourable by the end of the fifties (56%) when the communist economy was in full progress. Subsequently, mainly by neglecting the non-insurance rights and the ones of the farmers, the general level of the pension-type rights (insurances and non-insurance) dropped.

The dynamics of the incomes' budget (*Table no. 6*) proved much harder to be observed, because of methodological differences⁴, so that comparisons should be made rather inside each period, than between them. However, some trends are outlined as resonating with the remarks regarding the dynamics of incomes and the retrospective income policy. Among these are counted; the increase in wages' contribution to constituting households' budget to the detriment of incomes from agriculture; the increase of insurance pensions' contribution in particular in the post-communist period; the decreases of the category "other work incomes" as the private sector retreated during the communist period, but as well the low-key role played by it in the period encouraging this sector; the diminishment in the weight of child allowances. The significant increase of pensions' contribution to total budget is due on one hand to the income policy, but inasmuch to the number of beneficiaries that exceeds the one of employees in 1997. After 1990 the number of employees decreased to about half of the level of 1990, while the number of pensioners increased by over 50% (see also *Table no. 2*). It should be retained, as well, that incomes from agriculture lose their noticeable role in the consolidated incomes' budget after 1970 in favour of wages, at a time when also in the labour force structure the farmer population decreases significantly indicating the moment/proximity of achieving the maximum in the extensive development. After the collapse of communism, the wages maintain their dominant role, which is a characteristic of modern societies, their weight increasing together with economic growth of the last years. The weight of incomes from self-consumption has a reversed variation against wages, proving thus as the "emergency" resource in case of losing wage incomes.

⁴ For the communist period, the data are yearly records, while thereafter they result from sample data that are also different in 1997 against the other selected periods. To these are added the content differences of the indicators, even if their name indicate similar functions. It is the case for wage incomes (which in the communist period referred to the net, and thereafter to the gross income), of the *other incomes* category (which in the communist period could not contain dividends). The counter value of the consumption generated by households (self-consumption) takes into consideration an indistinct recorded resource, even if existing also during the communist period.

Table no. 6

Structure of households' budget in communism vs. post-communism

Type of income	1950	1960	1970	1989	Type of income	1997	2001	2010	2016
Net wages rights	28.1	38.9	49.6	55.9	Gross wages rights	37.9	44.9	49.3	58.7
From farming	36.9	36.6	19.8	17.3	From farming	4.7	4.2	2.8	2.8
Other work incomes	18.7	6.1	4.5	2.3	Other work incomes	3.6	2.5	2.7	2.5
Other incomes	6.6	2.2	4.2	2.4	Other incomes (incl. from dividends, properties)	3.3	3.5	3.4	2.8
Incomes from social consumption funds (monetary)	2.3	7.0	10.5	13.8	Social benefits (monetary)	17.8	19.5	25.7	22.6
Social insurance pension (excluding supplementary pension)	1.7	4.0	6.5	8.1	Social insurance pension	13.7	15.8	21.2	19.3
Child allowances (excluding CAP)	0	2.0	2.5	3.3	Child allowances	2.2	1.7	1.6	1.7
Other types of transfer	0.6	1.0	1.5	2.4	Other types of transfer	1.9	2	2.9	1.6
Counter value of gratuities from social consumption funds	7.5	9.2	11.4	8.3	In kind incomes obtained by employees and beneficiaries of social services	1	0.9	1.9	1.3
Counter value of consumption generated by the household from total cashed income	?	?	?	?	Counter value of consumption generated by the household from total cashed income	31.7	24.7	14.2	9.3

Source: AS, 1991; INS_Tempo/ BUG105G, BUG_105I.

CONCLUSIONS

Romania has underwent obvious economic and social progress over the past century, bearing the fingerprint of the priorities and specifics of three distinct periods. In each of these stages, Romania pursued to recover economic gaps against the European room to which the country belongs. Maintaining this goal is in itself an indicator of the dissatisfying outcomes in this respect, but a series of studies and international datasets confirm the backward position for all three mentioned periods, in particular with respect to the economic performance and population's

incomes indicators (Ionete, 1993; Axenciuc and Bozga, 1998; Grigorescu, 2000; Murgescu, 2010; Maddison, 2010; Eurostat, UNECE).

Caught in the maze of the complex phenomena adverse to its development, interwar Romania diversified its industry, but one of the main merits of the time was that it laid out the foundations of a modern social policy correlated to the international trend of the time, and perhaps even in the avant-garde in relation to the national economic context. In the extremely difficult period by the end of the Second World War, noteworthy are the concerns that had their roots in the negotiations during the first two decades of the century regarding minimum wage, and its relationship with the cost of living. The monetary social protection was focused on basic consumption needs (for children, heating, and food) and on those at bottom of incomes' distribution as mitigation to the devastating inflation.

The highest progresses in catching-up were achieved during the communist period, however they only succeeded partially by bringing Romania closer to the average level of the economic performance within the EEC. The communist period brought about also a significant increase in the general living standard of the population. The pursued equalitarian process developed both due to the communist/socialist trend of the time in the eastern European region, but also as mitigation to the extremely difficult living conditions in the rural area, and high disparities of the Romanian society during the interwar period. Wide access to education and health, access to stable incomes, job security, the expansion of social protection, the development of the infrastructure, and of the cultural-recreational sector were positively felt by the population. The lack of democratic legitimacy of the regime and its decoupling from international trends, respectively the inefficacy of economic-social development during the last communist period, had as outcome that these accruals could not be turned into an engine of the future development.

The Romanian anti-communist revolution occurred by the conclusion of the only decade of economic stagnation over the communist period, following an interval of more of 30 years of growth. However, the rural area remained at a disadvantage in relation to the urban one throughout this time from the incomes' perspective. Social protection based on benefits unrelated to employment (mainly of social assistance) did not manage to blur the disadvantages in work opportunities.

Guided by the industrial development throughout the first two periods, vocational training failed firm milestones in its post-communist evolution, while vocational education faded into shadows in favour of expanding theoretic and higher education. The development of communications, the free movement of information, the delayed and geographically uneven development of the Romanian economy have created the room for international migration that, as opposed to the first two periods, completed consistently internal migration, from the rural to the more dynamic urban economy.

Manoilescu (1942/2002: 80–82) underpinned the fact that in less than a century before the unification (1829–1918) Romania burned up three stages of

capitalist development for which the other parts of the world had required three centuries. Romania shifted from the patriarchal agrarian economy, to the one of parcelled proprieties, from the quasi absence of capitalism, to the state and banking institutions organised one, from solutions provided by righteous sense of boyars, to regulations bearing the fingerprints of socialist ideals and labour protection; the latest were in their incipient process of international institutional consolidation at the time of the Union.

Such a swift change failed reabsorption at the same pace within the system of social and economic relations. Perhaps herein lies the explanation why over the interwar period the governments failed to agree about the priority in developing the economy, be it agrarian or industrial, and why the Land Reform of 1921 was substantiated by social-political reasons and not economic ones. As disappointing outcome, the performance lacking collective farming under the communist regime reoriented the Romanian post-communist agriculture towards parcelled property and demotivated the idea of association for the subsequent 20 years. All this occurred, as technological agricultural work was the state of play in the world agriculture and acknowledged as possible only for large exploitations. Is it possible that the high agricultural potential of Romania had a boomerang effect, and that the safety-net certainty it provided, irrespective of the economic circumstances, was the one failing to focus the attention on higher agricultural productivity?

Perhaps, the same burn up of the stages generated the paradox of the Romanian socialist/communist period; the communist regime was fed also by the very low level of the rural population's living standard, but discriminated the farmer by its entire income policy (average incomes at the level of the minimum national wage, child allowances in smaller amounts than for the urban and less favourable pension conditions that were inexistent until the last period of the regime for non-collectivized farmers) and it has preserved the pre-communist policy of differentiated indemnities according to the type of locality, by contrast with the claimed ideological interests for the farmers.

Finally, in the same stages' burn up we might find the answer about the overall relation of the population and of the governing class alike towards private property. Even though entitlements to private property was found among the first post-communist regulations, the development of the autochthonous capital and of private initiative did not find sufficient support in the subsequent context and regulations, just like the harmonisation of private interests with the common, local or national interest. Once with the economic relaunch (after 2000), the wage rights consolidated their position of dominant income in the household budget, but incomes from self-employment and the ones gained out of property remained less extended. Self-employment exceeds by little the EU28 level but is significantly higher for the age groups in the immediate proximity of the standard active age, having a dominant component of employment in agriculture. To this is added one of the widest segments of unpaid family workers, both maintain, and are maintained by an autarchic structure in the repartition of farming lands.

The incomes from social protection extended together with the maturity of the social systems and with the active and complex role pertaining to social protection in relationship with the current economic development.

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*L*ucrarea abordează schimbările care au avut loc în veniturile gospodăriilor din România, după constituirea sa ca stat național (1918). Munca pământului, industrializarea, migrația, formarea profesională și politica socială, ca determinanți ai veniturilor, sunt discutate în contextul celor trei mari perioade care au caracterizat ultimul secol românesc: pre-comunistă, comunistă și post-comunistă.

Cuvinte-cheie: venituri; industrializare; reforma agrară; ocupare; politica socială; protecție socială; bugetul gospodăriei.

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UNDERDEVELOPMENT IN RURAL ROMANIA: LAND OWNERSHIP AND AGRICULTURE FROM 1918 TO 2018

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*L*and ownership has been one of the most important elements of wealth in the entire evolution of humankind. In Romania, during the last one and a half century, land ownership has had an important evolution, given at least four major agricultural laws, each of them attempting to solve for good what has come to be known as “the agrarian issue”. The article is a comparative analysis of the main provisions thereof, and of their impact on Romanian society. The reached conclusion is that agricultural holdings in Romania used to, and continue to, be fragmented, mostly dwarf in size, economically inefficient, lacking a modern set of agricultural tools and machinery put in place, with low quantitative and qualitative productions as a result. The causes of these state of facts are most diverse and differ in time: the overpopulation of the rural area, the absence of an industrial and tertiary sector developed enough to absorb the population excess in agriculture, the low level of education of the rural population, economic inefficiency, the lack of a coherent political vision, etc. All this has caused the Romanian rural population to live on the brink of poverty and the agricultural sector to continue to be underdeveloped.

Keywords: economic inefficiency; land fragmentation; land reforms; poverty; underdevelopment.

INTRODUCTION

The social reality of 2018, including the current social structure, is obviously influenced by what happened after 1990 (politically, and, in particular, economically and socially), and by some of the legacies of previous historical periods. In what concerns the Romanian rural areas and the agricultural field in its integrity, we can identify a perpetuation of much older state of fact, rooted in Romanian history (going back to when the modern state was formed), leading to rural population undergoing radical transformations in the past century, including fractures and continuity alike.

One of the stratification principles in all societies is wealth, which, historically speaking, has been closely related to ownership of the land, the main resource in agriculture, which is also valid nowadays. The situation is not different in Romania. Successive reforms for the redistribution of agricultural land to the peasants have

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been the priority of political elite in the last 150 years. Throughout this time, land ownership has been a decisive factor influencing employment and income levels, education and health of the rural population, their lifestyle, etc.

The article makes a comparative analysis of the main provisions thereof, and of their impact on Romanian society, using statistical data available on different, and very dispersed sources (statistical yearbooks, fiscal census, general and agricultural census, various social-economic surveys and analyses, etc.). The data presented in the article is based on the information available following the agricultural censuses of 1930, 1948, 2002, 2010 and the agriculture structural survey of 2016. Although insufficient, the existing data are indicative of the evolutions which took place in the surveyed period, particularly since they illustrate the situation following the big agrarian reforms or structural changes (1921, 1945, 1949–1962, 1991, and 2000), and we can thus draw conclusions albeit partial concerning the consequences of such reforms.

For an accurate analysis of the current situation, an overview of the Romanian rural environment is required, starting with the first agrarian reform (1864) until present, with particular emphasis on what happened during the one hundred years since the birth of the Greater Romania. Going back in time allows us to identify those causes which led to the current state of affairs, as it is the analysis of the past that can provide us with the key to solving our current problems.

AGRARIAN REFORMS: FROM LEGAL INTENTIONS TO PRACTICAL CONSEQUENCES

Rural reforms tried to solve what has come to be known as the “agrarian issue” (Dobrogeanu-Gherea, 1910; Ionescu-Șișești, 1920; Zeletin, 1925; Madgearu, 1936, etc.), i.e. the assignment of land ownership to the peasants so as to mitigate the wealth gaps between them and an extremely small number of great *boyars*.

The assignment of land ownership to peasants, seen as the silver bullet at the beginning of the process of creation of the Romanian State, did not always have the outcomes envisaged by reformers, as negative consequences also arose¹, impacting both new land owners, and the agricultural sector in its integrity.

The beginnings: social versus economic

The first agrarian law (1864) is the result of the compromise between the social classes of the time (the *boyars* and the peasants), which, however, had unequal persuasive strength in the political world. The launch of the debate regarding the future of agriculture in the Principalities was made due to the

¹ Some negative consequences that can be mentioned refer to excessive fragmentation of agricultural lands, low crop outputs, at least in some products, the accentuated extensive characteristic, the acute underutilisation of the rural labour force, perpetuation of extreme poverty, the almost exclusive reliance on the growing of grains, etc.

external pressure exercised by the big European powers² (England, France and Russia, each of them having competing political and economic interest in this part of Europe), but changes in the first half of the 19th century were not consistent. As shown by historians (Murgescu, 2010: 115–117), the beginnings of the grain trade on the European market was timid, and its boom took place as late as 1860 and continued throughout the entire second half of the 19th century.

The 1864 reform divided the set of landlord property into two categories (Axenciuc, 1996: 77–78): on the one hand, the land was owned by landlords and peasants; on the other hand, the working means and the labour stock and force were exclusively held by the peasants. Landlords procured the required labour force for their land by taking advantage of the peasants' need for grass lands and pastures for the cattle, their need to rent additional pieces of land or need of money.

Although different historians operate with slightly different numbers, given that the data at the time were not quite accurate (Dobrogeanu-Gherea, 1910/1977: 49; Bărbulescu and others, 1998: 381, 528; Axenciuc, 1996: 88), after the reform, the almost two million hectares, representing one quarter of Romania's farming land at the time, was distributed to the following categories of peasants³: 413,202 hectares were given in the ownership of 71,912 head peasants (20% of the surface area under the scope of the assignment of land ownership); 882,737 hectares were distributed to 202,075 middle peasants (44.3%), and 381,708 hectares were allocated to 134,132 poor peasants (19.2%); almost 60,000 families who owned no traction animals were only allocated the piece of land afferent to the house and garden. In a subsequent stage, 48,342 newlyweds were allocated an additional piece of land – 228,329 hectares (11.5%) The distribution was unequal, as the head peasants were allocated an average of 5,7 hectares, the middle peasants 4,4 hectares, and the poor peasants only 2,8 hectares, with a general average of 3,9 hectares per family.

At the time of the agrarian reform, besides the former corvée labourers, there were an additional 240,000 families of free peasants (freeholders and yeomen), owners of 1,5 million hectares, which means that of the whole rural population, emancipation and the assignment of land ownership only aimed at 63% (Axenciuc, 1996: 85).

The actual application of the law triggered a series of negative aspects impacting the viability of peasants' agricultural holdings (Pătrășcanu, 1925/1978: 27–28): land distributed to peasants was insufficient and, in very many cases, low quality, as they were very far from the places where they lived⁴; the agrarian

² A special annex of the Adrianopol Treaty (1829), *The Additional Act for the Moldavian and Wallachian Principalities (Actul osăbit pentru prințipurile Moldova și Țara Românească)*, included provisions establishing the freedom of trade of the two Principalities, as well as decreased economic and political influence of Ottoman Empire in favour of Russia.

³ Based on the number of traction animals, they were divided into three categories: with 4 oxen, with 2 oxen, and poor peasants.

⁴ Many peasants were allocated several pieces of land which were disparate, which made travelling from one piece of land to another time-consuming, thus causing the inefficient operation.

reform did not lead to the creation of communal grazing grounds, and the grass lands and pastures were still owned by the big landlords, which allowed the latter to use them as leverage against peasants owning the big majority of livestock in the rural area; forests became the private property of big landlords, which made it impossible for peasants to procure firewood free of charge, as their right to collect such wood from the forests was suspended.

Moreover, the law provided that some compensation was to be paid in exchange for statute labour and other feudal tasks, payable for 15 years, based on which category they were included in, and on the region. To these, reparations to the owners were added which were paid through a compensation unit, plus an annual 10% interest (Axenciuc, 1996: 95). The huge duty to pay was depleting the peasants' family budgets, as their tax duties increased several times compared to what they had been in the past. The provisions of the law were approaching the two social classes envisaged by the reform unevenly, by providing former owners big sums of money, whose payment was the exclusive task of new owners, which, in the long-term, led to the indebtedting of a big number of the new owners and the loss of their land.

Economically and socially speaking, the role of the reform was to revolutionise the property relations and the social relations in the rural area: feudal duties were entirely dissolved, and peasants were, for the first time, appointed owners of the pieces of land. According to Zeletin (1927/1992: 31–33), the law of 1864 allowed for the establishment of a capitalistic ownership regime, which turned peasants into owners and lands into merchandise. This forced the Romanian peasants to change their attitude to work given that the capitalistic private estate implies ongoing, efficient work allowing for the accumulation of surplus for the market, generating profit, i.e. additional income sources for the peasants' families. The reform aimed at the assignment of more land to the peasant families who also had the possibility to cultivate it (depending on the number of traction animals each family had), thus ensuring the economic viability of peasants' holdings.

The greatest advantage of the agricultural law of 1864 (Zeletin, 1925/2006: 60–61) was that it allowed a capitalistic class to be formed in Romanian agriculture. This class was composed of land owners having the so-called trade spirit, the "trade-oriented boyars" or the "small boyars" who were interested in increasing the efficiency of their own agricultural activities and in the production for the market and for profit.

Other researchers (Garoflid, 1926: 38–47) believed there was no difference between the big and small Romanian boyars, both having the same economic interests; they both understood their potential of gaining from agriculture, they both wanted to operate agricultural lands and trade agricultural products. According to the mentioned author, the differences between the two categories were political, not economic, because the small boyars had no access to political power, despite their wish to. This struggle inside the boyars' class was not new and had nothing to

do with capitalism: Garoflid resumes Filitti's theme (Filitti, 1924a; Filitti, 1924b), according to which the Romanian Principalities were run by an elite consisting of approximately 20–30 big boyar families who had taken control of political power in the 17th and the 18th centuries. The small boyars were fighting against the former in an attempt to gain access to political power, to secure themselves a seat in the group of privileged boyars, rather than make a difference for them economically.

To all this, we add the fiscal policy of the Romanian State, which procured the money necessary to build the capitalistic infrastructure (roads, railways, industrial investments, etc.) from the duties charged to the peasants. From this standpoint, data prove the low level of taxation of owned estate of big land owners compared to the small ones: for instance, in the year 1905, for estates exceeding 500 ha, the income tax was lei 26.16 /ha, large estates (100–500 ha) lei 30.41, and small estates (under 10 ha) lei 37.35 (Pătrășcanu, 1925/1978: 28–30). According to the calculations of G.D. Creangă (Popescu, 1998), drawn up based on the Ministry of Finance lists of property tax (1905), the annual income of small owners of land estates below 10 ha (98% of all country estate owners at the time) was lei 120 per family, whereas the annual income of big owners – with over 100 ha, was lei 24,700 per. Even so, the difference between the annual incomes of the two categories meant that the rich had over 200 times higher incomes, while property duties paid were much smaller than in the case of owners of small estates, who were much poorer.

The perpetuation of poverty in the rural areas determined desperate peasants to revolt several times (best known upheaval being that of 1907). For these reasons the “agrarian issue” was ranked again first in the list of issues required tackling at the end of World War I.

The big agrarian reform of 1921: the victory of the social factor over the economic one

Despite some positive results of the reform of 1864, in the eve of World War I a big part of the rural population continued to live in poverty or on the brink of it, having precarious living standards. Also, a process of differentiation in the rural areas appeared. For instance (Axenciuc, 1999: 119–121), a peasant house had 1.4 rooms in 1860 and 2.2 rooms in 1912; the quality of materials used for buildings increased (almost all houses started to have glass at the windows, 28% of the roofs were covered with steel sheets, etc.), but there were still 42.000 huts, and the number that lived in a house was around 8 persons. One of the biggest social problems was represented by child mortality, the highest in Europe: in 1914, one of three children under 1 year died in rural areas and one of four in the urban.

The announcement of the future changes in the situation of land property in Romania was made by King Ferdinand in 1917, in order to motivate the peasant-soldiers that fought against German and Austrian-Hungarian armies in Moldavia. First legislative step was made by Brătianu government, in the same year, by changing

the article 19 of the Romanian Constitution and allowing future expropriations with financial compensations.

The law of 1921 opted for solving the social issue, given the fact that 78% of the Romanian population lived in the rural area and relied exclusively on agriculture (Axenciuc, 1996: 21). It implied the diminishing of big land estates exceeding 100 hectares, which led to an interwar agriculture in which peasant property prevailed. This strategic decision, however, had numerous consequences on the agricultural system in its entirety, with a negative impact on the economic viability of agricultural holdings in Romania during the interwar period.

The debates of specialists involved in the agricultural reform of 1921 were particularly consistent in both the theoretical and the legal aspects of the reform, but particularly in the practical aspects thereof, pertaining to the reality of the interwar rural space.

Constantin Garoflid, “the most authorized spokesman of the large agricultural holdings interests” (Șandru, 2000: 17), one of the most appreciated specialists in the interwar period, who was Minister of Agriculture and was involved in the agrarian reform of 1921, deemed that a peasant and his family could cultivate 13 hectares, according to the conditions of extensive agriculture of the time. Therefore, the areas of land attributed to peasants’ families during the previous agrarian reforms had an anti-economic effect given that not enough land was offered to increase the rate of return of the labour of peasant families (Garoflid, 1926: 36–37).

Another agriculture specialist involved in the development of an agriculture reform law at the end of World War I (Ionescu-Șișești, 1920: 738), believed that the new agrarian reform was supposed to prevent the risk of making the mistake of assigning peasants with as much land as they wanted because their lack of agricultural stock which meant an inability to cultivate large surfaces of land. Second of all, large-scale agriculture had proven its return-yielding ability considering that some owners made significant investments to equip and modernize agricultural machinery on their agricultural holdings.

The final draft of the law envisaged the diminishing of big land estates (exceeding 100 hectares) and the distribution of pieces of land to peasants owning little or no land at all. Thus, according to the existing data (Romanian Encyclopaedia, 1943; Axenciuc, 1996: 99–100), 22,523 estates were expropriated, amounting to over 6,000,000 hectares (that represented almost one third of Romanian agricultural surface at that time). According to the mentioned data, on the 31st December 1933, approximately 1,500,000 (64%) of the 2,300,000 registered peasants owning no land or insufficient land, were awarded over 3,400,000 hectares. On the other hand, a great number of families had still been left without land.

A positive aspect concerning the reform was the creation of communal grazing grounds amounting to a total of over 1,100,000 hectares, which were necessary for the peasants who had the animals required for agricultural labour. The absence of such communal grounds was the cause of the peasants’ dependency on big land owners or leaseholders and of the emergence of a new form of serfdom.

Data collected by the sociological researches made in 1938 proved that agricultural machinery held by the peasants covered the necessity for cultivating land; thus, the data we refer to (Golopenția and Georgescu, 1941/1999: 126–127) showed that, in the surveyed villages, the average was 1 plough per 2.1 households (which meant a surface area of approximately 7.2 ha each, therefore, an underutilisation of their labour capacity); 2.7 households had one harrow (one harrow corresponded to 8.9 ha); one seeder corresponded to 75.2 households, with an afferent surface area of 252.1 ha (an all to small number given the actual needs, according to the authors); one reaping machine corresponded to 48.4 households for an afferent surface area of 136.2 ha, and one thresher was allocated to 117.2 households with a surface area of 329.9 ha. Ploughs were one per household only in the case of agricultural activities with a surface area of land between 10 and 25 ha, which, redundantly enough, proves the profitability of middle rural households.

Besides the theoretical debates around the size of lands required for the benefit of rural households, the agrarian reforms meant radical transformations in what concerns the distribution of land by size. Comparing data with those of other countries provides the possibility to understand these transformations in terms of agricultural holdings in interwar Romania, as well as the negative aspects which persisted, beyond the social characteristic of assigning larger land ownership to peasants:

Table no. 1

Agricultural holdings by size, percentage of total number and of surface area, in Romania and other countries, between the years 1929–1935

Size group	Romania (1930)		Bulgaria (1934)		France (1929)		Germany (1932)		Hungary (1935)	
	% of holdings	% of total surface	% of holdings	% of total surface	% of holdings	% of total surface	% of holdings	% of total surface	% of holdings	% of total surface
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Up to 1 ha	18.6	1.6	13.52	1.34	25.58	1.58	68.00	1.96	40.56	1.81
Between 1 and 2 ha	56.5	26.4	13.54	4.00	28.90	8.18	5.70	1.62	33.49	9.36
2–5 ha			35.35	24.69			9.43	6.20	11.37	9.30
5–10 ha	16.9	20.0	26.44	36.76	18.09	12.47	7.36	10.39	8.46	13.53
10–20 ha	5.5	12.0	9.18	24.35	14.96	20.48	5.33	14.92	4.48	14.99
20–50 ha	1.7	7.8	1.37	7.20	9.59	28.10	3.16	18.88	0.86	6.65
50–100 ha	0.4	4.5	0.6	1.66	2.06	13.26	0.64	8.61	0.34	5.36
100–500 ha	0.3	10.6			0.78	12.70	0.31	13.25	0.35	17.06
Over 500 ha	0.1	17.1			0.04	3.23	0.07	24.17	0.09	21.94

Source: Axenciuc, 1996: 242–243.

Analysing the data in the table, we note that the situation of property in our country differs from that in the developed states of Europe (such as France and Germany), as well as that of Bulgaria; for instance, in Romania, the surface area of estates between 10 and 100 hectares signified approximately 25% of the total surface area of land, whereas in Bulgaria, this was 32% of the total surface area, in Germany over 40%, in France over 60%, whereas in Hungary's case, they were similar to that in our country. The analysis of the category of middle estates in Czechoslovakia by Ionescu-Șișești (Ionescu-Șișești, 1921: 26) indicates that estates between 10 and 100 hectares in this country represented about 40% of the total surface area, with slight differences between the different regions of the Czechoslovakia.

The above data also show that, in our country's case, estates under 10 hectares were prevailing, despite having been strengthened during the almost one hundred years from the first agrarian reform of 1864. While high in the beginning, during the referred time, the number of big estates was permanently reduced, both in terms of average surface area of operated land, and in terms of the average of such land in the total surface area, leading to their disappearance at the end of the 40s'.

The table data also indicate that almost 90% of agricultural holdings in Romania were below 10 hectares, 70% of which were below 5 hectares in size, i.e. half the agricultural land, which none of the states included in the comparison encountered. This structure of the estate with a high rate of dwarf agricultural holdings caused the peasantry to be unable to overcome the state of poverty, even after the reform of 1921.

Thus, a new debate regarding small versus big agricultural holdings was raised during the late thirties (Șandru, 2000: 15–19), especially after the publication of the data of Agricultural Census of 1930. This debate involved a wide range of theorists, specialists or politicians, like Mihalache, Garoflid, Ionescu-Șișești and others. Arguments like the economic and social consequences of a new agrarian law, or what kind of and what size is suitable for an agricultural holding in order to generate property or profit for the owners, were brought forth and debated, but the Second World War postponed a decision at that time.

One of the explanations for this particular situation is related to the excess population in the rural areas, that caused the households to be overpopulated, which, in the case of small estates, translated into their poverty. Excess population in the rural area generated most of the problems occurring in the first half of the 20th century: like the low labour productivity (economic inefficiency), the low quality of grains and of other agricultural products as well, and the extremely enhanced fragmentation of peasants' estates (Madgearu, 1940).

Madgearu, (1940: 32) pointed out that approximately 14 million out of a total of 18 million inhabitants (79%) lived in villages; therefore, 17.5 million hectares of cultivated land was allocated to 13.5 million inhabitants, with an average of 1.34 hectares of cultivated land per capita. The number of peasant estates under 1 ha

(i.e. 18.6% of the total of rural holdings and 2.1% of the cultivated area) is due to a rural economy based on dwarf property, a much serious situation than that of other agrarian states such as Bulgaria or Hungary. According to the General Population Census of 1930, the average number of people in a household was 4.4 members per family. Therefore, a family included an average of 2.6 active people and 1.8 provided for, generating a social problem that continued to remain unsolved.

1945 agrarian reform: destruction of the large agricultural holdings

The post-war period meant an unprecedented economic boom internationally, particularly in the case of developed states, which meant a deepening of the already existing economic and social gaps in the European continent (Murgescu, 2010: 315–319): between 1950 and 1998, the gross world product was multiplied six times, with an annual growth rate of 3.9% compared to the only 0.3% annual growth during 1500–1820, and the annual 1.6% between 1820 and 1950, respectively. Such an important growth was triggered by most economic sectors, as well as by the new industrial and service sectors (such as tourism, for instance). According to the mentioned author, agriculture also experienced a significant growth, with production reaching record levels, and the labour force employed in agriculture dropping significantly, whose excess migrated towards the industrial and service sectors. The population employed in agriculture dropped significantly, in the case of Greece and Portugal, from almost 50% in the '50s to about 30% of the active population in 1980.

Coming back to the evolution of rural property in the 20th century, we can see that, at the end of World War II, a series of new agrarian reforms took place. They were strongly influenced by political evolutions in the region, particularly by the active presence of the Soviet Union, who had a strong influence on the political decisions of the Central and Eastern European states.

The first amendment took place in 1945, with the explicit purpose of supporting the establishment of “solid, healthy and productive households” (article 1 of the Law 187/1945). Moreover, as shown in the provisions of article 2, the purpose of the agrarian reform was: to increase the arable areas of rural households including less than 5 ha of land; to create new individual rural households for the agricultural labourers who had no land; to create herb gardens in the vicinity of towns and cities in order to supply the workers, clerks and manual workers; and to reserve some pieces of land for the benefit of experimental farms and agricultural schools.

The agrarian reform of 1945 represented the lowest level of assignment of land ownership. Over 143 thousand people were dispossessed – i.e. a surface area of 1,444,000 hectares (approximately 10% of the agricultural surface of Romania at that time), and almost 800,000 peasants were assigned with land ownership, i.e. a total surface area of 1,058 thousand hectares (Axenciuc, 1996: 102). According

to data, another 940 thousand ha were added that were seized by the state in 1949, which leads to a surface area of 2,360,00 ha which was dispossessed from the middle landowners.

The destructive characteristic of the law for the middle landowners who had just started to grow during the interwar period is illustrated by the provisions of article 3, which sets out the expropriation of German and Romanian German-origin citizens who collaborated with Hitler's Germany, without any compensation paid to the owners, as well as of lands and other estates of war criminal and other culprits for the disaster of the country, the agricultural estates of the volunteers who fought against the United Nations, people who had not cultivated their lands for the past seven consecutive years, except for parcels up to 10 ha.

In addition to lands, the state also immediately and without any compensation, seized all machinery found on the agricultural estates, as shown in article 3 provisions, in order to be included in the county centres for the rental of agricultural machinery available to agriculture labourers, as well as the tools and traction animals. Basically, the law signified the seizure of privately-owned agricultural estates, which resulted in the de-structuring of modern agricultural holdings with high mechanisation level which had achieved economic efficiency.

The distribution of land to rural households with less than 5 ha (meaning most of peasant households in Romania at that time) was determined by Groza government's decision to win a strong political support.

The agricultural assets and the people who were going to be assigned land ownership were drawn up by a local commission convened by the mayor, consisting of 7 to 15 members, ploughmen of the respective commune, without land, or who had up to 5 ha, i.e. the beneficiaries of the law, without any involvement on the part of the people who were going to be expropriated.

According to article 15 of the law, the price of land for the assignment of land ownership was set against an average annual crop of 1,000 kg of wheat and 1,200 kg of maize, respectively, with 10% of the price to be paid in advance and the rest of the amount in instalments for 10 years in the case of land owners and in 20 years, in the case of people without any pieces of land, considering that expropriation had been made without any compensation.

Collectivisation: destruction of private property

After the full takeover of power by the communists in 1947, the new political leaders developed a coherent project for the amendment of the ownership structure and, obviously, of the social structure of Romanian society which, in the rural area, meant the bridging of inequalities in terms of the distribution of land, by dissolving middle property (over 50 hectares, representing a surface area of 1.4 million hectares). Machines and Tractors Station Units were established in 1948 by seizure of the agricultural stock by the Romanian State; subsequently, it was decided to

start the collectivisation process in agriculture, and the forming of so-called Collective Agricultural Holdings (GAC), which will later become Agricultural Production Cooperatives (CAP). Starting with the year 1945, these measures led to a change in the nature and structure of agricultural property, with the “cooperative” property now prevailing.

The forced collectivisation process aimed at the liquidation of the “kulaks”, i.e. the rural *bourgeoise* class which had started to form in the interwar period. One of the systems utilised to de-structure the affluent peasants was the mandatory quotas system, after the Soviet Union model, in place between 1948 and 1956, which regulated the obligation to supply agricultural products to the state, on the due dates and at the prices set by the latter. The system required disproportionately high quotas from the affluent peasant households, which resulted in their impoverishment (Larionescu and others, 2006: 97). All these were part of a strategy to dispossess prosperous peasants of their lands and for the Romanian State to seize such lands; the duties and obligations imposed to the middle peasants were so burdening that there were numerous cases where they gave up their lands to the state of their own volition (Şandru, 2000: 308).

Physical elimination, one of the most radical and longest campaigns of the Communist Bloc, was added to these economic measures: a first step was made by way of decree 83 of 2 March 1949 facilitating the expropriation of pieces of land over 50 ha, which had been under the scope of the agrarian law of 1945, which, however, did not actually become completely extinct.

Expropriation was now made overnight, and refusal to obey seizure or the non-disclosure of assets were punished by 5 to 15 years in prison. Furthermore, the law concerned the displacement of the landlord families and the indefinite forced domicile in various locations around the country.

Repression was strong, according to the data of the Presidential Commission report for the study of the communist dictatorship in Romania (CPADCR, 2006: 438): thousands of peasants were convicted or imprisoned; their assets were seized, including houses, the remaining family members were forced to pay rent, etc. Thousands of families were displaced (80,000 according to Şandru, 2000). Although de-structuring reached high quotas compared to other communist states, the fact is that, in 1984, the parcels used by the cooperative peasants and the non-cooperative lands represented only 15% of the agricultural area of the country, and they amounted to 49% of the cattle, 49% of the sheep stock and 57% of the egg-laying birds. (CPADCR, 2006: 440).

The agricultural system during the communist period consisted of the Collective Agricultural Holdings (GAC), which included the biggest aggregation of land, the State Agricultural Holdings (GAS), individual peasants, from mountain and hill areas where cooperatives were not established, and peasants with no or little estates who supplied the highest rate of labour force in agriculture.

Agricultural sector continued to meet two essential functions: on the one hand, it provided the product for the increasing population living in urban areas, as well as for export, and, on the other hand, supplied jobs for the rural population that continued to represent almost half of the country inhabitants.

The agricultural sector was economically efficient, but the rate of investments was kept low, in order to transfer money for industrialisation. All these determined that Romanian agricultural sector remained underdeveloped, with low profitability, partially modernized and still overpopulated.

Restitutio in integrum: the perpetuation of inefficiency

From the onset, the decision-makers after 1989 were facing a dilemma: they did not know whether they should reform cooperatives, reorganise them based on the independent cooperation system, or dissolve them and return to individual private property. They chose the latter option, and the choice was not economic-based, but social, as a result of the pressures of the peasantry to regain possession of the land they were forced to give up.

The successive agrarian reforms after 1990⁵ firstly reconstructed the rights of private ownership of estates, both to cooperative members and to their legitimate heirs, by using land from state or local authorities' property.

The reconstructed property rights within the limitation of 0.5 ha per entitled individual and no more than 10 ha per family, in equivalent arable land (a family means spouses and unmarried offspring). The entitled individuals could request the difference between this surface area and the one with which they contributed to the agricultural production cooperative, but no more than the level of surface areas set out in *Law no. 187/1945 for the performance of the agrarian reform*, i.e. no more than 50 ha.

Thus, the process for the reconstruction of private property of the peasantry was carried out after 1989, but this reconstruction was based on the agrarian law of 1945, which, as we have seen, envisaged the dissolution of middle-class property (the kulaks) and the distribution of land to small landowners and the people without land. Utilisation of such land as a benchmark signifies that such property reconstruction laws aimed at allowing small landowners to emerge, and in no way at establishing middle and big property with higher economic production and efficiency. Moreover, the law of 1991 confined the reclaimed land to 10 hectares per family, which was completely insufficient for the economic activity on such estates to be lucrative, as the surface area of such land was much lower than the ones laid down by the 1945 law.

⁵ Law no. 18/1991 on the Agricultural Real Estate, Law no. 1/200 on the reconstruction of property rights and issuance of property titles on agricultural land forestry land and Law no. 169/1997.

An important remark is now required in relation to the process of reconstruction of agricultural property in Romania: not all pieces of land became the property of the peasants; according to the traditional meaning of the word, peasants and the members of their families live in the rural area and are involved in agriculture exclusively. In the case of the agrarian reform after 1990, part of the pieces of land becomes the property of individuals residing in the urban area (heirs of their parents or grandparents who held land that they were obliged to enter communist GAC), where most of them were employed (as manual workers, clerks, intellectuals, pensioners, etc.), who only cultivated the land on an occasional basis or only for their personal benefit.

Reconstruction of property within the limitation of the aforementioned 10 ha did nothing but fragment Romania's agricultural areas, thus bringing forth all issues generated by small property, as seen already as part of the debate of specialists in the interwar period. Although the law of 1991 made it mandatory for the respective land to be cultivated, the breach of which could lead to the owners being fined with high amounts (between lei 50,000 and 100,000 per hectare), this was only valid on paper. The consequences were negative, as many owners were unable to cultivate the respective pieces of land for various reasons (the economic inefficiency of estates, their age, the lack of a coherent policy for takeover and storage of agricultural products, their quality, etc.), which impacted the agricultural field as a whole, as well as the income of the population in the rural area, who continued to be penniless.

The shortcomings of the 1991 agrarian reform became evident and caused the governments that followed the change of political power in 1996 to reconsider the surface areas which needed to be transferred to owners, with Law no. 1/2000 setting out the reconstruction of property rights within the limit of 100 ha per dispossessed owner, both in the case of agricultural and forestry lands. The law also laid down the possibility of land-consolidation arrangements, where possible, to cover the gap caused by the differences in the pieces of land between 50 and 100 ha. The new law thus allowed the concentration of pieces of land and the creation of middle-level holdings which should have been the engine of the development of Romanian agriculture.

The analysis of the effects of the land reform made after 1991, including the evolutions in the structure of the agricultural holdings will let us to draw some conclusions on the current situation, but also on the future developments of the agricultural sector.

100 YEARS OF AGRARIAN REFORM: FRAGMENTATION, ECONOMIC INEFFICIENCY AND UNDERDEVELOPMENT

A review of the economic reality in the Romanian rural area must begin from the tracking of the evolution of the size of agricultural holdings, their distribution

by groups of sizes, since they represent an efficiency indicator of agricultural activities.

A first methodological distinction is the difference between agricultural property and agricultural holdings: economic and social researchers (Axenciuc, 1996: 107) showed that statistical data may be reconstructed by utilising the most diverse sources like fiscal census, agricultural census, various social-economic surveys, etc. Unfortunately, the existence of data concerning solely agricultural property or concerning agricultural holdings makes it impossible to compare the agricultural realities of various historical times. There is an essential difference between agricultural property and agricultural holdings, having major economic and social implications: agricultural holdings imply the monetised, market-oriented agricultural property.

The data included in the following tables use information available following the agricultural censuses of 1930, 1948, 2002, 2010 and the agriculture structural survey of 2016, and they illustrate the situation following the big agrarian reforms (of 1921, 1945, 1991, and 2000). Thus, we can draw some conclusions concerning the consequences of such reforms:

Table no. 2

Agricultural holdings by classes of size (number of holdings)

Categories of holdings (ha)	1930 ¹		1948 ²		2002 ³		2010 ⁴		2016 ⁵	
	Number (thousands)	%	Number (thousands)	%	Number (thousands)	%	Number (thousands)	%	Number (thousands)	%
0–1	610	18.6	529	17.1	2,222	49.6	2,000	52	1,852	54.1
1–3 (1–2 in 2002)	1,100	33.5	1,107	35.7	898	20.0	726	18.9	630	18.4
3–5 (2–5 in 2002)	750	22.8	707	22.8	1,028	22.9	799	20.8	660	19.2
5–10	560	17.1	551	17.8	263	5.9	223	5.8	194	5.7
10–20	180	5.5	154	5.0	49	1.1	55	1.5	50	1.4
20–50	55	1.7	34	1.1	11	0.2	20	0.5	19	0.6
50–100	13	0.4	14	0.5	4	0.1	8	0.2	6	0.2
100+	12	0.4			10	0.2	14	0.3	12	0.4
TOTAL	3,280	100.0	3,096	100.0	4,485	100.0	3,845	100.0	3,423	100.0

Sources: ¹ The 1930 Census, according to Madgearu, 1940: 30; ² The Agricultural Census of 1948 according to Golopenția, Onică, 1948: 483–484; ³ The Agricultural Census of 2002 (<http://www.insse.ro/cms/files/GAC/index.htm>); ⁴ The Agricultural Census of 2010 (<http://www.insse.ro/cms/files/RGA2010/Rezultate%20definitive%20RGA%202010/Volumul%20I/Tab4-suprafete.pdf>); ⁵ The Structural Survey in Agriculture (SSA), 2016: 20–21.

One conclusion which is immediately obvious following the analysis of the *Table no. 2* data is related to the constant number of agricultural holdings in the last century, except for the period following 1990, which proves the negative effects of the agrarian reform – particularly in the category of owners of small pieces of land (in the category of up to 5 hectares, which should be providing for a 4-individual household). The boom in the category of the dwarf agricultural holdings, obviously economically non-viable, may be explained through the desire of the Romanian peasants who underwent collectivisation and forced dispossession of land during the communist time (many of them quite old in the '90s) to regain possession of the pieces of land they used to hold and to work them individually, completed by a rapid fragmentation process through inheritance.

However, on the other hand, this evolution entirely annuls the efforts made in the first half of the 20th century, through the consecutive agrarian reforms, to distribute as much land to peasants holding small pieces of lands as possible, for the purpose of ensuring sufficient income for such holdings. According to data, the holdings with surface areas below 10 hectares represented 92% of the total holdings in our country in 1930, 93.4% in 1948, 98.4% in 2002, 97.5% in 2010, and 97.4% in 2016, which means that almost all agricultural holdings are small-scale. Almost 92% of current ones, as shown by the 2016 data, are below 5 ha, compared to approximately 75% in the first half of last century.

Data also show that this phenomenon took place in parallel with that of diminishment of the holdings in the 10–100 hectares category, where such agricultural holdings should have been the core of economically viable agricultural ones. Unfortunately, in the nineties there was an instinctive reluctance toward any form of association for the purpose of forming agricultural holdings of big pieces of land, with the change of the mindset only taking place as late as after Romania's accession to the European Union.

One possible explanation of the sudden increase in number of agricultural holdings after 1990, apparent in the agricultural census of 2000, was related to the 1948 situation: the data of the census made that year show that over one third of a population of 15.872.624 inhabitants, i.e. 5.5 million people were land owners, with the numbers reaching 48.7% if we refer to the population over 14 years of age (Golopenția and Golopenția, 1999: 477), which means a significant overlapping of the number of agricultural holdings in 2002, compared to that of land owners in the '50s.

However, the number of holdings only provides a partial image, whereas a thorough analysis requires a follow-up on what happened to the pieces of land owned by the respective agricultural holdings; existing data are presented in the following table:

Table no. 3

**The structure of agricultural holdings by classes of size
(total surface area of agricultural holdings)**

Categories of holdings (ha)	1930 ¹		1948 ²		2002 ³		2012 ⁴		2016 ⁵	
	Surface area (thousands ha)	%	Surface area (thousands ha)	%	Surface area (thousands ha)	%	Surface area (thousands ha)	%	Surface area (thousands ha)	%
0–1	320	1.6	305	2.1	771	4.9	734	4.7	801	5.8
1–3 (1–2 after 2002)	2,200	11.1	2,548	17.5	1,274	8.1	1,037	6.6	988	7.1
3–5 (2–5 after 2002)	3,015	15.3	3,170	21.7	3,168	20.2	2,474	15.8	2,188	15.8
5–10	3,955	20.0	4,324	29.7	1,740	11.1	1,487	9.5	1,376	9.9
10–20	2,360	12.0	2,230	15.3	616	3.9	727	4.6	709	5.1
20–50	1,535	7.8	1,060	7.3	315	2.0	612	3.9	613	4.4
50–100	895	4.5	940	6.4	264	1.7	541	3.4	602	4.3
100+	5,470	27.7			7,560	48.1	8,083	51.5	6,601	47.6
TOTAL:	19,750	100.0	14,577	100.0	15,708	100.0	15,695	100.0	13,878	100.0

Sources: ¹ The census of 1930 according to Madgearu, 1940: 30; ² Surface areas of individual agricultural households according to Axenciuc, 1996: 214 and the Agricultural Census of 1948 according to Golopenția, Onică, 1948: 483–484; ³ The Agricultural Census of 2002 (<http://www.insse.ro/cms/files/GAC/index.htm>); ⁴ The Agricultural Census of 2010 (<http://www.insse.ro/cms/files/RGA2010/Rezultate%20definitive%20RGA%202010/Volumul%20I/Tab4-suprafete.pdf>); ⁵ The Structural Survey in Agriculture (SSA), 2016: 20–21.

The surface areas of land of small-scale holdings (under 5 ha) were quite constant in the historic period reviewed: from 28% of the total lands in 1930 to 28.7%, which proves, once more, that the growth in the number of agricultural holdings may be explained by an increased number of people or inheritors who regained possession of former estates. Moreover, the use of less than one quarter of the total surface areas utilised in small agricultural holdings shows the negative social aspects of the Romanian rural area which persist even today: poverty, low health and education levels, inadequate housing, low living standards, etc. This also explains the domestic and abroad migration of the past 10 years, in particular of the young population from the rural area, and the negative aspects of depopulation, but also the ageing of the rural population, with long-term negative effects.

Again, the dramatic dropping of surface areas is taking place in the context of categories of holdings which should have been the most important categories of agricultural holdings, which could have provided more than the survival of the rural households: the pieces of land of those who used to own between 5–10 ha dropped from almost 30% in 1948 to 10% of the total surface area of land in 2016; the ones included in the 10–20 ha category dropped from 15% to 5% for the same years of reference; the ones between 20–50 ha were cut in half, from 7.3% to 4.4%. All this means that middle size agriculture holdings, the heart of modern exploitation,

dropped dramatically, despite of the continuous effort to develop them through several land reforms.

The data in the table indicate the same positive aspect concerning agricultural holdings in our country, i.e. the doubling of the surface area owned by big holdings (over 100 ha) compared to 1930 (agricultural holdings over 100 ha had disappeared entirely in 1948). This is positive given that big agricultural holdings allow mechanisation, fertilisation, etc., which leads to bigger crops and, therefore, to increased economic efficiency. The development of the large holdings proves that both Mihalache and Garoflid were right in their theoretical dispute carried out in the thirties: Mihalache was aware and concerned by the resilience of the large holdings and Garoflid considered that these are the only viable forms of economically viable agricultural activity.

A complete perspective on what happened with agricultural holdings is given by their average surface area, whose data are included in the table below.

Table no. 4

Average surface area of agricultural holdings, by classes of size

Categories of holdings (ha)	1930	1948	2002	2012	2016
0–1	0.5	0.5	0.3	0.3	0.4
1–3 (1–2 after 2002)	2	2.3	1.4	1.4	1.5
3–5 (2–5 after 2002)	4.0	4.4	3.0	3.0	3.3
5–10	7.0	7.8	6.6	6.6	7.0
10–20	13.1	14.4	12.5	13.2	14.1
20–50	27.9	31.1	28.6	30.6	32.2
50–100	68.8	67.1	66	67.6	100.3
100+	455.8		756	577.3	550
The average:	6	4.7	3.5	4	4

Source: Average surface areas are calculated by dividing the number of holdings to the surface area of land owned by the same, depending on the categories of holdings, by using the data in Tables no. 2 and no. 3.

The presented data unequivocally highlights the persisting issue of the fragmentation of land ownership, an issue which was not solved in the reviewed century, despite the four mentioned agrarian reforms, all of which attempted to identify a solution to this very issue. In present-day Romania there are 2.4 million dwarf agricultural holdings of below 2 ha (i.e. 72.5% of total number of holdings), i.e. approximately 13% of the total of the agricultural surface. What is worse, 54% of agricultural holdings mean less than 1 ha of land, with an average surface area of 0.4 ha, which means that it does not even provide for the minimum necessities of the family.

The biggest part of estates, i.e. over 3.3 million of them, are in the below 10 ha category, and are, therefore, incapable of becoming economically-viable systems (97.5% of the total of agricultural holdings, meaning 30% of the whole of surface areas of agricultural holdings). This structure triggers a whole series of negative phenomena (the fragmentation of property, high level of land subdivision, etc.).

However, ironically and unexpectedly, during the transition period, agriculture provided the survival resource to a large mass of peasants who could no longer find any paid jobs, which Vladimir Pasti (Pasti, 1997: 47–48) called the building of a "society of survival", the outcome of largely unintentional and unforeseen processes, consequences of transition measures and policies. One of these processes was represented by the privatisation of agriculture, particularly, the way in which this was done, which caused the reoccurrence of the survival rural households, which maintained, and, in some cases, even deepened the underdevelopment of the Romanian rural area. The Romanian rural area became a world in itself, surviving by way of development of its own social structures, values, behaviours, mechanisms, etc., all these having the characteristics of pre-industrial society.

Moreover, after 1990, the law on the reassignment of land property to peasants did nothing but reactivate the interwar-specific flaws of rural households: thus, the dissolution of agricultural production cooperatives meant the loss of access to their technology and infrastructure, the financing sources required for the agricultural activity, the agricultural product markets and, last but not least, the support of qualified specialists (Pasti, 1997: 50–58).

Table no. 5

The rate of the population working in agriculture

Years	Total population			
	Total (thousands)	Rural %	Urban %	Employed agriculture population (thousands)
1920	15,541	77.8	22.2	7,102
1938	19,750	81.7	18.3	9,026
1950	16,311	76.6	23.4	6,209
1989	23,159	46.8	53.2	3,012
2000	22,435	45.4	54.6	3,523
2015	19,819	46.2	53.8	2,184

Sources: Statistical Yearbook of Romania, 2016: 116; Axenciuc, 2012: 96.

The above data show that the rate of the rural population was very high throughout the 20th century, as the rural population represented almost half of the population of the country, even in 2015. Moreover, although the population employed in agriculture dropped dramatically compared to the interwar period, its number is still disproportionately high. According to official data (Statistical Yearbook of Romania 2016: 116), the employed population in 2015 was distributed as follows: 46% were employed, 0.7% were employers, 33.4% were freelancers or members of an agricultural company or a cooperative dedicated solely to the rural population (18.3% nationally) and 19.9% were unpaid family workers (9.6% rurally and urbanely).

Taking into account the still very high number of "unpaid family workers", it is almost impossible for the rural household to have any profit, except in the case of villages located next to the cities, where the agricultural activity is combined with paid work in the neighbouring city. The phenomenon is a matter of permanence

in the 20th century, with their number being much higher in the interwar period (Larionescu and others, 2006: 210).

The existence of an excess of the labour force in the rural area, including involved in agricultural activities, was the main cause of the lack of efficiency and of the large-scale utilisation of manual labour, highlighted by numerous studies from the very beginning of the 20th century: upon considering the required work in the rural households in the respective period, study (Georgescu, 1938) indicates that only among the rural population who, in 1930 lived from the cultivation of land, were there any labour availabilities amounting to 750,000,000 working days, which means that the population employed in agricultural activities was only using 52% of their working capacity. The Structural Survey of Agriculture data of 2016 indicate that the number of worked days in agricultural holdings was approximately 335 million even in 2016, which proves the continued utilisation of physical work to the detriment of mechanisation.

This situation is illustrative of the inefficiency of the Romanian agricultural system: Vladimir Pasti (2006: 125–126) indicates that in 1930, 10.5 million peasants (more than half of them illiterate, lacking modern equipment, or an irrigation system or fertilisation), produced approximately 10.5 million tons of grains, which meant an average of 1,000 kg per peasant. In 1999, one peasant produced 4,300 kg, i.e. four times more, while a French farmer in France produced 53,000 kg (12 times more), and an American farmer produced 86,000 kg (meaning 20 times more).

Moreover, the author (Pasti, 2006: 433–434) believes that the current structure of agriculture tends to become polarized, which means the large-scale dispossession of small and medium holdings of agricultural areas, which will dismiss a large mass of the active population involved in agricultural work who will no longer be absorbed by the European Union developed states' labour market; modern agriculture would require half a million people, compared to the 2.1 involved currently.

CONCLUSIONS

The excursion into one century of agrarian reforms and of modernisation of the Romanian rural area indicates that the passing from the traditional societies to modern ones is not a simple historical process. In the specific case of our country, we note an ongoing fluctuation between the modernisation attempts mimicking the West-European model and attempts at identifying a “Romanian” development pattern. Inequalities and poverty in the rural environment are consequences of the 17th and 18th century events, i.e. the Phanariot period, the beginning of the severe exploitation of Romanian peasants to cover the ever-growing financial costs of the political leaders (including those related to the acquirement of the reign).

The consecutive agrarian reforms, attempts of repairing this state of facts, do nothing but consolidate small property. These reforms were supposed to ensure the survival of the rural families to the point of development of a strong national industry which might have taken over the excess population from the rural area. The outcome was, indeed, the survival of the rural population, however, on the

brink of poverty, even nowadays, when the urban environment and industry are, at least statistically, prevailing.

The decision to strengthen small agricultural holdings was mostly a political decision, even if debates involved very well prepared specialists in the agrarian field: political leaders of the last one hundred years have seen the distribution of land as a solution to the persisting social and economic problems of rural area (especially economic survival of a large percent of the population) till the economic development will be accomplished, but also a source for electoral support and gain of political power.

The rural area was the economic area which supported the economic development of the Romanian state, by two mechanisms depicted by Mihail Manoilescu: one was the “direct elevator” theory, according to which villages were forced to supply the food and agricultural products which the towns needed (at small prices). In addition to this mechanism, there was also the “indirect elevator” mechanism, by which agricultural products were exported by the Romanian state in order to cover the import of products needed almost exclusively by the towns, and for industrialization (Manoilescu, 2002: 100–102).

Currently, the agricultural holding sector is strongly polarized. On the one hand, we continue to have a high number of rural holdings, on the other hand, we identify the large holdings (trading companies, associations or individual holdings in excess of over 50 hectares) meaning almost half of the Romanian agricultural lands. Thus, the medium farm sector continues to be underdeveloped and lacks growth perspectives, at least for the near future. This takes in consideration the existence in the last years of a process of consolidation and development of big holdings (47% of the agricultural estate in the category of over 100 ha, in 2016).

The registration of property in Romania is deficient, particularly in the rural area: this was caused by the unequal application of the Agricultural Real Estate laws, the disagreement between the existing pieces of land and the ones assigned (such assignment was made based on the declarative records of agricultural registers), as well as the utilisation of outdated cadastre documents drawn up in the ‘70s and ‘80s. The absence of clear records and cadastre documents is an old issue; for instance, it was also invoked during the interwar period and in the agricultural census of 1948, when specialists which operated data collection complained that many managers of agricultural holdings estimated their size depending on the number of plough or reaper-use days (Golopenția and Golopenția, 1999: 474).

The issue with the lack of registration of property is that they cannot be subject to legal transactions, which is the modern equivalent of inalienability in the 20th century. All these represent an impediment to business opportunities, the taxation of the respective land, the development of sustainable development strategies or the possibility of attracting European funds. The lack of property titles and their actual overlapping created numerous legal problems, whose resolution will last many years to come.

The situation of property represents an alarm for the future developments of Romanian agriculture. Although we do not have solid data concerning the consolidation

of pieces of land and their purchase by people in European Union states, the press shows that such phenomena did take place after 2007. According to data from a European Parliament analysis (2015:19), up to 10% of agricultural land is now in the hands of investors from outside the EU, with a further 20–30% controlled by investors from the EU; for example, in the Western part of the country, in Timiș county, it is estimated that approximately 150,000 ha of agricultural land (almost a third of the agricultural area in the county) is cultivated by Italian-owned companies. The European Parliament analysis (2015: 19) also shows the number of land transactions, as well as the area sold has more than tripled in Romania between 2005 and 2009.

However, the consolidation and modernisation of Romanian agriculture, as well as the shift of production towards export for the European market will again generate problems concerning overpopulation and rise question about what will happen with the remaining population who, one way or another, is dependent on agriculture to survive.

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Proprietatea asupra terenurilor este una dintre componentele cele mai importante ale averii în întreaga evoluție istorică a omenirii. În România, în ultimul secol și jumătate, proprietatea asupra terenurilor a cunoscut o importantă evoluție, având cel puțin patru legi agrare importante pe parcursul acestei perioade, fiecare dintre ele încercând să rezolve definitiv ceea ce a ajuns cunoscut ca și „chestiunea agrară”. Articolul analizează comparativ principalele prevederi ale acestora, precum și impactul lor la nivelul societății românești în ansamblu. Concluzia la care se ajunge este aceea că exploatațiile agricole din România au fost și continuă să fie fărâmițate, predominând proprietățile pitice, ineficiente economic, lipsite de inventar agricol modern, având ca rezultat producții cantitative și calitative reduse. Cauzele acestei stări de lucruri sunt dintre cele mai diverse și diferă în timp: suprapopulația din mediul rural, lipsa unui sector industrial și terțiar suficient de dezvoltat pentru a absorbi surplusul de populație din agricultură, nivelul scăzut de educație al populației, ineficiența economică, lipsa unei viziuni politice coerente, etc. Toate acestea au făcut ca populația rurală românească să trăiască la limita sărăciei, iar sectorul agricol să fie unul subdezvoltat.

Cuvinte-cheie: ineficiență economică; fragmentarea terenurilor; reforme agrare; sărăcie; subdezvoltare.

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Prof. ANTONIO FICI, *A European statute for social and solidarity-based enterprise*, Policy Department for Citizens' Rights and Constitutional Affairs, 2017

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The document purpose is to explain why the existence of a legal framework dedicated to social enterprises (SE) is essential for their development at European level. Thus, this research analyses and rearranges the SE types from European Union within an exhaustive set of typologies, presenting their advantages and disadvantages, by comparison method. The document is structured in five main chapters, as follows:

The chapter "*The Fundamental Role of the Law on Social Enterprise*" presents the advantages of specific legislation existence. Lacking the clear norms, an organisation aspiring to be like SE may be exposed further to arbitrary decision of those who control it (i.e. the statute modification and altering the social mission) or, in an unfair competition context, it cannot benefit exclusively of using the social label right. An additional argument is offered by the permeation of specific regulation, providing enough evidence related to how the legislation helps the social entrepreneurs.

The prime reason for creating the suitable forms for new emerged organisation models is protecting one of the functions or objectives (i.e. profit non-distribution constraint), conducting further to a precise identity and saving the main features. Also, securing the members and founders' interests is a precondition for good existence of these organisations, but it needs an exact legal definition. The distinct identity benefits shall be a consistent treatment related to fiscal legislation, public procurement or competition law, specific public policies, setting a clear boundary to other concepts or categories, avoiding false SE operation and raising the sector visibility by collecting accurate statistical data.

The chapter "*Models of Social Enterprise Regulation and the Legal Nature of a Social Enterprise*" introduces the main criteria of legal classification:

a) The Social Enterprise as a legal form of incorporation, namely the community interest companies (United Kingdom) or social solidarity cooperatives (Italy);

The social cooperative (the Italian model) has the "aim to pursue the general interest of the community in the human promotion and social integration of citizens" either through providing socio-health or educational services (type A cooperatives) or through economic activities involving the employment of disadvantaged people (type B cooperatives).

The social enterprise took the cooperative structure, due to social function recognition and public support, allowing the match between cooperative's social relevance as organisational form and general interest objectives' social relevance of social enterprise.

The community interest company (the British model) is a particular type of entity which follows the community benefit instead of maximizing the shares value, even if it is a capital – oriented organisation and lead by shareholders. This type has a weaker identity as SE and involves risk if the control is held by a single member and if the ownership is not clearly statutory set.

b) The social enterprise as a social actor category, qualifying for a legal status (but it can be disqualified), upon recognition of accomplishment of requirements set – no matter the legal form (company, cooperative, association etc.)

The author marks down that the second option brings more advantages, further detailed, which entails the rise of its propagation (the most recent national laws are set on this pattern, including Romania) and even shifting from the first model to the second one. Between main advantages displayed, we retain:

- It allows any existing organisation to become SE, without reorganisation or re-establishment;
- Losing the SE status does not cause the modification or the dissolution of the legal person;
- It allows to use any kind of organisation for the activities' business efficiency – capital-based or employment-based, but also depending on different factors as founders situation, cultural or historical heritage;
- The common status creates a common identity for the whole SE diversity;
- Meeting the requirements for this kind of category is easier than incorporation process;
- It settles the dilemma between the company model and the cooperative model, and the associations and foundations may enjoy the own nature advantage.

The chapter “*The Legal Identity of a Social Enterprise and the Main Related Issues of Regulation*” draws some sector's specific features.

Firstly, the legal person must be private and not controlled by the public entities. But even if the individuals cannot fit within this concept, there are cases where an entrepreneur or a unique owner may obtain the SE status, because the national legislation does not interdict explicitly.

Secondly, the purpose of the general or community interest by the SE makes the difference against the companies or cooperatives, because the “institutional purpose” limits the decisions and the discretionary power, in behalf of social mission.

Also, the non-distribution constraint and profit allocation is explained as a protecting tool of institutional mission, including avoiding the payment of unjustified remunerations (compared to market levels) to the employees or managers through “indirect profit distribution”. However, the author comes into notice about the controversy between total ban of profit distribution that can maximize the community interest and the partial distribution that can attract more investors.

The social utility of the entrepreneurial work is demonstrated by the social enterprise performance, in any of those two models: both as work insertion social enterprise for persons from vulnerable groups (WISE), and under other organisational forms undertaking any kind of useful activity from social point of view.

Further, there are presented the governance requirements stated by existing laws, like the duty to issue an expository report regarding the benefit brought to the community throughout the activities performed and use of organisation resources and profit, whose purpose is to exhibit the varied involvement within the society and constantly supervising the social impact.

Not least, the author emphasizes that the efficiency of the law depends on the coercion mechanisms, in this case, the right of using the SE label shall be allowed only to those observing the provisions in force. Furthermore, according to the national authorities' structure and competencies, a public control may occur both before registration / certification but throughout the existence of organisations, and the penalties may be form fines to revocation of the certification or entity dissolution.

The chapter “*Defining the Boundaries between Social Enterprise and Other Concepts*” presents another argument in favour of *ad-hoc* legislation, setting clearer boundaries against adjacent concepts: social economy, third sector, corporate social responsibility (CSR), because the confusion may endanger the sector development. Regarding CSR, the author underlines here that this kind of organisations only *integrate* social features within the business model, “*on a voluntary basis*”, which does not mean they shall be considered as social enterprises, even if this can generate benefits for community.

The chapter “*Recommendations about Possible EU Legislative Initiatives on Social Enterprise*” concludes this study, pleading for the harmonising of this framework at European level, through an EU legal statute, whose goal will be the adequate treatment in the field of public procurement, tax and competition legislation for SE.

Recalling the previous experience of EU harmonising process for private companies legislation, the author foresees as obstacles the lack of specific legislation in some Member States (and where the

law exists, it regulates either the incorporating model, or the statute model) or only the insertion enterprises are recognised, but also the cultural singularities which determine the differences between the national regulations.

As an echo to the EC communication “*the need for ... a possible common European statute for social enterprises*”, a unitary legal status may provide as advantages the facilitation of cross border activities and a better closeness and association of SE.

In the end, we retain the following main **recommendations**:

1. Adopting a legal statute at EU level will enhance the development of SE entities in the EU.
2. The statute should establish the category “European Social Enterprise”, together with the label of “ESE”, regardless of the legal form.
3. The criteria to be fulfilled shall be: private entity organisation, community or general interest purpose, partial or total constraint of profit distribution, valuable activity at social level, issuing a social report, members and stakeholders involvement in management, fair treatment of workers, public control for label protection.

European Parliament, Directorate General for Internal Policies (2017).

A European Statute for Social and Solidarity-Based Enterprise, Brussels.

[http://www.europarl.europa.eu/RegData/etudes/STUD/2017/583123/IPOL_STU\(2017\)583123_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2017/583123/IPOL_STU(2017)583123_EN.pdf)

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