

## MODERN ROMANIA ECONOMIC ISSUES. THE AGRICULTURAL EXPLOITATIONS. LIMITS AND VULNERABILITIES.

Doris-Louise POPESCU<sup>1</sup>

*Lucian Blaga University of Sibiu, Romania*

### **Abstract:**

*The current study aims to highlight the main deficiencies that defined the fundamental sector of the Romanian economy in the modern period, agriculture. In this case, we are witnessing a paradox, Romania's specialization in this traditional occupation, the majority rural population, the soil of an exceptional quality being only the elements of a not exploited to its true value potential. We therefore propose an analysis of the way of organization and operation of the agricultural holdings, both of the small and the large farming, emphasising the insufficiencies that characterized these holdings, contributing majorly to the lack of performance of this key economic sector.*

**Keywords:** *agriculture, production, agricultural exploitation, farming*

**JEL classification:** *Q15*

### **1. Introduction**

The 19<sup>th</sup> century marked the beginning of a capitalistic economic development in Romania. Despite the feudal remains still being maintained in the Romanian society, despite the still manifestation of the Ottoman suzerainty, moments such as the Treaty of Adrianople, the revolution of 1848, the double election of Alexandru Ioan Cuza, the introduction of the Constitution, the arrival of the foreign prince and the conquest of Independence boosted the reformation of the Romanian state, its democratization and modernization.

Regardless of these evolutions, Romania continued to economically underperform, to this precarious state bringing their contribution the multiple dysfunctionalities defining the main economic branch, namely agriculture.

### **2. Sections**

#### **2.1 The small agricultural exploitations. Principles of organization and functioning.**

The problematic situation of the Romanian agriculture, generated more by a crisis of production than by a crisis of property or overpopulation, found its explanation specifically in the irrational economic organization of the agricultural holdings. Such a functioning characterized especially the small agricultural exploitations, the matter becoming all the more acute as the weight of this category of holdings was immense, it occupying 2/3 of the arable land of the country.

The respective state present at the level of the small property was the effect of the combined action of several factors, such as: the agricultural worker, the cropping techniques, the farming system, the existence of an extreme parcellation phenomenon.

As far as the Romanian peasant was concerned, he was a key element of the issue, being a generator and, at the same time, a direct victim of the uneconomic agricultural system. Thus, the manifestation of a wide series of deficiencies was attributed to him, inclusively the hardening of the Romanian village. Naturally, this peasant was the result of a harsh historical development, breaking with the past, respectively his adaptation to the new realities being difficult. Even disenclaved, the peasant still kept the old habits, displaying "the soul of a former slave from which the memory of the needs of the past time has not been erased" (Constantin Garoflid, 1920). And this "inheritance" was the cause of

<sup>1</sup> [doris.popescu@ulbsibiu.ro](mailto:doris.popescu@ulbsibiu.ro)

fatalism and resignation, which, becoming defining traits of the peasant, explained the inconsistency of his actions.

Worse than that, was that these mentalities anchored in traditionalism, the refusal to accept the new and the lack of a deep motivation were manifested not only at the level of ideas and beliefs but also into practice. Freed from the oppression of the masters, the peasant came under the much more dangerous slavery: the slavery of ignorance and ignorance.

Condemned by external conditions but also by his own decisions and actions, the peasant was content to witness peacefully and statically the inert flow of his work, not making any kind of modification and perpetuating the use of crops whose product was reduced both in terms of volume and value, as well as the uninspired choice of techniques and systems of production. And the fact that all his actions were attributed to supernatural forces, to divine intervention: "the result of his efforts depends on chance: sometimes good turns out bad, sometimes bad turns out good, what need to work his body and mind for a better crop when all the fruit of his work depends on above: if God wills, it is also done on the way" (Constantin Garoflid, 1920), represented a flagrant contradiction of the goal of any economic system, whose fundamental objective is the satisfaction of needs, under the conditions of a rational behaviour of individuals, who aim to maximize outcomes, simultaneously with the minimization of resource consumption.

However, the limits revealed by the Romanian peasant proved to be only partially the cause of the lack of material prosperity, the main reason for recording a low level of production in the case of the small exploitations being mainly related to the maintenance of the plot system.

Therefore, the practice of agriculture raised new problems, the small crop, far from ensuring a gross product superior to the large crop, as in most other countries, being unable to increase production. The existing situation thus had to be analysed through the prism of a series of determining factors, such as: the small average of the peasant property, its shape, the distance between the plots, the exploitation system, the lack of an economical medium-sized peasant farm (C. Dobrogeanu Gherea).

Although the small exploitations covered a substantial part of the arable surface of the country, the absolute extent of the peasant property was nothing but a mirage, the average belonging to each owner being extremely reduced, namely a plot of 3.2 ha. Moreover, 21.34% of the small property consisted of lots between 1-3 ha, the division becoming more pronounced, as the problem of co-sharers was also taken into account (G. Ionescu Sisești).

This extreme fragmentation of the peasant property, which led, practically, to the pulverization of the small household, prevented the practice of productive agriculture, absolving the peasant, relatively, of the fault of the low production: "what culture can be done on these plots where rotation, fertilization, work even with the tools, are they hindered because of the small surface?" (Constantin Garoflid, 1920).

The very shape and layout of the peasant lots made intensive cultivation impossible, the plots being narrow and long, and the holdings dissociated. To all this was added the great distance between the plots, they being located a few kilometres from the peasant's home, another inconvenience for intensive agriculture.

The above proved the existence of a real problem of the small peasant property, the lack of material prosperity and increased production being directly conditioned by the land (size, shape, layout). The crisis of Romanian agriculture was a structural one, the correction of deficiencies and the removal of shortcomings requiring an organic, fundamental change, which had to aim at a "revolution" of "mores, of law, of the entire social institution" (Constantin Garoflid, 1920). Above all, it was necessary to give up the past and the old work system, respectively the removal of the feudal practices. However, this initiative was difficult, if not impossible, a fact due in particular to the situation created following the appropriation from 1864 and the agrarian legislation of the following years.

In these senses, the liberation of the peasant was only illusory, the appropriation even having an awkward effect, that of intensifying the economic dependence of the small owner. Actually, a new form of enslavement was introduced: the neo-serfdom, the abolition of serfdom being replaced by much

tougher obligations, enshrined in laws that provided, dramatically, even a forced execution, with the help of the army. The binding of the "free" peasant was established by the declaration, together with the appropriation law of 1864, of the inalienable character of the land, the essential conditions of neo-serfdom being completed by a series of provisions of the agricultural barter laws, which conditioned the work of the peasants with the consent of the communal authority (C. Dobrogeanu-Gherea).

It was therefore proven that, far from a beautiful intention, that of laying the foundations of a capitalist agriculture, the system inaugurated by the law of 1864 and the additions/modifications that followed demonstrated their deep deficiencies, both with regard to the limits of the appropriations operated, and with regard to the prescribed servitudes, these being replaced by a hidden class system, even more restrictive and burdensome.

Moreover, just as the appropriation did not create a free peasant, neither the mentality of the peasant, nor the interests of the large property allowed the occurrence of the agricultural worker, nor the establishment of a capitalist agriculture. Thus, newly declared owner, the peasant would not be constrained at any cost to turn into an employee, ownership awakening new aspirations and fuelling his dream of becoming independent and self-sufficient.

### **2.1 The large agricultural exploitations. Principles of organization and functioning.**

As far as the large property was concerned, it was the most interested in preserving the existing state, free labour essentially favouring the maintenance of the latifundia farming and generating the profitability of the large holding, which resulted from the reduction of the expenses charged to the peasant.

In this equation, every peasant became useful, providing the large agricultural exploitation not only with his labour, but also with the cattle and the necessary agricultural inventory. This preference of the large exploitation for the peasant working force was motivated by its interest to supply the estate with as many arms as possible, the quantitative aspect predominating over the qualitative one, especially since the large exploitation did not aim to increase production.

And the advantages of such a system were obvious: "the more tenants on the same estate, the faster the work of the great exploitation is done" (Constantin Garoflid, 1920). Again, a serious anomaly was signalled, the performance of the large holdings not being a natural result of the increase in production, but being based on the cheapness of the peasant's labour.

The correction of this abnormality and the elimination of the paradox that prevented the peasants, the main providers, from being able to enjoy the outcomes of their work, called for the overthrow of this work regime, of this system of peasant/tenant relations, as well as the disappearance of the resulting hybrid product, no ploughman nor salaried, making way, gradually, for a differentiation of peasants into self-employed ploughmen/paid workers.

The essential condition of the economic recovery in the agricultural sector consisted in the very organization of the small property on a new basis, this fact achieved, the small holding becoming susceptible to intensification, through the open possibility of a better execution, of the concentration of capital on smaller areas, the prosperity of the peasants diminishing the number of arms offered on the labour market, and the lower labour supply leading to an increase in wages. At the same time, the increased production would have boosted the demand for labour, absorbing the population growth and covering the growing tax demands. Nevertheless, reasonable wages would have freed the peasant from the need to raise cattle, both factors decisively contributing to the breakdown of the latifundia farming and the disappearance of large holdings, which were guilty of perpetuating most of the shortcomings of the agricultural system.

Only in this way was it possible to free the peasant from the vicious circle of constraints, the fundamental and artificially maintained issue not being that of the land, but of a faulty exploitation of it, a context in which the peasant was made the main victim.

The inefficiency of the small farming system represented only one of the multiple causes of the backward state of the Romanian agriculture. To the perpetuation of this situation, the forces of the

organization of the large farming contributed equally, this, through its dominant elements, aggravating the agricultural issue and manifesting itself as a strong factor of regression.

Large-scale agriculture, whose essential characteristic was the latifundia exploitation, by its very reason of functioning was perceived as an obstacle to the intensification of cropping, its profitability not being provided by the increase in production, but deriving, unnaturally, from the increase of the cultivated area, parallel to the reduction of expenses, transferred to the account of the peasants.

Their arms, cattle and tools ensured, in these conditions, the smooth operation of the large exploitation and its very existence. Practically, it was considered that without the peasant's cattle and tools, the large agricultural exploitation would not have been born, the latifundia system owing its development to this very fact.

Thus, the large holding exploited the needs of the peasant, who, constrained by the limited nature of the owned property, as well as by the uneconomic organization of his household, being forced to sell his surplus labour to the big owners, the game of conditioning forcing him to accept, tacitly, the onerous provisions of agricultural conditions.

And culture by will, one of the essential characteristics of the large exploitation, was a practice as old as it was widespread, being perceived as a natural phenomenon: "the simple announcement of the steward in the village brought out the plows or carts in the field the next day and the work it was executed without hassle and without weight.... As the earth bore fruit only with rain, so also the work was decided only with a contract of consent" (Constantin Garoflid, 1920).

In addition to the system of permits, the large exploitation also entailed the practice, as natural, but also damaging, of the execution of agricultural work at great distances. The costs of such works, once again placed on the account of the peasants, were considerable. Also, in addition to the consumption of valuable time for traveling distances, working on the vast estates, also involved the maintenance, by the peasant, of a large number of cattle. According to an investigation by the Ministry of Lands in 1899, it turned out that 92% of the existing cattle in the country belonged to the peasants and only 8% of large owners and tenants.

The fact that the large farm did not have its own cattle at its disposal was due to the substantial expenses implied by the husbandry, the owners of the large holdings not being willing to assume these costs, which would have substantially reduced the profit/profitability of the farms. Working with one's own cattle was therefore unprofitable, the cost of one day, being fixed at 6.08 lei. However, by using the peasant's cattle, the large exploitation saved substantially, the day's work being paid with only 3-4 lei.

We are witnessing another paradox, the reality contradicting the beliefs according to which the wealth of a peasant would have been counted in the number of owned cattle. On the contrary, the peasant was turned into a slave to his cattle, having to work hard for their maintenance. The organization of the agricultural holdings called into question, under these conditions, the very status of the small owner, for whom the perspective of the employee would have been much more profitable.

The working tools were also the responsibility of the peasant, out of the 517,463 plows, the large exploitations owning only 7.4%, while out of the 589,300 carts and wagons, the large farms only detaining 4.2% (L. Colescu, 1907).

Another determining attribute of large-scale agriculture was the increasingly concentration process, the decrease in the number of large holdings being accompanied, in parallel, by the increase of the average holding. Also, the growth of the area occupied by the large farms was noticed, a phenomenon produced to the detriment of the small property, the latifundia property risking to destroy the peasant exploitation, by eliminating from the cultivation of the land an increasing number of peasants.

The vicious land distribution, resulting in the creation of a considerable extent of the latifundia holdings, also had the effect of the occurrence and the development of the phenomenon of leasing. Being unable to work/manage the huge owned areas by themselves, the big owners leased this land to agricultural speculators, the tenants.

The fact that the leasehold exploitation prevailed over the direct exploitation was therefore an explainable one, considering that the owner resorted to the latifundia exploitation because he possessed

a large estate, for him its exploitation being a necessity, while the large tenant was an entrepreneur, for that the large exploitation represented a goal, he aiming to make a profit.

It was certain that this latifundial household was the generator of the large exploitation, a hybrid system which, based on a medieval production tool (the peasant's arms and cattle), took the form of a capitalist agricultural exploitation. As the profitability was not possible to return from the increase in production (reduced, due to the deficient technical endowment, the completely irrational way of organization), the large exploitation found its benefit in the ever-lower payment of work, an uninspired solution that contributed to the perpetuation of a backward state of Romanian agriculture.

### 3. Conclusions

The provisions of the Adrianople Treaty (1829), but also those of the Organic Regulations (1830-1831) contributed decisively to the genesis of a fundamental socio-economic problem, namely the "peasant issue". Despite the penetration of capitalist relations and the confrontation caused between the feudal remnants and the modern, progressive elements, the "peasant issue" manifested itself prominently, its effects being all the more painfully felt, as they affected an overwhelmingly rural population.

Originally, the "peasant issue" took shape as an agrarian problem, targeting the land, respectively the ownership of it. Under this aspect, the existing difficulties resided not in the physical lack of this important production factor, but in the inequitable way in which land ownership was distributed.

In practice, there were enormous gaps between the small peasant property and the large property, the middle category being almost non-existent. The large number of peasants, compared to the land in their ownership, doubled by a sustained demographic growth recorded at the level of the respective period, contributed to the excessive fragmentation of the agricultural areas, the dispersion of peasant land ownership representing, moreover, one of the main causes of the ineffective organization of the small household. Deficiencies also characterized the way of organizing the large farms, and in this field, an underperforming agricultural system was maintained.

The situation became even more problematic, given that, to the agrarian dimension of the "peasant issue" an agricultural dimension was added, the limited surface of the small properties and the excessive spraying of the peasant lots being unfortunately doubled by the use of a non-performing technical inventory and the lack of the application of modern production methods. Thus, the lack of irrigation, but also the lack of crediting farmers and of any support given to them, was reflected in the low productivity of the Romanian agriculture, leading to the worsening of the miserable condition of the Romanian peasantry and creating pressure on the need to apply urgent measures in the meaning of solving the problem.

### References

- Creangă, G. D., (1907), *Rural Propriety in Romania*, The Institute of Graphic Arts, Bucharest.
- Dobrogeanu-Gherea, C., *Neo-serfdom. Economic-Sociological Study of our Agrarian Issue*, Viața Românească Editions, Bucharest.
- Garoflid, Constantin (1920), *The Agrarian Issue in Romania*, Gutenberg Edition, Bucharest.
- Idem, *The Crisis in Agriculture*, Bucharest.
- Idem, (1917), *The Agrarian Issue and its Solving*, Dacia Edition, Iasi.
- Ionescu-Sisești, G., *The Agrarian Policy in Romania*, Leon Alcalay Edition, Bucharest.