Between Marxism and Liberal Democracy: Romanian Agrarianism as an Economic Third Way

Angela Harre

Discourses on the dissolution of an idyllic “old society”, which was said to stand in a radical contradiction to a “disastrous and chaotic” modernity, are not at all limited to Eastern Europe. Already during the second half of the 19th century these, discourses also started to dominate within Western economic philosophy discussions. Debates concerning “Englishness” versus industrialization in Great Britain, ruraлизation versus industrialization in Germany or – respectively – “ruralizzazione o industrializzazione” in fascist Italy during the 1920s¹ all had to do with the human wish of living in a stable, clearly arranged community and the imputation of an ever-changing, modern civilization.

In the Balkan states these debates were stimulated by Russian philosophers belonging to the Slavophil and Narodnik schools. Especially agrarian socialist ideas spread to these countries in connection with the exile of hundreds of Russian revolutionaries after the murder of Tsar Alexander II in 1881, and with Stolipyn’s agrarian reforms in 1906, culminating after the last European peasant revolt in Romania in 1907. There were apparent differences between Eastern and Western European philosophical thinking. In Western Europe, these discourses were dominated by an enormous trust in the power of an infinite human knowledge, which resulted in an unlimited optimism of economic and scientific progress, lasting as late as during the interwar period.

This optimism seems to have been limited to Western Europe. Many Romanians had a reaction of frustration instead. They dealt with economic affairs already during the second half of the 19th century. In Romania an autonomous development seemed to have been hindered by economic and societal obstacles. In order to fight the price scissoring between agrarian and industrial products on the world market, and to answer to the agrarian protectionism of Western European countries, the Romanian development strat-

egy changed from export diversification to import substitution after the commercial war with the Habsburg monarchy starting in 1885. But a policy to close the frontiers for imports of almost any kind could not overcome the lack of capital, which resulted in an imperfectly functioning credit system. Investment capital as well as the state’s expenditures had to be extracted from the peasants, a fact that also weakened the domestic market. Romanian industry, which was not able to compete internationally, became heavily dependent on public consumption.

Consequently, the Romanian economists’ explanation of their failure to economically catch up with industrialized countries differed profoundly from that put forward by classical economic liberalism. They claimed that the internal causes of backwardness were clearly inferior to the external threats challenging the national economy. An academic group around Mihail Manoilescu and Ştefan Zeletin supported industrialization, and discussed whether a dependency on the international market was the root of Romanian backwardness (Manoilescu²) or if the country instead had to proceed through different stages of development, similar to the West, but at an accelerated pace (Zeletin³). Manoilescu’s refuse to take up David Ricardo’s thesis of absolute and relative comparative advantages in international trade might be considered one of a series of underestimated culminating points of what became genuine Eastern European economic thought. His national protectionist ideas (intended to improve their Listian origins) made their way around the world, influencing in particular the Latin American dependencia.⁴

Post-war scholars, too, dealt favourably with so-called vicious circles, which were said to hinder a self-reliant economic development and, consequently, to establish the backwardness of South Eastern Europe. Alexander Gerschenkron described the hopelessness of escalating social conflicts in backward agrarian countries with the help of several modernization dilemmas.⁵ Kurt Mandelbaum and Paul Rosenstein-Rodan concentrated on the agrarian surplus population, which sized (after Rosenstein) one quarter of the population. The phenomenon of hidden unemployment would have had a catastrophic impact on agricultural productivity. Kurt Mandelbaum closed the vicious circle; he said that peasants, who moved to the cities and provided cheap mass labour there, too, would balance out the negative productivity in the countryside with an equivalent low productivity in the urban

² Manoilescu, Mihail, Die nationalen Produktivkräfte und der Außenhandel (Berlin 1937).
³ Zeletin, Ştefan, Burghezia romana. Originea so roful ei istoric (Bucharest 1923).
centres. The poverty of these people would create a weak domestic market, providing no basis for a self-reliant industrialization.⁶

The major difference between Romanian and Western European development discourses did not concern the delayed modernization processes. Frustrated by the blocked evolution, rural voters tended to reject reform-oriented party programs and to opt for those political groups which promised to fight capitalist transformation. After the introduction of universal suffrage, the dilemma of the ruling elites was that they had to decide whether they wanted:

to give up political modernization (democratization), to ignore the voter’s voice, and to insist on economic modernization (industrialization) or

to insist on the democratization of the country, and to fight capitalist transformation.

Both ways found their adherent within the Peasant and the Liberal (industrialist) Party. Both ways failed. The industrialists tried to further industrialization against the will of the villages, and failed because of the peasants’ determination to give their votes to the fascists. The agrarianists believed in a rural democracy, but their hopes were demolished during the world depression. The resulting economic break-down mercilessly showed the connections between Romanian agriculture and international capitalism and, thus, ended the strategy of leaving capitalism aside and of jumping directly from feudalism into a better (socialist) future.

This article deals with the agrarianist development strategy, whose rejection of capitalist transformation became a widespread phenomenon in Romania. And to a certain extent, the anti-communist assumption of recent historians who dealt with East Central European agrarianism must also be criticized. In 1954 Branko Pešelj described agrarianism as the peasant’s understanding of complex political and socio-economic matters in which he was interested and for whose solution he fought. In contrast to communism, agrarianism was not an artificial construction of single intellectuals, but instead included those ideals inherent in the peasant’s soul and character.⁷ This definition was formed during the early phase of the Cold War, and tried to position basic democratic traditions in the Eastern European villages against Stalinist influences. But it is questionable as to whether agrarianism (in contrast to communism) reflected ideas that were deeply written in the peasants’ souls. First of all, we have just a relatively vague knowledge about what was hidden in the peasants’ brains. And secondly, communism as well as agrarianism were responses to the shock of capitalist transformation. Agrarianism did not reflect a peasant understanding of complex political and socio-

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economic matters, but was (as was communism) a theoretical construction of Romanian scholars in the name of peasants, who only partially identified themselves with their intellectual mentors.

The anti-communist assumption dominated at least until 1977, when Heinz Gollwitzer also compared the East Central European peasant parties with Western pluralist democracies. He, too, underlined that for a short moment in time there seemed to have been an international peasant movement which was opposed to the international proletarian movement. And even the slightly different definition of Stephen Fisher-Galati (1967) did not match the Romanian case. He described agrarianism with the help of three key points: a) democracy in the Western European sense of the word, b) private property, and c) social harmony.

In the Romanian case, the demand for democratic institutions and local autonomy had more to do with the agrarianists’ wish to conserve traditional social relationships. Western European democratic models were not neglected, but were instead openly criticized and adopted to the original vision of a peasant (corporatist) state, which was similar to the peasant dictatorship of the Bulgarian statesman Alexander Stambolijski (1879-1923), as will be shown later in this article.

At least during the 1920s, agrarianists favoured a so-called labour property, which was said to provide a golden third way between capitalist private property and communist collective property. Capitalism itself was given up as a promising way into a better future, and similar to the Russian Narodniki, Romanian agrarianists tried to preserve an idealized peasant past, one which needed to be liberated from its aristocratic heads – the boyars. Agrarianism seemed to answer the age-old human desire to live unharmed by societal authorities.

The rejection of traditional leaders had an influential impact on political theory. It is correct that Romanian agrarianists refused class fights and social violence. At the same time, they divided the citizens of their country strictly into “parasitizing“ and “non-parasitizing“ groups. Living together peacefully concerned only “productive“ members of society. “Non-productive“ people, who usually belonged to the urban elites, were said to live off of the exploitation of the common people, and to have no right to participate in the countries’ political life. In order to avoid interethnic struggles (Hungarians amounted to 7,9 percent, Germans to 4,1 percent, Jews to 4,0 percent, Russians to 2,3 percent and Gypsies to 1,5 percent in 1936) ethnic minorities

10 Fischer-Galati, Stephen, “Population de la Roumanie, d’après les nationalités, en pourcent“, Conjunctura economica romanesti 1936: 1, p. 27.
were granted rights of political and economic co-determination. Nevertheless, the corporatist model of a peasant state meant a segregation from traditional Romanian society as well, as will be shown later.

Part of the difficulty of defining agrarianism might be explained by the very original concepts of Romanian theoreticians. Their strong connections with Russian agrarian socialism, the visionary character of their theories, and a rural form of nationalism were unique in regard to equivalent Baltic and Central European movements. Summarizing the differences, one could say that Romanian agrarianism was rooted in the rejection of the capitalist transformation. Because neither pure Marxism nor classical liberalism seemed to provide the country with a satisfactory answer concerning economic backwardness, these scholars elaborated a very original development strategy, which combined a) Russian agrarian socialism, b) a rural nationalism, c) economic theories of the Third Way, d) patriarchal social relations and e) the utopia of a Peasant State. A closer look at these points will occur in the following sections.

The Russian sources of Romanian agrarianism

In 1881, Karl Marx responded to a letter sent by Russian Marxist Vera Zasulich (1851-1919) in a very surprising way. Vera Zasulich was part of the group Black Redistribution, followers of Georgii Plekhanov (1856-1918), and had asked Marx to mediate between Plechanov’s pure Marxism and the Narodnik ideology of Alexander Herzen (1812-1870). Herzen had successfully integrated the idea of the Russian collective village communities (obshchinas) into political theory. He had been popularized by Nicolai Chernyshevsky (1828-1889)\(^\text{11}\) and both theoreticians contradicted Marx by equating the communal live of the Russian peasants (untouched by the boyars) with the existence of communism.

In his answer to Zasulich, Marx supported Herzen and limited his capital theory to Western Europe. In his mind, Russian development contradicted the Western model in the sense that a governmental greenhouse capitalism transformed collective village property into capitalist private property. The extraction of immense financial resources from the villages in order to finance state factories and a state banking system replaced the original capital accumulation, and could only be overcome by the help of a co-operative movement and a revolution.\(^\text{12}\)


Kurt Mandelbaum accurately underlined Marx’s indecision concerning the Russian left, against whom he had taken a very critical stance until the late 1870s. As late as 1881, following the murder of Tsar Alexander II by the terrorist Narodnik splinter group People’s Will, he changed his mind. However, he was less attracted by the idea of a direct jump from feudalism into communism. On the contrary, he was convinced that the fate of the European bourgeoisie was determined by the Tsar’s death and the dissolution of his reactionary army. During the period of terrorist fights, neither Marx nor Engels attacked the ideas of the Narodniki, as was also indicated in the letter to Vera Sassulitsch. But just one year later, when the murder did not give the expected results, Marx softened his point of view once again. In his introduction to the Russian edition of the Communist Manifesto (1882) he expected the world revolution to start again in Western Europe. And at the end of the 1880s, when the obshchinas retreated into extremely isolated regions of the Russian empire, Engels continued to test the progressive character of Russian capitalism.\textsuperscript{13}

During the late 1890s, the Narodniki themselves became trapped in an unresolved dilemma between the unavoidable dissolution of the collective village communities and their concentration on anti-capitalism, which had been based precisely on the permanence of the obshchinas. Nevertheless, the idea of a direct leap from feudalism into communism still attracted Balkan intellectuals, in whose countries several varieties of such collective social structures had in fact survived. Examples of these included the different forms of the zadruga in the Slavic regions and the Romanian stâna, which had been described by Henri H. Stahl.

Stahl was fascinated by a series of totally isolated mountain villages which practiced collective forms of working and living together in a manner forgotten on the plains long ago. These people were traditionally living as semi-nomadic shepherds who drove their animals into the mountains in summer and leased pastures on the plains in winter. They traded cheese and other animal products for maize. The Carpathian region called Vrâncea was divided into fourteen “mother villages”, whose elders spontaneously called village or valley meetings if required by necessity or tradition. This archaic democracy was complemented by the strict control of the stânas – groups of up to twenty shepherds which controlled the allocation of their cheese production.\textsuperscript{14}

In the Balkans, the power of Marx’s argumentation in favour of the Narodniki a few years before united with the Narodniks’ success of providing the first (leftist) development strategy for backward agrarian countries.

\textsuperscript{13} Mandelbaum, Kurt (ed.), \textit{Die Briefe von Karl Marx und Friedrich Engels an Danielson (Nikolai-on)} (Leipzig 1929), p. XI–XIX.
Here both circumstances gave birth to a radical Balkan agrarianism. In South Eastern Europe, agrarianism was rooted in delayed modernization processes. When classical liberalism ceased to be a promising way out of economic backwardness at the turn of the 19th century, agrarianists offered an alternative development strategy, refusing industrialization in large parts of the region. The starting point of their visionary argumentation were the stânas and zadrugas described above. With the help of these peasant family units, the construction of an alternative societal model called Peasant Democracy would be possible. Its economy would be characterized by collective work, collective property, and a rural democracy. Capitalist commerce, as the main cause of the exploitation of the peasant masses, would be regulated by a network of cooperatives, which would replace capitalism as a whole.

The founders of this ideology were the Bulgarian Alexander Stambolijski (1879-1923), the Serb Svetoslav Marcović (1846-1975), the Croatian brothers Antun (1868-1919) and Stjepan Radić (1871-1928) and the Romanian Constantin Stere (1865-1936). The ideas of these four men differed only slightly from one another, although two different forms can be distinguished:

**Agrarianist radicalism** was a left-wing, revolutionary ideology, whose leading representative was the Bulgarian statesman Alexander Stambolijski. He carried out the first and only experiment to establish a “Peasant State” - the common vision of all Balkan agrarianists. A Prime Minister 1919 and 1923, he even forbade weddings between peasants and urban dwellers, limited private landownership drastically, and tried to keep capitalism from influencing the Bulgarian national economy with the help of state monopolies and an intensive promotion of rural co-operatives. Cooperatives here should not be understood in the common sense of the word, but instead as the traditional Bulgarian zadrugas.

His almost total rejection of modernity was softened by **mainstream agrarianism**. Key examples were the Croatian and the Romanian Agrarian Parties. They, too, combined a romantic view of agriculture as the most moral and natural vocation with an image of the peasants as a socially undifferentiated class who should unconditionally take over the control of power. However, urban citizens were not excluded from political participation, and industrialization was not to be hindered, but should instead strictly correspond to the needs of the rural population. These agrarianists were looking for a Third Way between liberalism and communism. Their program served

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to strengthen the democratization of their countries, to conserve the patriarchal peasant cultures, and to lighten the burden of capitalist transformation.

In Romania Constantin Stere (1865-1936) – a young lawyer attracted by the anarchism of Chernyshevskij – who became the founder of the Romanian equivalent of the Narodniki. Constantin Stere was born on a small boyar’s court in Bess Arabia, which at that time belonged to the Russian empire. When he was twenty-one, he joined the People’s Will as a student in Odessa and was banished to Siberia for eight years after the murder of Tsar Alexander II. After his release, he left Russia with his family and settled in Iași, where he continued his juridical studies. He joined a small group of other exiled Russian revolutionaries, who settled in Iași near the Empire’s frontier in order to provide revolutionaries beyond the borders with forbidden literature. Moreover, they not only provided their fellow combatants with Western literature, but also those Romanian students, too could not afford to study abroad in France or Germany. Together they thus created an energetic and intricate socialist community in Romania.¹⁸

The academic wing of agrarianism was institutionalized in 1917 in Iași, where many Romanian intellectuals fled from the advancing German troops. Here, in the centre of Stere’s agrarianism, three academics came into contact with each other: Virgil Madgearu (later the main theoretician of the Agrarianist Party), Dimitrie Gusti (the father of Romanian sociology), and Vasile Pârvan, a highly talented historian, who later refused to take part in public life after a family tragedy.¹⁹ All three agreed on the necessity of founding the Romanian Social Institute, which would become the starting point of agrarianist science and especially of rural anthropology. For instance, one of the institute’s chief scientists, Henri H. Stahl (1901-1991) respond to the industrial challenge. He analyzed the influence of foreign capitalist enterprises (backed by a modern jurisdiction unknown to the peasants) on the destruction of a traditional Romanian village culture in the isolated Carpathian Mountains. This patriarchal and independent way of life had to be given up in order to subordinate formerly free men to a market economy that meant their pauperization.²⁰

The unbearable thirst of land, which caused the peasant rebellion of 1907, the social earthquake of the Balkan Wars (1912-13), and the First World War formed a spiritual climate which granted a lasting success for an agrarianist political movement. Nevertheless, the question of when and where the Peasant Party (Partidul Național Țărănesc) was founded proves to be a very difficult one. The core group came together during the Congress of the Peo-

¹⁸ Hausleitner, Mariana, Die nationale Frage in der rumänischen Arbeiterbewegung vor 1924 (Berlin 1988), p. 73.
ple’s Cooperative Banks in December 1918. Under the leadership of Ion Mihalache (1882-1963), a village teacher and president of the Congress, 21 approximately 160 village teachers, priests and wealthy peasants, who held positions of high prestige in their home villages, joined the party and allowed for its rapid extension. 22

Especially at the beginning of its existence, the Peasant Party benefited from powerful support across the countryside. When the ruling Liberal Party fell into a deep crisis because of the unexpected deaths of both its president Ion I.C. Brătianu and king Ferdinand I in 1927, the Agrarianists were able to call nearly 100,000 protesting partisans to Bucharest. 23 Even if these numbers are exaggerated, they show the enormous euphoria which accompanied the breakdown of the liberal government, and the extent to which the peasant movement had become a mass movement which had to be taken into consideration politically.

The Peasant State – democratic versus authoritarian visions

The character of Romanian agrarianism becomes clearer if we take a closer look at its social background. The agrarianists were able to mobilize only a very limited stratum of the rural population. The thirst for land had increased the social differentiation between the peasants over time and had broken down the traditional village hierarchies. The upper levels of the hierarchy were held by the chiaburi (rich peasants), who could afford wage labourers, and by the țărani cu stare (better-off peasants), who lived the typical restricted peasant’s life, but were not forced to look for additional income outside agriculture. After the First World War, both groups represented up to 5% to 20% of the population, and were said to represent the dynamic masses of the countryside. 24 Concerning agrarianist ideology, it is important to understand that their status as rural leaders heavily depended on the traditional, strict hierarchical and patriarchal village culture. These people might only gain higher social status if they succeeded in replacing the urban elites in the state administration. They might have lost their present social position as well, if they were not able to fight the capitalist destruction of their village communities.

Consequently, they tried to further political democratization at the same time as they fought against capitalist transformation. The agrarianist societal

22 Murgescu, Mersul ideilor economice, p. 167.
24 Hitchins, Rumania, p. 391-392.
vision reflected this ambiguity. Romanian agrarianists imagined the nation as organic, but succeeded in integrating the complex socio-ethnic mixture of that region into their societal organism. Before any capitalist impact, this ethnic mixture had overlapped with a professional specialization of different minorities. Capitalism now challenged this former equilibrium, and agrarianism (as an anti-capitalist ideology) tried to maintain the traditional socio-economic structure. The agrarianist form of rural nationalism, therefore, meant a simultaneous exclusion and integration of ethnic minorities. They were integrated into Romanian society and their right of co-determination was secured, but they were excluded from “traditional” Romanian professions, such as farming. They were accepted only in their own traditional ethnic-professional role.

Thus, agrarianists tried to avoid interethnic struggles which threatened the societal integrity. Instead, they declared that the cooperation between peasants and national minorities was the only source of economic and political progress and elaborated a very original form of corporatism. Already in 1908 Constantin Stere wanted ethnic minorities to place themselves together in so-called “corporations of public law”. At this time, he still limited corporatist ideas to ethnic minorities and did not widen his concept to a model of political representation within the Romanian nation itself. This course was taken by Virgil Madgearu in 1923, who proposed to re-composing the Senate using representatives of different professional organizations whose voices in economic matters would be obligatory.

The agrarianist conceptions contradict the fascist comprehension of corporatism in the sense that Romanian agrarianists were not at all economic nationalists, but instead granted ethnic foreigners the right of political and economic participation. By bringing different productive groups of society into harmony with each other, they envisioned a peasant democracy, one in which the Romanian peasant dominated the political landscape in a kind of grassroots democracy and in which the colourful ethnic and cultural landscape would be preserved with the help of regional autonomy and an administrative decentralization.

However, parliamentary cooperation with ethnic minorities did not seem to be that innocent in reality. In 1907 Constantin Stere stressed the dominance of the Romanian peasant within a future state. In the party program of 1918 an analogy between the organizational structures of the peasant

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party and the state administration brought out the differentiation between the division of power and administrative control. Moreover, agrarianists believed that 80% of the (rural) Romanian population backed their policies. That meant that the Peasant Party activists did not even have to think about sharing power with other social groups. Parliamentary control would become a farce under such circumstances.

If we logically follow this line of reasoning, we have to state that the minorities’ right to participate in the country’s politics would not allow them to influence societal processes actively or according to their own interests. More than that, the rivalry towards ethnic minorities was accompanied by a passionate hostility towards urban elites. In his pamphlet “Agrarianism” (1923) Madgearu declared “parasites” (urban citizens, which lived by “exploiting” the common people) to be the major obstacle regarding political and economic progress. Within a future Peasant State there needed to be a clear division between productive and non-productive groups of society. Parasites should be excluded from public life.

The question is whether we have to deal with an utopia of a peasant democracy or with a vision of a peasant dictatorship. Concretely, agrarianists tried to integrate the caste system of the former agrarian society with the help of corporatist ideas into a modern, parliamentary democracy. The democratic vision of the Romanian agrarianists, therefore, seemed to oscillate between the political mobilization of the rural middle classes and the exclusion of urban elites from power. The interests of the village elites in replacing their political adversaries in Bucharest, and in climbing to the highest positions within the state administration and (at the same time) stabilizing their own leadership concerning the rural masses becomes clearer at this point. To declare that the present state elites live parasitically off of the common people meant to declare that they were without professions. But to belong to a professional group would be crucial within a corporatist state.

An economic theory between tradition and modernity

The rivalry concerning urban elites reflected the frustration of the agrarianists over the steady progress of industrialization. After the First World War, the National Liberal Party had given up free trade as a promising way into a better future, when the possibility of industrializing through the diversification of exports and capital imports closed for backward agrarian countries. But here, too, the ambiguity between modernization and the conservation of
traditional ways of life characterized the economic theories of Romanian agrarianists. They found themselves in the dilemma that industrialization did not seem to be a theoretical problem any more, but an non-negotiable fact and a national need in times in which import substitution seemed to be the only chance to profit from the decline of corn prices on the international markets. On the other hand, they insisted that capitalism was not just a symbol, but was instead the cause of the exploitation of the Romanian peasants.

Their double rejection of free trade and industrialization meant that the agrarianists gave up the respective means of the Western European economic modernization together with its aims. Instead, they were looking for an alternative development strategy which could replace capitalism. The decision to reject capitalism as such and to concentrate on the political vision of a Peasant State was taken already at the turn of the 19th century. In 1906 Constantin Stere founded a journal Viața Românească (Romanian Life) and entered a debate about the (non)sense of capitalism with Constantin Dobrogeanu-Gherea (1855-1920) – another Russian exile, who formerly had been a member of Plechanov’s group Black Redistribution. Stere rejected Gherea’s Marxism, instead using the economic exchange theories of another Narodnik economist Vasilij Voronkov (1847-1919). According to Voronkov, capitalism would be condemned to fail from the very start in Eastern Europe, because domestic and foreign markets were lacking. Thus, Romanian industrialization could be no more than an exotic plant without vigour.

The question of whether the industrialization of the Romanian economy should be furthered or hindered was taken up again by the president of the Peasant Party during the 1920s. Ion Mihalache just repeated Stere’s argument and was backed by Virgil Madgearu in 1924. In a debate with the liberal Ștefan Zeletin (1882-1934) Madgearu stated once more that backward agrarian countries such as those in South Eastern Europe would not have to go through the phase of capitalist transformation. Relating his conviction to the comparative advantages of the international division of labour, he claimed that the possibility of creating factories would not immediately mean the necessity to create factories.

The differences between the agrarianist and communist arguments were based on a different understanding of the term “people”. As a Marxist, Gherea concentrated on small and landless peasants who owned less than

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36 Madgearu, Țărânismul, p. 96.
three hectares, depended on external sources of income, and symbolized the core of a future proletariat. Their dependence on wage labour provided by large landowners should be broken in order to allow them to migrate to the cities. Their sons should work in the factories and later lead the revolutionary transformation of society. As an agrarianist, Stere related his ideas to peasants as his ideal of human existence. Therefore, he did not talk about urbanization or class struggle. Quite the opposite, he tried to bind these people closer to their land. While Gherea asked for the unlimited introduction of capitalism in order to lead people into a communist world revolution, Stere looked for appropriate development strategies which would address the social particularities of the peasant masses.

But neither of these ideologists was able to solve the conflict between traditional and modern societal interrelations. The Marxists could not offer any short-term hope for the impoverished Romanian peasants, but put them off with empty promises of a revolutionary future. Consequently, they lost their voters’ interest, which alone would have given them the chance to enter the parliament and to participate in the country’s politics. Actually, Stere had been right when he claimed that communism would become an exotic plant without vigour in Romania.37 The ideas of the agrarians seemed to be more appropriate to the peasant wishes and, consequently, their support seemed to be unclouded until the late 1920s.

But agrarianists, too, failed because of their efforts to generate modern economic growth with the help of traditional collective peasant economies. Their respective economic policy, termed “Open Doors”, concentrated on a) co-operatives and b) a combination of free trade in industrial matters and agricultural protection. It included the possibility of a limited deindustrialization concerning so-called “artificial industries”, which were able to survive only through the state’s assistance and had to be given up if they were not able to adapt to the needs of the peasant consumers. Even if the agrarianists did not try to completely halt industrialization, they concentrated on free trade, through which they hoped to overcome “artificially and growing rank” industries and to adopt industrialization to the needs of backward agrarian states.38 Nevertheless, even the roots of their economic policy in classical liberalism were counterbalanced by protectionist inclusions, and were justified by the structural particularities of the Romanian economy. Here, too, a state-controlled industrialization could assist in providing the agricultural overpopulation with jobs. A state intervention in that sense should hand over capitalist monopolies to the state. Industry was not seen as an end in itself, but should serve the independence of the peasants from the capitalist world

If this involved capitalism in the common sense of the word, then these statements had nothing in common.

Cooperatives were said to be the heart of the agrarianist Third Way. Nonetheless, these cooperatives did not play a role similar to their Western European equivalents. According to the agrarianist ideology, they should not primarily increase the efficiency of peasant production, or organize common markets, or solve the problem of land division. In Romania, cooperatives had a utopian function. Because of cooperatives, collective forms of farming as well as economic progress without industrialization could be maintained.40

During the 1920s, cooperative debates were dominated by Gromoslav Mladenatz (1891-1958). There were just two more volumes breaking through the mass of his writings, one of them written under his mentorship: Virgil Madgeauru added a fierce rejection of “modern slavery” and the need to establish a Peasant State in order to hinder the destructive influence of capitalist commerce on the Romanian villages. And in 1938 and 1939 a Danish cooperative analyst, Gormsen, visited almost two hundred Romanian cooperatives in order to separate the cause of their retarded development. But his results contradicted Romanian agrarianism in such a profound way that he was not able to influence the respective discourses. Gormsen claimed that the backward stage of the Romanian economy would not allow for a faster evolution.41

Instead, Mladenatz hoped to overcome the unequal partition of capitalist economic power with the help of cooperatives, and to replace capitalist exploitation by societal solidarity.42 This societal solidarity should have been backed by a so-called labour property, which was opposed to the capitalist private property and to the communist collective property.43 In 1928 G. Mantu related its philosophical roots to passages in the Bible, saying that God has given the land to all the people. There would be no rational reason to equate capitalist private property with economic progress. It was not even clear that people needed private property at all in order to satisfy their needs. In order to obey to God’s wishes, the land would just have to be distributed in a proper way. It should belong to those who worked it.44

41 Murgescu, Mersul ideilor economice, p. 188-192.
In order to significantly support his anti-capitalism, the chief theoretician of Romanian agrarianism Virgil Madgearu related his ideas to the analyses of the Russian economist Alexander Chaianov. In 1923 Chaianov had asked why the peasant family economy was able to withstand the capitalist threat for such a long time. He stated that terms of classical economics such as “wage labour” or “capital interest” were not relevant to the collective forms of living within the Russian villages, and replaced them with “self-exploitation” and “natural balance of production”. Moreover, Chaianov described several paradoxes in his comparison of the capitalist form of farming and the peasant family economy. Because hunger hurts, the peasants accept forms of production which would not have been profitable for a capitalist enterprise. If, for example, the price of maize decreases, the capitalist would switch to corn or vegetables. The traditional peasant would continue to produce maize as long as his (subjective) “natural balance of labour” in relation to the output of his work assures the basic existence of his family. The peasant family economy, therefore, survives in circumstances in which a capitalist enterprise would instead face bankruptcy.

Madgearu overlooked the fact that Chaianov had just analyzed the peasant’s ability to survive conjunctural hardships. He had not tried to prove the capacity the traditional subsistence economy had of generating economic growth. Madgearu’s major error was in trying to elaborate a theory of political progress which was primarily based on the peasant’s traditional forms of production. His development strategy came into conflict with the economic growth orientation of modern societies. The traditional collective peasant economy, which in the eyes of the agrarianists was opposed to a modern private economy, had been based for centuries just on the preservation of a very limited standard of living. Modern economic growth meant, on the other hand, a rupture with exactly these static ideals of traditional agriculture. Thus, the Romanian agrarianists would have failed to create growth even if the existing interwar government (1928-1932) had not been hit by the Great Depression. In combination with a clearly inadequate reaction concerning the conjunctural hardships of the early 1930s, they were not able to keep pace with the economic needs of an exploding population. As a result, they lost their legitimacy in the eyes of peasant voters.

Conclusion

The vision of a peasant state lost its vigour long before the outbreak of the world depression in 1926, when the Agrarianists united with the National

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Party from Transylvania. The vision was taken again up during the parliamentary crisis in 1935, when the party president Ion Mihalache reintroduced the Peasant State into the official party doctrine. Its adherents now rapidly divided into two different wings:

A) Representatives of the party’s left (Stere, Lupu, Iunian) declared the peasant state to be part of a transitional phase, which would lead from a corporate democracy towards a social democracy. These politicians had split from the Peasant Party already in 1932 and 1933, and did not succeed in bundling their splinter groups into a common organization afterwards, partly because their ideas drifted into totally different directions, ranging from a radical socialism to monarchism.

B) A series of moderate theoreticians did not develop a clear point of view (Ralea, Mihalache, Madgearu), but instead tried to use the vague picture of a peasant state to counterbalance the growing fascist impact on society with an alternative democratic state model.

To a certain extent, the revival of the peasant state followed its earlier disintegration, because the remaining activists hoped to regain the peasants’ votes with its help. Already in 1926 the cooperative labour property, the core of a Third Way, had been excluded from the party program, and in 1935 Mihalache did not mention it explicitly. Now he just tried to replace the communist collective property with an “organized and rationalized private property”, but did not explain how such a rationalization would look. Anti-capitalism appeared as a term, but was no longer filled with content. Mihalache limited the Third Way to anti-communism, which was part of the fascist argumentation as well. In 1936, the Peasant State was finally reduced nothing, when Gheorghe Zane limited its purpose to the reconstruction of the national economy after the Great Depression. Not even the term Peasant Democracy seemed to survive the programmatic transformations. In his speech Mihalache called his vision a “group democracy”, which he set against the present (pseudo-) democracy of the ruling liberals and based his vision on the following principles: a) personal and social freedom and b) the importance of collective versus individual interests. This vision had nothing in common with a grassroot democratic network of peasant families.

The theoretical weakness of the Peasant State resulted in the failure of the agrarianists to create a democratic alternative, which alone could have

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50 Zane, “Țărănlămul și organizarea Statului român”, p. 171-173.
51 Maner, *Parlamentarismus in Rumänien*, p. 305.
stopped the fall of the country into a fascist dictatorship. The question remains as to why the peasants turned away from democracy. Ernest Gellner and Ghita Ionescu believed the Peasant Party to be a victim of a fragile democracy. In their mind, agrarianists failed to rapidly transform millions of rural peasants into self-conscious voters. In times when the rural electorate could not overcome its former passivity and refused to participate in the country’s politics, the defenders of democratic institutions could no longer withstand the authoritarian threat.52

Gellner and Ionescu wrongly equated political mobilization with democratization. In Romania reality moved into a totally different direction. It was not the Peasant Party which led the peasants into politics, but fascism itself. Their awakening during the world economic crisis did not hinder the breakdown of democracy, but instead furthered it. Electoral statistics show a growing maturity of the voters and a growing distrust concerning the democratic parties during the 1930ies. Both the National Liberal Party and the Romanian Peasant Party were threatened by the voters’ decreasing routine trust into their governmental power. In 1937 both of the more or less democratic parties lost the governmental majority for the first time in Romanian history. Under these circumstances the fragile democracy became so weak that king Carol II was able to establish the regal dictatorship just a few weeks later.53

The agrarianist integration of ethnic minorities into the agrarianist societal utopia, as well as the demand for a democratization and decentralization of the country might have calmed down many ethnic conflicts during the interwar period. A corporatist democracy became obsolete from the middle of the 1930s on, when the strongly polarized Romanian society did not resist the split between urban modernity and a rural traditional way of life any longer. When the world depression increased the poverty of the Romanian peasants, the first political steps of the lower strata of the population were directed against democracy and capitalism, and destabilized the poorly anchored young nation state. Romanian fascism, thus, was not just an overheated reaction against an ethnic mixture in which social frontiers overlapped with national seizures. The explosion of ethnic conflicts was the security regulator of a nation, which would have exploded without the regulator herself.

53 Maner, Parlamentarismus in Rumänien, p. 52.