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THE FORMING OF ROMANIAN NATIONAL CAPITAL

Review
Article

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Abstract

The evolution of the international economic and social-politic life, after 1821 was strongly marked by visible trends and renewing action, animated by the idea of civic freedoms and feudal privileges deleting, emancipation of the peoples and nations. As an expression of the capitalist development, we assist at the constitution intensification of the global market, at the same time, with many differences in opinions, misunderstandings, disagreements and controversies, between the developed strong states, for domination. Politically, this situation has led to convolutions interstate relations, first of all, in Western Europe. Because capitalist relationships were deeply consolidated in this part of the continent, it is easy to understand that countries regarded as great powers - economic, military - were therefore acting, for domination and expansion. The level of economic freedom, as well as the rules of private property defining, have varied, from historical stage, at historical stage. However, on the territory of Romania, the penetration and the development of capitalism and its specific relations have been carried out slower, comparatively, with the West and even the center of Europe. The present study is the fruit of a profound research, through archives, libraries, published papers, periodicals, general and special works, of which, some of them have been finalized with conclusions in order to better understand the processuality and phenomenology of the capital accumulation and capital market formation, drawing of models and templates, depending on conditions and causalities, for knowing their effects.

INTRODUCTION

The formation of Romanian national capital is, in fact, a complex process that has been carried out over a long period of time, with incipient causes that have produced effects and which effects have turned in causes that have become effects again and so on and the more importantly consequence was a new way of production on our territory, with new relations that has determined major consequences in economic, social, political life and in all mental forms. This particularly complex process took place in the Romanian historical and geographic space, on the background of evolution of the world market that functioned in a new form, in Western Europe and whose engine was the development of the production forces in the Romanian Principalities, simultaneously, with the penetration in various forms and stages, of the influences of foreign capital.

WORLD MARKET

The beginnings of the world market formation, were noticed still in the sixteenth century. At the stage of free competition capitalism - from the eighth decade of the eighteenth century, to the eighth decade of the nineteenth century - there was an obvious development of the world market. Transformations in economy, technology, in the social and political life which were interconditioning, put their mark on the evolution of the world capitalist market.

The deepening of the international division of labor, followed by the industrial revolution, through the creation of a group of industrially developed states, has made permanent and necessary, the condominium international relations. Trafficked goods were for large consumption, mass consumption, unlike the previous stage, in which commodity traffic responded to limited, luxury consumption. The volume of international trade has met a steady increase (between 1780 and 1800 and it increased by 60% and between the 1800 and 1850, the value increased fourfold).

Essential changes were also, made in the structure of the goods. To the end of the eighteenth century, the goods from colonies - spices, tea, coffee, sugar, tobacco, prevailed. In the first half of the nineteenth century, the largest attention was attributed to the textile plants - cotton and wool, due to the increase of the urban population, as well as of the peasant household industry decline.

As a result, the trade in raw textile, raw materials with cereals increased - due to the need for food and food products, for the non-agricultural population, in rapid growth. There was, therefore, a continuous widening of the world trade market, so that Europe held the first place, concentrating 80% of world trade. England (Maurois, 1987), which also, had the

colonial and maritime monopoly, was by far, the first, followed by France, Germany, the United States. An important role in the development of the global market, has been the modernization of the transport and communications. The gradual realization of the world rail network, has represented and important examples of success in the rethinking of maritime transport. Thus, was built the Suez Canal, the first channel of world importance, put into use, in 1869. The application of the steam power and the magnetic telegraph - invented by Morse (1844), provided extremely useful and fast means of communication. The dominant trade doctrine, of this stage, was of free trade. Applied in practice, for the first time, through the Franco-British Treaty of 1860, which included the most favored nation clause, free trade reached its peak, between 1860 and 1880, embodied in a whole network of treaties and conventions that included all European countries. Some events, especially the triggered crisis in 1873, (Carpentier and Lebrun, 1997), questioned the effectiveness of free trade policy.

THE FORMATION AND ACCUMULATION OF ROMANIAN CAPITAL

The vast historical process of separating producers, their means of production and especially of lands, by more or less violent methods, is known in the literature as the process of primitive capital accumulation. In the processuality and phenomenology of capitalism, the accumulation of the starting capital represents the first bridge to new specific stages. The extent by which the disposal land of the peasant has served as a historical premise for the formation and development of capitalist elements in the economy, is illustrated by the extent of the wage labor and how it has been committed. In Western Europe, such a process has its beginnings in the fifteenth century (Maurois, 1987) and is generally, considered to be ended in the late seventeenth century.

In the Romanian Lands, the process of capital formation and accumulation began in the second half of the 18-th century, but with greater intensity in the first half of the 19-th century (Madgearu, 1940). The dispossession of the direct producers of their means of production, has, in particular, embraced the form of depopulation of the free peasantry on the one hand and the permanent restraint of the dependent peasants' lands, on the other.

A similar process of elimination, was also, carried out in the urban area, by the ruin of the some craftsmen or small traders. In this way, were created the nuclei of the future socio-professional categories, specific in capitalism, the bourgeoisie and the working-class element (the proletariat). In the Romanian Countries, the main sources of

training of the bourgeoisie were: traders, wealthy craftsmen, wealthy peasants, leaseholders, usurers (money changers), some of the feudal lords. Regarding the proletariat, the main sources were: peasantry migrating to cities - to which were added calves, apprentices, craftsmen, servants, etc. which have thus formed, the pre-industrial urban proletariat.

The dispossesion of the direct producers was accompanied by accumulation of large sums of money and large fortunes (Bozga and all, 1996), which is equivalent with the formation of financial capital (Bozga et al, 1996). A brilliant Romanian economist, Virgil Madgearu, states in a reference paper, titled "The evolution of the Romanian economy after the World War", that "the development of capitalism is realized in three stages: first, it is born the commercial capitalism that turns into industrial capitalism and then into financial capitalism and the engine of these developments is its emergence, in more advanced countries" (Madgearu, 1940). Virgil Madgearu's model is viable and proved on the Romanian territory, too, knowing that in our country, the most important sources of money were the internal and external trade, usurying, the rent of the big estates, landholding system to private persons - Romanians or foreigners - of the some services and income of the state - the taxes, the collection of taxes and the venality of state services that could be bought by private individuals with certain amounts of money and the income from their practice, often through abuses, belonged entirely, to the buyers.

As in the whole Europe, the Romanian Provinces did not come out of the pattern of capitalist formation, with commercial capital having an important contribution to the undermining of the feudal structures and the emergence of the capitalist economy.

The usurying had a great extension in this era, becoming a major source of accumulation. Debts have hit hard in the peasantry, also. A large number of estates have auctioned for non-payment of debts and the peasants owed to bondholders or boyars became "slaves" until they paid their debt (have been situations of whole villages, in this case - clear evidence of the usury ravages), with a gradual replacement of the old boyars, with new elements. The examination of the spread of wage labor in the economy of our regions, shows that the formation and accumulation of capital in the industrial branches had as a starting point the extractive, processing, agricultural and transport activities, which appeared in the process of decaying and dissolving of the feudalism, when the paid labor force has met a certain increase. The gradual assertion of wage labor, often passed through semi pay, was a starting point in the extractive and processing industries.

BEGINING OF THE LABOR MARKET TRAINING

In direct report, there has also, been a start in the formation of the labor market. Although it had, in particular, a local or zonal framework, it was also, characterized by the fact that some fluxes, especially seasonal, inter-regional flows took place (Constantinescu, 1991). The commercial activity, along with the development of the internal and external market, has become more and more rewarding, engaging an increasing number of people.

Of the capital accumulations, much of it has been spent unproductively. The big boyars have invested a little, in productive branches - in industry or commerce and instead, they make expenses luxury. On the other hand, most of the great merchants or ower estates - Manuc Bey Mârzaian, Hagi Ioan Moscu, Negroponte, even if they were foreigners or have bought foreign citizenship, they have transferred, abroad, most of their capital.

ENHANCING OF THE ANTREPRENEURIAL ROLE

At the end of the 18th century and the beginning of the 19th century, some of the boyars and even some gentlemen were the first manufacturers and the biggest traders. Names such as: Grigore Ghica, Moruzzi, Scarlat Ghica, Alexandru Ipsilanti or the great boyars: Slatineanu, Greceanu etc. they appear on the list of the great capitalist entrepreneurs, in the Romanian provinces. It is also no coincidence that a "confederation conjuration", organized in 1839, among the "second-hand boyars - called the Boehren and the Maze", called for the assurance of trade freedom and the facilitation of the industrial production, proposing the establishment of a bank with foreigner capital.

In 1837, there were 631 factories and 2,314 mills, in Muntenia. Of course, the industrial activities were not very developed, nor too diverse, but were produced consumer items. About a specialized production, It could not be said, because there was the lack of capital and a large market to the ensure cost-effective production (Savin, 1947). In this regard, the state capital was invested, albeit not in a great extent, in the iron and steel industry, within the Carpathian arch, with the intention of solving of some of the fiscal needs, but especially the military needs of Vienna, which meant the direct intervention of the state for the creation of industries in Banat and Transylvania. Also, in time, there were some enterprises with state capital, in manufacturing (other than steel), although much less significant. Using state money, also, were created paper mills, glasses, distillers, etc.

THE PENETRATION OF FOREIGN CAPITAL INTO ROMANIA

The first forms of penetration of Western capital in our areas, was the commercial capital. This became possible, after the Peace of Küçük Kainargi, in 1774, when Turkey was shaken and the governors of the Ottoman provinces were no longer opposed.

Written historical sources record that in 1775, a special envoy, Nikolaus Kleeman, accompanied by several Viennese merchants, made a journey through the Romanians Principalities, in their passage to the Crimea and Constantinople. As a result, great plans for the development of trade on the Danube, were made, to which the Austrians had obtained the right of navigation on the Black Sea, from 1718, after the Peace of Passarowitz.

In 1777, the first navigation company was established on the Danube, and another Austrian entrepreneur wanted to organize a "diligence" on the river. However, it was not until 1783 that two Austrian ships arrived in Galati, loaded with goods that went further to Sulina. In the following year, Donau und Seehandlung organized transports between Constantinople, Galați and Kherson, and in 1787 another Austrian company used 15 small ships for the transport of Hungarian wheat in Galați and from there to Constantinople. Due to the good business environment, consuls and imperial agents regularly sent reports to Vienna referring to the development of trade with the Romanian Principalities.

Not only that the Austrians penetrate the Romanian market, along with them came the French who, in 1786, had economic interests and the facts evolved rapidly. At that time, a French trader, named Linchoult, who thought to establish a "settlement" in our parts, to organize "a prosperous trade, between Wallachia and the French nation". (Savin, 1947)

Thus, in order to support their economic interests and to win the market in the Romanian provinces, in 1795, a French consulate was set up, which also, had the mission to explore the possibilities of penetrating of the French ships, to Galati and to draw up the list of products that could be exported. The Prussians were also, interested in trade with the Romanians Principalities and despite the opposition of the Turks, they managed to make a prosperous trade.

The English capital entered on the Romanian market a little later and in the autumn of 1814, the residence of the British consular agent was installed in Bucharest (Savin, 1947).

The penetration of Western trade in the Romanian Principalities, after 1829, was based on the stipulations of the Adrianopol Peace Treaty which ended the subordination of the exportation of the Principalities to the will of the Ottoman Empire. The Braila, Giurgiu and Turnu Magurele - areas with

special status - after they passed, back, to Wallachia, have become life ports. With this, the influence of Western capital has spread.

In Braila and Galati, other Russian and Turkish ships arrived: Austrian, Ionian, Sardinian, Neapolitan, French and English, which brought foreign goods and loaded Romanian products, to transport them to Constantinople, Genova, Marseille and to England, even. English trade was increasingly interested, of Romanians Principalities and was to flood the market with products from the British colonial archipelago, but England - in the idea of to increase its influence in the Danubian-Pontic region, was supposed to play the role of Christian protector throughout of the area of the Ottoman Empire. The British Consul mediated the interests of English capital. In this contest, Bell, in London, managed to set up a barrels factory, in Bucharest and in Galați, the British interests were represented by Bell & Anderson who bought timber for export and intended to introduce bank capital into region, to set up a bank house. Galati has become an important transit point for the English who returned, to India and Persia. The French, in order to be more entrepreneurial, were studying new navigational possibilities on the Prut and Siret rivers and set up a steam mill, in Iași and others built a timber factory and barrels factory, in Muntenia province, which they exported to Sterbey – France. (Savin, 1947)

CONCLUSIONS

Foreigners also, participated in the formation of native capital, making this process, not at the size of the Western countries, for which reason the Romanian modern capitalist economy was born as a frail economy with the need for strong foreign participation. However, the large foreign capital, preferred to remain in the home countries and be placed in factories, exporting manufactured products, so profitability became much higher. Even so, the question of the great foreign capital and the states that defended its interests was to provide outlets and trade routes for manufactured goods.

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