

The Romanian Agriculture Cooperative Movement, from the Beginning to the Threshold of the Second World War. Briefly Historic Argument or Argument for History

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Abstract. *In the philosophical meaning, the cooperative is a result of the knowing experimentally development and includes the interaction between: persons of consequence – through ideas and attitudes, state – through laws and institutes, experiences – through structures and effects.*

In Romania, in the first half of the XIXth century, and to the threshold of the Second World War, are remarked numerous persons of consequence who promote and support the cooperative movement, such as P.S. Aurelian, Spiru Haret, Ion Raducanu, Virgil Madgearu, Mitita Constantinescu and Nicolae Cornateanu.

The state has accepted the cooperative as an instrument of the democratization of the capital and profit. The cooperative movement had fight continuously towards promotion of the collaboration principle between cooperative companies, principle by virtue of which the organizations can manifest independence in confrontation with the state.

The experiences had been substantiated mostly on the ideology of modern cooperative systems: Rochdale, Raiffaisen and Schultze.

The Romanian cooperative movement appeared, just like in the majority of European states, on a background of some restrictions in the agricultural field, generated by a complex of factors among which the main position in a constant way had been hold by the contest between the big and small agricultural farms.

In Romania, during the period before and after-war, cooperatives' organization worked successfully as credit cooperatives or economical cooperatives (consumption cooperatives, supply and sale cooperatives, forestry cooperatives, purchase community, leasing community, etc.).

The various shapes of the cooperative movements shows the potential which those have had in the purpose of their economical development and social situation improvement of the farmers. The potential was narrowed not only by the legislative and institutional instability, but more by the agricultural market size and intensity. The cooperatives activities efficiency was depending, before all, on the economic and social environment within which they were acting. But the economic environment was imposing as market partner, the farm as an economic-social entity with autarchic behaviour. In consequence the cooperative sector's performances were conditioned by the farms' performances.

Key words: agricultural cooperation; Rochdale pioneers; banking cooperatives; consumers' cooperatives; producing cooperatives.

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It is well known the fact that from history we can obtain the wisdom to avoid the social failures. That is why, “history must represent the probation bank for the normative systems (Marina, 2006, p. 165)”. The statement is valid also for the present, when Romania has got the status of EU member country, because this multinational structure has at its basis the principle of “unity in diversity”. But diversity is first of all identified, through its historical component, own for each Member State. And, in addition, the European Union, inside the progress’ equation, cannot offer answers to all questions.

“Those incapable to learn from the past lessons repeat again and again the same acts of brutality” (Marina, 2006, p. 168). Failures in the social systems are due to excess or lack. Excess leads to dictatorship, under any form of manifestation even under the formula of “law’s dictatorship”, so evoked today. Dictatorship imposes fright which determines the abdication from freedom. Lack leads inevitably to social lacks of equilibrium, when all control system are falling down or tend to fall.

Fighting for the personal welfare, man is integrating himself naturally in a “collective space”, which on a certain stage of the society’s evolution can wear diverse institutional forms. A solitary person is poorer than one who lives his life in a collectivity. In addition, the activity “in common fulfils the work, which the isolated individual cannot fulfil” (The Great Agricultural Encyclopaedia, vol. II, 1938, p. 172).

The collective space is identifying, first of all, with the soul solidarity of the individuals it is made of, but also with the economic and social solidarity. In concept terms, the economic solidarity means cooperation, which is manifested through the work in common, the exchange and repartition of products, goods management etc.

In conclusion, man, in order to manifest himself as a biological being, had to socialize, to cooperate in a collective space, since early in the history.

Cooperation, as a historical phenomenon, emerged as effect of the action of a favourable factors’ complex: the social division of labour, the scientific technical and technological progress, specialization in labour and production.

Cooperation has in view not society in its whole, but society in institutional, organizational sense, and it does not want the social happiness⁽¹⁾, but an additional welfare for its members, who, why should we not recognize this, could also create a form of happiness manifestation.

Cooperation, and by extension its form of manifestation – the cooperative, is an endless source of solutions for it and also for the collectivity in which this is manifesting itself.

In philosophical sense, cooperation is the result of the experimental development of knowledge, which finally led to the formation of “an own social intelligence”. “Cooperative intelligence” as form of manifestation of “the social intelligence” includes the interaction between:

- personalities, through ideas and attitudes;
- state, through laws and institutions;
- experiences, through structures and effects.

Personalities have represented the engine of the cooperative movements, everywhere in the world. The founders of the first cooperative system, the pioneers of Rochdale, said the cooperation is a serious trial to put together the ideal and the real. So, the leader has to be also a founder and an ideologist.

The history of the cooperative movement in Romania, from its starts, the first half of the XIXth century and up to the threshold of the Second World War, recognizes numerous personalities as P. S. Aurelian, Spiru Haret, Ion Raducanu, Virgil Madgearu, Mitita Consantinescu, Nicolae Cornateanu and others, with a double representativeness:

- in scientific plan, through the works they created;
- in legislative and administrative plan, through the laws, institutions and decisions promoted as high public clerks, prime ministers and ministers.

The State, regardless its nature, has accepted cooperation as an instrument of capital and profit democratization.

At its turn, the cooperative movement has continuously fought for the promotion of the help principle among the cooperative societies, principle in the virtue of which is manifested the autonomy of these organizations towards the state.

Because of this, not for less time, legislation has treated the movement as being a *public good*.

Between state and cooperatives there has been a continuous fight: the State – for supremacy, through interference and tutorship, the cooperatives for autonomy and freedom.

In Romania, in the pre- and between – wars’ period, the state implied actively in supporting and promotion of the cooperative, through the creation of a legislative and institutional system, which, in general lines, has favoured the sector’s development but not rarely it conferred to the state the role of tutorship.

The experience were founded, in their greatest part, on the ideology of modern cooperative systems: Rochdale, Raiffaisen and Schulttze.

Very many theoreticians are trying to identify and, at the same time, to argue for the supremacy between the theoretical and practical systems. The problem, in our opinion, is not significant. Important are the historical results, as they manifested in time, as for the present, the historical experience is not only as argument, but also a challenge in the process of the development of the cooperative sector in agriculture.

As following, we shall approach the history of the “cooperative intelligence” in Romania, from the moments of its launching and until the threshold of the Second World War. The elements making “the cooperative intelligence”, respectively the personalities, state and experiences, will be concisely treated, but also explicitly (thus we are trying), in the order of their historical becoming, without a certain order within each trend of time, but in function of their importance in the ensemble of the movement during those years.

“*The Agricultural Cooperation*” was defined as being “the complex of cooperative companies (societies) which were satisfying the needs of farmers under different forms (The Great Agricultural Encyclopaedia vol. II, 1938, p. 175).

In order to be correctly understood and at the same time motivated, it is imposed that this definition of the agricultural cooperative should be analysed together with the opinions in the period we are referring to. According to the International Yearbook of cooperation in 1934, agricultural cooperation was:

- a large category of cooperatives, including different types of companies in function of the market segment they were manifesting in, as: credit (loan) cooperatives, consumption cooperatives, production cooperatives, supplying cooperatives, etc.;
- the interests of the small rural producers, mainly those in agriculture;
- technical formulae to apply the principles in the classical cooperative system – Rochdale, Raiffeisen or Schultze;
- vectors of promoting the states' interest in agriculture to support the peasant household and the growth of the well being of the rural inhabitants.

In a study of the National Bank, upon the cooperative movement – in Romania, in 1937, there is promoted the following structure of the cooperative companies in function of their profile:

- credit (loan) cooperatives;
- economic cooperatives, consumption cooperatives, supply and selling cooperatives, forestry cooperatives, purchase societies, leasing societies, dairies, mills, bakeries, cooperatives with other profiles.

On the background, between the two classifications there are no significant differences. An observation we must make: the National Bank introduces the concept of “economic cooperative”, within which it includes all the cooperative organization, less those of credit.

In the present study, we shall respect the classification of the above mentioned international body, because it is close, in a defining manner, to the realities of those times”.

The credit cooperative was representing an economic association constituted between the small agricultural producers or between the middle classes in towns, in order to procure the credits necessary for their operation, and, at the same time, to put into value their savings (...), constituting in this way a real mutuality among the small producers, with interests of debtors and creditors” (The Great Agricultural Encyclopaedia, vol. II, 1938, p. 177).

The creation of credit cooperatives was done in the declared goal of economic growth of the peasant households, idea cherished also by the governmental and intellectual circles of the époque, in order to create in the villages a wealthy social categories, independent and economically stable (Fratila, (coord.), 1994, p. 54).

The credit cooperatives have functioned under many titles. For instance, in the West European countries they were known as “popular banks”, and in the Romanian provinces, before the First World War, under the name of Village Popular Banks, in the Old Kingdom, Economic

Guides, in Transylvania and Bucovina, and Credit and Economy Companinships, in Basarabia.

In Romania, since the period between wars, the well known title was that of “Popular Banks”.

Ideologically, the activity of the credit cooperatives was based, mainly, on two German cooperative systems, in function of the social environment they activated in, as such:

- the Schultze system, characteristic for the town environment;
- the Raiffeisen system, referring to the village.

This latter system was applied also through other two variants: System Haas and System Wolhenborg.

In Romania, as result of the propaganda made by the great economist P. S. Aurelian, it is founded the first credit cooperative in the year 1870, in Bucharest, under the name of “Economia”.

Sometimes later, in 1893, in Bezdead, in Dambovita county, it is confirmed the first credit (loan) cooperative for the rural also (The Great Agricultural Encyclopaedia, vol. II, 1938, p. 179).

After this first step, the village popular banks have benefited from the advantage of two big actions, which have printed to them an accelerated development, which is:

- the initiative, in 1898 of Spiru Haret, as a minister of Cults and Public Education, for promoting the popular banks, among the villagers through the villages' intellectuals. The results of this action were materialized by the foundation and functioning of over 700 of such organization in 1903;
- the elaboration in 1903, with Mr. Emil Costinescu's contribution (he was Minister of Finances), of the law of the Villages' Popular Banks and of the Central House. Due to the State's support, through this institution, the movement developed continuously such that, in 1914, there were working 2901 Popular Banks, with 600.000 members and a capital of 186 millions lei.

Upon the situation in the Romanian territories, which were not entering in the components of the Old Kingdom, until 1918 there were formulated the following general acknowledgements:

In Ardeal:

- the first companies of popular credit are emerging rather early, in the half of the XIXth century;
- the information and functioning is done on ethnic criteria, fact for which, the population of Saxon origin, the Hungarians and Serbs are on privileged places;
- the initiatives of the Romanian ethnics are coming later (the first is the cooperative in Rasinari, since 1867) and it is copying the Saxon pattern⁽²⁾;
- the Romanian Popular Banks' development was strongly supported from financial institutions with a total Romanian Capital, as: Bank “Albina”, Astra Company and other.

In Basarabia:

- the credit cooperatives have much later emerged, in the first decade of the XXth century;

- the legislative frame was promoted: the small credit; a larger zone for subscription, social share is very small size and which were not participating to benefits; the state's interference in a very high degree, as the crediting funds were greatly constituted from the support granted by the Public Power.

After the Big Reunion, the village popular banks developed in any direction "until the years of the economic crisis" (Sandru, 1985, p. 50).

In fact they are inscribed in the general process of Romanian economy development.

The peak of the popular banks' development was reached in 1931 (table 1), after which under the crisis and "conversion" influence, their activity enters in decline, until 1938, when it is felt, for a very short period of time, a new start of relaunching (Sandru, 1985, p. 121).

The evolution of the village popular banks, the interval 1931-1933 years

Table 1

Year	Cooperatives	Members cooperators (thou. persons)	Total capitals (mill. Lei)
1931	5298	1132	8993.7
1932	5148	1079	8537.2
1933	5275	1079	7507.5

Source: The Great Agricultural Encyclopaedia, vol.II, PAS Publishing House, 1938, p.179.

All the specialty studies are stressing the fact that in the cooperation structure, in Romania, the Popular Banks have owned, through the member of units, in all precious and between wars period, the highest share.

Such, in 1907, they represented 90.8% of the cooperatives number of all categories, the percentage is decreasing to the limit of 48.1% in the period 1919-1923, then it increase, reaching to 70.7% (Lee, 1956, p. 172).

Referring to the degree of involvement of The Popular Banks is the village world and the interest they were enjoining among the villagers, the statistical data are hard or impossible to attain today.

For example, in the whole between Wars Period, one of four families of farmers was associated to a Popular Bank. In 1930, there was around 1 credit cooperative to 3441 inhabitants, and to 1000 of inhabitants, 64 members (Sandru, 1985, p. 127).

The cooperative system in Romania got a hard blow by losing the cooperatives at the lost territories, as result of the Political Treaties with some neighbouring countries.

Thus, at the end of the year 1940, only 3600 popular banks handed in balances, which means a loss of over 2000 units, opposed to the previous year (Madenatz, 1943, pp. 4-5).

Also, in the years of The IInd World War and in the period immediately after, the financial state of most of the popular banks worsened, such that, the biggest part of them was liquidated. For example, in 1942, a number of 329 popular banks were liquidated.

Under these conditions, the activity of the popular banks got complicated: the excessive prudence in the crediting of the small fames: the in-sufficiency of the capital for crediting,

the deterioration of the economic potential of the peasant households, the hard recovery of credits and others.

The consumption cooperative is a "consumers' association, in view of satisfying the different consumption needs, personal and familiar" (The Great Agricultural Encyclopaedia, vol. II, 1938, p. 179).

The first society (company) of this kind was founded by the "pioneers in Rochdale", in Great Britain, at 1844, which afterwards, was constituted into universal cooperative system, with the same name. The system was consolidated through the foundation of two wholesale shops in Manchester and Glasgow at 1864 and 1866 and of a national union, with rural character, at 1869, also in Great Britain.

In Europe, the consumption cooperation has progressed in an accelerating rhythm. For instance, in 16 European Countries, less Russia, the number of the members cooperators increases from 8 to 17 millions in the interval 1914-1937.

The growth of consumption cooperatives was based on:
a. the respect with strict character, of three cooperative principles:

- the granting of the consumption bonus to the shareholders in ratio to the value of purchases made;
- the sale of merchandise at current prices;
- the purchase of merchandise in cash only;

b. the application in a constructive manners of the principle of concentration in the activity for technical organization of the enterprise.

In addition, the consumption cooperatives have occupied, in greatest part, the intermediary market segment between small and big seller, against whom they pushed a continuous competition pressure. Constantly, the size of the consumption cooperatives grew naturally due to the action into double direction:

- on horizontal, through the adoption of the wholesale shops for the trade promotion;
- on vertical, through the foundation of units to produce the articles necessary for the consumption of the members cooperators.

As for the agricultural production, the results of the consumption cooperators were very weak.

This situation was the result of some strong disputes in the ideological plan, disputes starting from the very role the consumption cooperation must play in the society, respectively of economy.

Thus, in the movement of cooperative ideas, there was advanced the theory that "production will be subordinated to the needs of consumption, in order to be realised only by organizing on cooperative way of the consumers" (The Great Agricultural Encyclopaedia, vol. II, 1938, p. 174).

This concept was cherished by the School of Nîmes in France, created by E. de Boywe and Charles Gide, and by the Union of the German consumption cooperatives in Hamburg (Mladenatz, 1923)

But, in a period dominated by the classical economic doctrine, the theory was revolutionary. It was anticipating the Keynesianism, which should appear later, in the '30's

of the XXth century. From this reason, the theory was rejected, with arguments, which today, only partially, could be accepted:

- the farm organisations, given being the amplitude and the size of agrarian reforms in almost all the new states of Europe, after the First World War, could not be represented, practically, but under “the dominant regime of the small ownership” (Thamas, 1924);
- the farm cooperation had to represent only a “means of defense, be it against the old forms of usury, be it against the procedures of dominance of the trade and modern finance” (Thamas, 1924);
- “the realization of the formula of consumer’s reigning or of the integral cooperation should mean, on national plan, the reign of villages by towns, and in international plan the reign of agricultural countries by the industrial ones, which, of course, could not lead to a greater social peace” (The Greatest Encyclopaedia, 1938, p. 174).

In Romania, the first consumption cooperatives are emerging in town, in the last quarter of the XIXth century, as result of the efforts made by the great economist P. S. Aurelian.

This way is founded the society “Concordia” in Bucharest, in 1873, with the secretary Spiru Haret, and as result of the adoption of the Commercial Code (1887) there are emerging other such cooperatives as: the company “Mercur”, the Bakery “Viata (Life)” both in Bucharest, in 1886, Bakery Galati and others. At villages, the first consumption cooperative is founded in the Arges county, in 1902. As result of the Law of Cooperation in 1903, which ensured a proper frame for manifestation, the consumption cooperative is starting to develop, such as, in 1912, their number was of 294 units. After the First World War, as result of the state’s support through the Central of cooperatives in the villages, formatted in 1919, there is registered an increase in the number of village consumption cooperatives entered into liquidation.

The causes of this phenomenon are, in great part, exterior to the system; on short, these are some of them:

- the state’s support is beginning to diminish;
- the start of the phenomenon of national currency devaluation;
- the instability inside the legislative system and by extension in the statistical one.

For instance, starting with 1923 the statistical system does not make the distinction any more between these cooperatives and the supply and sales’ ones, which will determine the common study of them, until the half of the ‘30’s. In a study of the National Bank in 1937, it is shown that the number of the consumption cooperatives is of 1001 units, representing not more than 12.5% of the total cooperative organisation in Romania. It is an insignificant share if we consider the dimension of the rural space, of the village population, but especially the economic social problems the consumption cooperatives could solve.

Regarding the activity, as whole of the consumption cooperatives, in the whole period, before and between wars,

the appreciations are relevant: “All these companies do not have anything alike the cooperative movement in the Western Countries, they appear, without one taking care of the other’s fate, without any common soul affect them, without an unitary flow to bind them and maintain them, they live isolated, in order that soon they should disappear or transform into simple capitalist enterprises, in case they succeeded to develop a prosperous commercial activity” (The Great Agricultural Encyclopaedia, 1938, p. 176).

The supply cooperative was manifesting, many times, as a common sales cooperative. This cooperative for supply and, respectively, for sales is constituting, mainly, between the small farm producers, for the input supplies (production factors), necessary for their farms and the common selling of the products obtained in the farms.

Such cooperatives have functioned in towns also, having as shareholders the craftsmen and the small sellers.

Before the First World War, the number of these cooperatives was insignificant (The Great Agricultural Encyclopaedia, 1938, p. 177).

After 1919, the sales and supply cooperatives are developing, such that their number rises up to 2600 in 1926. On the background of the currency inflation, as in the case of the consumption cooperatives, there emerges and develops an obvious regress in this segment of the cooperative movement, fact which was concretized into the liquidation of a big number of such organization.

The evolution of supply and sales cooperatives, the period 1931-1933

Table 2

Year	Cooperatives	Members cooperators (persons)	Total capitals (mill. Lei)
1931	1191	143446	662.9
1932	1026	118748	580.0
1933	1150	134902	595.9

Source: The Great Agricultural Encyclopaedia, vol.II, PAS Publishing House, 1938, p.177

The statistics in the years previous to the Second World War (table 2) show the regress registered in this sector: in 1933, as opposed to 1926, the number of the supply and sales cooperatives was smaller by almost 66%, respectively by 1450 of units, and in 1937, there were 360 units, 4.5% of the total.

This phenomenon has deep roots and causes, and by extension, they are still present today in the agrarian relationship.

The supply and sales cooperatives had the quality of marketing cooperative, because they managed the agricultural inputs’ and outputs’ market. But the factors’ market, respectively that one of results, then and now, was weakly developed, which restricted the process of formation and manifestation of the cooperatives in the profile.

In addition, the peasant households, given being their reduced economic potential, did not offered a serious market partnership, with development chances.

The production cooperative was conceived as an “association of workers-producers, who are organizing

themselves in view of industrial farm production” (The Great Agricultural Encyclopaedia, 1938, p. 175).

The first organization of this type emerged at the initiative of Philippe Buchez (ex-student of Saint Simon) in France, in the field of wood processing industry, in the year 1832. The purpose of this cooperative, which in its initiator’s opinion was wishing to be a system, consists in the “abolition of the salary-worker in industry”, given being the originality of the equation of the benefit’s division: 80% for the associates in ratio to the wage (salary) received and 20% for capital accumulations.

The results, even from the starts’ period, were modest. The causes for many times were of: insufficient capitals, the weak discipline of the workers, the sales-unsatisfactory market, etc.

As a consequence, many of the production cooperatives in industry were turned into consumption cooperatives, or into capitalist commercial companies. In agriculture, the production cooperatives had a much-larger field of development, especially in the countries and regions where there was predominant the peasant ownership regime. This statement is based on the reality that the associates are net industrial workers anymore, but the small agricultural owners, so persons with a much better material state, which eliminates the impediments in the capital’s insufficiency.

In Romania, the production cooperatives in the rural functioned before the First World War under the form of the leasing societies, for purchase, and giving ownership; to these, after the Big Romanian, there were added also the forestry cooperatives.

The situation of the production cooperatives in the interval 1931-1935 is shown in the following table.

**The evolution of the production cooperatives,
the interval 1931-1935**

Table 3

Year	Cooperatives	Members cooperators (thou. persons)	Total capitals (mill. Lei)
1931	675	72	1287.3
1932	610	72	1087.6
1933	673	72	1123.3

Source: The Great Agricultural Encyclopaedia, vol.II, PAS Publishing House, 1938, p.181

Reported to the total number of the cooperatives from that period, it results a share not bigger than 990, share by which the production cooperatives could not be represented in the ensemble of the cooperative movement in Romania and even on the rural.

Moreover, the fact that they activate, mainly, in the field of wood processing and operation presents a reduced attractiveness degree for the researches in the agrarian economy.

It is to be retained the power of the example, that is: the production cooperative in agriculture in the whole pre and post-war period was un-representative, although there had been created all legislative and institutional conditions for a normal functioning.

It was an extraordinary example which those who led the destiny of the Romanian agriculture in the command

economy’s year avoided, opening this way the gates of the biggest ideological trap: The Communism.

Conclusions

The cooperative movement in Romania emerged as in the majority of European States, as the background of some “restrictions in agricultural sector” (Leonte 2000, p. 191), restrictions generated by a complex of factors, within which the predominant position, constantly, was held by the competition between the big and the small agricultural farm. But, cooperation was offering to the small and middle agricultural producers the favourable institutional frame for manifestation in a competition environment for the capitalist market, this one also being in formation.

As to the classical European cooperative systems (Rochdale, Raiffeisen, Suchultze), the Romanian cooperation greatly was alike, but different in intensity.

The right order of the cooperative movement expressed by law and institution has the merit of having kept the pace with the transformation in economy and society. But out of the wish to hurry the things going on – there were produced many fractures, revealed by the inconsequence from one law to the other, the legislative abundance, the over-estimation, or the minimization of the state’s role and other.

From these reasons “the ideas and measures comprised in the cooperative legislation (...) represented theoretical foundations with operational valences, rather limited in the practice plan (Fratila, (coord.), 1994, p. 58).

The presence of the state in the cooperative movement was made at relatively high quotas, but decreasing in time, under the formula of “intervention” considered today, from time perspective, the most direct one and which, for many times, manifested in the form of “tutorship”. In the Great Agricultural Encyclopaedia, it is motivated that “the solidarity spirit must be stimulated through the state’s intervention” (The Great Agricultural Encyclopaedia, 1940, p. 174).

Interesting and with more deep arguments is Mitita Constantinescu’s opinion, a big personality within the cooperative movement from the 1930’s period, who made the statement “I don’t think that there has ever been a more loved institution, by all governments, as it was the cooperation” because, he continues, a cooperative “becomes a nucleus for political irradiation, from which we can obtain good election results” (Constantinescu, 1943, p. 15).

Cooperation expanded from the Credit Houses, popular banks (units predominant at the end of the XIXth century and start of the XXth century) to almost all the domains of the economic and social life in the rural (the decades forerunning to the IInd World War). Romania’s case is not a singular one, as “the credit cooperation was developed mainly in countries with an extensive agricultural culture, with a rural economy – weakly developed, or in other words, countries where the natural economy had a significant share” (Fratila, (coord.), 1994, p. 57). For instance, in the countries with a stressed agrarian character of the economy, as Bulgaria, Romania,

Yugoslavia, the credit cooperation was representing in total of the village cooperation 80%, 70.1% and 63.1%, while in Germany, Czech Republic and Switzerland, countries with a developed industrial sector, these cooperatives held 54.2%, 53.1% and, respectively 6.4%.

The diverse forms of manifestation in the cooperative movement for credit, consumption, production, supply and sales and others are expressing the potential they had for their economic development and improvement of the social state of the peasants, potential much shortened not only by the instability in the legislative and institutional system, but, especially, by the dimension and intensity of the agricultural market. No matter how well and right would be formed and organized a cooperative, the efficiency of its activity depends, first of all, by the economic and social environment, where it is manifesting itself. But, the economic environment imposed, naturally, as a market partner, the peasant household, a socio-economic entity with a preponderant autarchical behaviour. Under these conditions, the performances of the cooperative sector were conditioned (and still depend on) by the performance of the peasant household.

Upon the role of the agricultural cooperation in its whole, but especially of the popular banks in support of the peasant households, there is no unitary concept in the specialty literature. The appreciations are operating in a very large range, from the highest prays to most virulent criticisms. But these opinions, regardless their position, in their great majority, are expressing political points of view which are not necessarily objective. For instance, in *The Great Agricultural Encyclopaedia*, work which is worshipping the merits of Carol II as being “The First Farmer of Romania”, it is mentioned that the cooperative movement has in its componse “vigorous structures” (*The Great Agricultural Encyclopaedia*, 1938, p. 175).

In opposition, Mitita Constantinescu, ex liberal minister, is formulating the following general conclusion “the cooperative network is presenting itself as a weak cord of reduced debile points, disproportionally, thin towards the environmental requirements, both as own financial power – very needed in every efficient activity – and as a human collective force polarized by the cooperative religion” (Constantinescu 1943, p. 15).

On the same side of barricade, but from other party, The National Peasant Party, Virgil Madgearu, an ex minister also, was starting that popular banks “are satisfying so incompletely the agricultural economy, mainly the peasant one” (Madgearu Virgil, 1940, pp. 340-341).

In the same critical register are also the conclusions drawn by Marius Gormsen, a Danish expert, who, in 1937, in his report made for the Ministry of Agriculture and Lands, is formulating the acknowledgement that the Romanian cooperative movement “does not merit its own name”, “it is degenerated”, and cooperatives are representing an instrument used “by those heading them, who, under the mask of their devotion, are extracting to the poor simple

peasants their small savings, hardly achieved, result of a long and wearisome work (Gormsen, 1940).

Which is the truth?

- If we shall continue to refer strictly to the cooperative sector, then the conclusions will be critical, being on the same lines with those expressed by Mitita Constantinescu, Virgil Madgearu and others.
- If our appreciations will stress mainly upon the role of the public power, namely of the state in the cooperative movement development, then the performances of this sector (which, really, were not few) will cast shadow any critical note.
- If we shall extend the analysis to the whole sphere of economic and social relationship in the rural, we shall see that one of the greatest achievements of the reforms, started in Cuza’s period and finalized in the years before the IInd World War, for Romania’s modernization, was the personalization of the middle class in agriculture. But this was an important and constant objective of the cooperative movement, fact which gives sense that its making was possible also due to the efforts of the cooperative movement in its ensemble.

A strong point in support of the results of the Romanian cooperative movement, especially in the rural and agriculture, was the foundation at central level of some representative state structures as: The Central House of the Popular Banks (1903), The Central of the popular banks, The Central of the village cooperatives for production and consumption (1919), The National Office of Cooperation (1929), The Central Cooperative Bank (1935), The National Institute of Cooperation (1938).

Also with a representative role were the federations, unions and central houses, cooperative structures, of II, III and IV degrees, which were doubling the support of state in the direction of promoting the cooperative movement in its ensemble.

The present is offering but a different image. At the level of the Ministry of Agriculture, Forestry and Rural Development there is no directory or specialised body of the state which should coordinate the activity of the cooperative movement in society and economy.

The implication of the agricultural cooperation in making the agrarian reform in 1921 was a failure experiment. In synthesis, the equation was simple and it was consisting in the giving into ownership of peasants, through some cooperative organisations, especially constituted, which were the ownership societies.

The phenomenon repeated itself also in 1991, when the farm associations, founded in conformity with the Law no. 36/1991, had the role of overtaking the lands for farming from the ex-agricultural and production cooperatives, land upon which there was acknowledged the ownership rights to the peasants. Also these structures, after a relatively appreciated start, in time, gave signs of weariness. The causes of this situation are deeper and reside from the contrary effects which the agrarian reform,

respectively cooperation have in the consolidation and concentration processes of the agricultural farms. For instance, the five agrarian reforms which gave gain cause to the peasant ownership (in 1804, 1921, 1945, 1991 and 2000) had as effects the dismantling of the big agricultural farms, regardless the nature of the land ownership, fundamenting them. In contrast, cooperation, as economic action, and important for the land market, has as effects the growth of the size of agricultural farms, through consolidation and concentration.

The overposing of agrarian reforms with the association and cooperation is not successful.

For their success, they should act separately: cooperation, respectively association following the reform, after a while, more or less, in function of the consolidation degree of the land ownership ratios in the peasant households.

In the profile structure, the production cooperatives were insignificant. For example, in 1937, their share was not higher than 5%. At present, the phenomenon is similar in the majority of the EU countries. The explanation results from the natural orientation of cooperatives towards market and not towards the production as such. In the totalitarian period, communists inversed the natural order of things: in agriculture, they imposed the production cooperation, with absolute title, and in the rural they maintained, under a different formula, the consumption cooperation and the credit cooperation; the other traditional types of cooperatives were eliminated. But the communists' orientation did not stop in December 1989, together with the fall of the totalitarian system. It was maintained, it is true, in a decreasing intensity note, in the whole period 1990-2005 (the interval between Law no. 36/1991 and Law no. 1/2005).

The legislation, policies and macroeconomic and microeconomic strategies, as well as the opinions (not few) of some false specialists, with a scientific authority fabricated in the cabinets of the ideological education of the dead communist party, were militating for the relaunching of

cooperation in agriculture, mainly in the production sector, that is a coming back to what communists said and worshipped "farming of the land through the work in common". Obviously all were bringing the same arguments, justified through: the higher performances in production in the farms of bigger size. Aware or not, they did not take into account the new juridical orientations in matter of land ownership, the social aspects and food safety problems, which the peasant farm was ensuring for the family of farmers, and other.

Cooperation, as any human action, generated and still generates critical phenomena, many times anti-economic and anti-social. In this direction, the specialty literature, before and between the wars, is consigning and is criticizing at the same time: the usuary, speculation, frauds of any type, especially of the persons leading the cooperatives.

Such phenomena, it's true, with another contents, but with similar effects, in moral and legislative plan, are repeated after 1989, too in the farms' association, too. Now, in opposition with the past, the usury and speculation disappeared, but there appeared and multiplied the thefts and embezzlements of any kind from the common wealth, the fund re-allocations, but especially the lies and over-evaluation on behalf of the village oligarchy, with roots in the agricultural cooperatives in the communist period and which through intimidations and force, was installed to the management of the associations founded in basis of Law no. 36/1991.

That is why, at present, it is to be imposed a re-dimensioning, especially legislative and moral, of the democracy of cooperative type in the Romanian agriculture.

To the end of the between – wars' period, also, together with the maturing of the relationships of capitalist type in economy and mainly in industry, the dimension and profundity of the cooperative sector in the rural, respectively agriculture, were unquestionable and hard to attain today. Communism imposed out of ideological considerations, a new order of things, which proved non-viable.

Notes

⁽¹⁾ Only the French Constitution, from 1789, created in the illuminist philosophy spirit was stating that "the goal of one society is the common happiness".

⁽²⁾ Around the beginning of the First World War, in Transylvania there were 361 Hungarian credit cooperatives and only 108 Romanian, in Pienescu, M.V., (1946), *Cooperation*, Bucharest, p. 332.

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