

THE MAIN ECONOMICAL AND COMMERCIAL CONSEQUENCES OF THE AGRARIAN REFORM PERFORMED UNTIL 1989

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The social agrarian structure of the Romanian people at the end of the XVIII century was: on the top of the social pyramid were the boyars – who owned almost all the land of the country, then followed the serfs and a relatively small number of free peasants. The Rural Law stated that those peasants that did not receive land had to be put in possession by taking land from the State estates, which did not happen for more than 12 years. The same Rural Law had however a major disadvantage when it came to its implementation, because it lacked the topographic engineers to measure the area to be received by each peasant. Thuds, the peasant received the land as a whole. The ideological background of the 1921 agrarian reform began with the burst of the 1907 major peasant revolt. The democratic bourgeois revolution fought, on agricultural plan, for the division of the large estates considered as units of production for peasants' exploitation, and on political plan for the elimination of large properties. At the end of the Second World War Romania still had a backward economy, with many feudal reminiscences, in spite of a rapid development of capitalism between 1918 and 1945. The industry belonged mainly to foreign capital which held almost 91,9% from the oil industry, 95% from gas and electricity industry, 74% from metallurgy, 72% from chemical industry and 70% from wood industry.

Key words: law, reform, property, agricultural plan, peasant

The economical and commercial consequences of the agrarian legislation issued from 1864 - 1918

Through the implementation of the “Rural Law” 511896 peasant families were given a total area of land of 2.038.640 ha, returning an average of 3.98 ha per family, area that was granted according to the number of cattle each family possessed at the time. The law was intended to protect the future land owner peasant by preventing him from being able to dispose of the land that he was given. Thus art. 7 mentions that “once the decree is issued, neither the land owner, nor his heirs will have the right to sell or mortgage the given land for a period of 30 years by will or other legal acts except if it is done for the benefit of the village or of another peasant.

However the law did not establish the procedure and the right to succession for the peasant land owners and did not fix a minimum percentage under which the land could not be divided, which led to the possibility of an endless division of the peasant property between the co - owners. This fragmentation and spraying of small farms led to the situation in which the area of land owned was so reduced that it could not cover the minimum conditions for subsistence. Large disagreements arose and many wrongs were committed – the land being assigned in block – the rub landowners gave the worse, poor and marshy lands to the peasants.

Small peasant property derived from peasant law reform made in 1864 was regarded by the legislator in terms of transactions in a restrictive manner in the sense that the villagers have become land owners on that land that they have worked from father to son. The law restricted the freedom of the peasant to sell the land he was given by limiting the number of persons that had the right to buy. At the same time, setting up property rights over land and especially setting up a mortgage over it was considered more dangerous from their consequence point of view than selling the land itself. Given the situation of the new rural owners, mortgaging land was not allowed only if it was made in favor of another peasant or of a credit institution.

Virgil Madgearu appreciated that the interests of European capitalism are materialized within the Romanian principalities through the creation of transport networks, credit and currency instruments. European capitalism was less interested in contributing to the Romanian industrial development, at least until the unification of the Romanian principalities in 1859. Thus, between 1866-1915 out of the total capital of 645 million lei only 122 million was Romanian capital.

In this context the reform promoted by Alexandru Ioan Cuza did not have the expected outcome. Even if the peasant had land he did not have the necessary means for agricultural land use. In spite of the fact that Constitution issued in 1866 proclaimed individual freedom by Agricultural Bargaining Law, much of the Moldavian and Wallachian peasantry, was confronted with a new type of slavery.

The economical and commercial consequences of the agrarian legislation issued from 1918 - 1945

Between 1918-1945, Romanian agriculture was mainly focused on cereals which occupied 68-72% of the country's arable land. Small farms of less than 5 ha had a complex structure of crops, as shown in table 1.

Arable land was cultivated as follows: 79,63% (3,15 ha) grain, 3,57% (0,42 ha) forage crops, 4,01% (0,61 ha) food crops, 3,80% (0,15 ha) of industrial crops, 2,94% (0,12 ha) fallow fields. The medium sized farms of 10-25 ha, had a much different crop management from the smaller farms. Arable land is cultivated as it follows: 86,89% grain, forage crops 5,27%, 4,14 food crops, 2,48% industrial crops and 1,22% fallow fields.

Tabel 1

Structure crop of small households - up to 5 hectares - in 1930

Arable land	Natural hayfields	Vineyards	Forests	Pastures	Non-agricultural land
80,13%	5,49%	3,91%	3,61%	1,67%	4,09%

The average production per ha and per animal capita obtained from Romanian agriculture is much below the ecological potential of Romanian soils, but it is a direct consequence of poor technical conditions of small households, Romania topping among the last places in Europe in terms of average yields for most crops and species of animals.

If we make a comparison between Romania and other European countries, there is a notable gap between the average corn and wheat production obtained in 1928-1936, similar values being registered in Bulgaria or Hungary. While Romania has achieved the lowest yield of all the countries listed above, however differences in average yields were only 300-500 kg/ha, a figure no greater if related to the present situation.

All authors who have dealt with the problems of agriculture, acknowledged that on the eve of the Second World War the batch of appropriation was so small and crumbled that no rational crop could be done. "Under our eyes, the eyes of a generation that fought and achieved land reform – wrote N.Cornateanu – the peasant land obtained with so many sacrifices is continuously grinded and spread all over being on the verge of extinction, as it happened to the land obtained through the 1864 reform. The continuous equalization in misery will eventually lead in less than 10-20m years to Romanian villages with peasants without land."

The economic consequences of collectivization

The collectivization process of Romanian agriculture ended in 1962. Practically in 13 years almost the entire Romanian agriculture suffered this "socialist transformation". The consequences were dramatic: 9,5 million ha were passed to collective ownership, and 1,78 million ha into State property. Private property preserved, especially in mountain areas, approx 882,000 ha (6% of agricultural area) out of which 343,000ha arable land (3,55 of the country's arable land). Therefore, in late 1962 – the agricultural production cooperatives (collective farms) and state agricultural units had about 94% of the agricultural area of the country and 96,5% of arable land. These cooperatives also held in property 97,6% of the land occupied with wine nurseries and 86,2% of the area planted with orchards. Of the total agricultural area of the country, peasant cooperative members were using only 6,1 % and the peasants who worked the land alone 9,4%. Average area held by a state agricultural enterprise was about 5000 ha and by an agricultural cooperative for production only 2000 ha. Table 2 shows the evolution of the

agricultural cooperatives for production from the beginning of collectivization in Romania until its end in 1962.

Tabel 2

Evolution of agricultural production cooperatives between 1949 – 1962

Year	C.A.P. units	Families included (thousands)	Agricultural area (thousands of ha)	Arable area (thousands of ha)
1949	56	4,0	14,3	-
1950	1.027	67,7	288,9	262,5
1955	2.152	183,2	905,8	792,8
1960	4.887	1.420,1	4.580,2	4.099,6
1962	5.398	3.294,8	9.084,7	7.677,7

The year 1962 marked just the starting year of state intervention in economic activities of the production cooperatives, seriously distorting the concepts of cooperation, cooperative and agricultural cooperative. The strongest sector in the period of collectivization was the rural area. Socialist transformation reduced to zero the core values of this space: land tenure, private – family farms, morals, traditions, customs and popular culture.

The economical and commercial consequences of the agrarian legislation issued from 1962-1989

In the agricultural policy of the communist power from this period in Romania the area planted with cereals held an excessively large share compared to other crops, respectively about 60-65%, ranging between 50-52% in IAS Sites, 65-69% in CAP Sites and up to 70 – 72% in the private sector. Even some countries such as France, Italy, Germany and Spain large grain producers did not have higher weights in the structure of these cultures.

Our country has grown a large area of grains of approximately 6,8-7,2 million ha, but unfortunately only for the main consumption of the population and for animal breeding. During this period, Romania exported in a single year 1980, 1,7 million tones, in the remaining years the figure was below one million, the mainly cereal structure being a characteristic of the extensive and subsistence type of agriculture comparable to the underdeveloped or developing countries. Between 1950-1989 the arable area with pastures and vineyards and the one with orchards grew, but on the other side the meadow area was reduced which had negative consequences over the livestock.

Due to the industrialization process and especially to the placement of the new economical objectives on arable and non-arable land, the arable area was reduced by 291, thousands ha, the pastures rose with 437 thousand ha, the meadows were reduced to 247,2 thousand ha, the area cultivated with vineyards and wine nurseries increased by 50,2 thousand ha, the one with fruit orchards and

tree nurseries grew with 96,6 thousand ha and the forest land also grew with 191,5 thousand ha.

Tabel 3

The structure of agricultural area between 1950 – 1989

	1950		1989		1989/1950	
	mii ha	%	mii ha	%	+	-
Total agricultural area in which:	14.324	100	14.759	100	435	-
Arable	9.377,9	65,5	9.458,3	64,1	80,4	-
Pastures	2.852,4	19,9	5.256,9	22,1	404,5	-
Meadow	1.688,2	11,8	1.448,3	9,8	-	239,9
Vineyards and nurseries growing	227,3	1,6	277,5	1,9	227,3	-
Fruit orchards and nurseries	184,2	1,3	318,0	2,1	133,8	-

MATERIAL AND METHOD

From the economical point of view the consequences of the agrarian reform from 1864 were materialized under the following aspects:

- In terms of agricultural production, since 1865 – the first year of law enforcement- it has meant on one hand a standstill because the peasants lacked the necessary means, especially animals to work with and on the other hand the great estates lacked the labor force which led to large areas of land remaining not worked;

- After one year of dealing with all sorts of problems in law enforcement, the agricultural production began to improve; peasants worked their land and landowners started to buy farm machinery to replace the missing labor force. The export of wheat increased significantly;

- A long term consequence was the accumulation of capital in the hands of landlords, capital that was used in trade and industry;

- The Rural Law mentioned that those peasants that had not received land to be given some from State estates, a fact that did not happen for more than 12 years; The same Rural Law had another big disadvantage in its implementation because it lacked the qualified engineers to measure the area of land each peasant was entitled to, therefore the peasants received the land in block;

- What was worse, however was that the State gave land without seeing further if the peasant had the necessary means to work it due to an inconsistent and superficial legislation;

- The Rural law did not fix a minimum share under which the land could not be divided, leading to the possibility to divide the property indefinitely between co- owners. This situation led to many disagreements and to the outburst of the peasant revolts from 1888 and 1907

RESULTS AND DISCUSSIONS

According to statistics Romania exported in the interwar period between 1,5-2 million tones of cereals from an area of approx 1,5 – 2,2 million ha if related to an average production of 900-1000 ha. For the most part the quantity of grain

exported came from private medium households which held about 2,75 million ha of arable land out of which 2,4 million ha was cultivate with cereals. 3-3,5 million tones of grain were obtained from this land.

After the collectivization in 1962, for 27 years, until 1989, the state led a policy of primitive accumulation regarding the agriculture, in favor of a inadequate industrialization, thus reducing the chances of effective use of national resources and develop a balanced economy. Despite these adverse conditions, it was still possible the technical equipment of agriculture, while creating a body of well trained agricultural specialists in order to practice o modern system of agriculture.

CONCLUSIONS

- The agrarian laws from 1921 did not contain sufficient provisions to preserve land in the hands of peasants and the laws issued in the following years 1925, 1929, 1937 abolished the few clauses relating to the inalienability of land which did not lead to the consolidation of small peasant property, but to its fragmentation;

- Between 1918-1945 as a consequence of the processes of expropriation and land attribution, the structure of land ownership changed radically as follows:

- Small property with up to 10 ha increased from 8,830,760 ha to 14,838,857 ha that is from 43,91% to 73,7% of the country arable area

- Property between 10 to 100 meters remained at the same level

- Property over 100 ha decreased from 8,909,847 ha to 2,100750 ha, that is from 40,23% to 10,5% of the country arable area.

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