

**The welfare-state as a means of nation-building in interwar Romania, 1930-1938**

by

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## **Abstract**

Within a growing body of scholarly works devoted to the path-dependent entanglement of nation-building and welfare-regime creation, the Romanian case is either shallowly analyzed or completely neglected. Building on certain soft spots in historical institutionalism concerning explanations of path-starting moments of Central and Eastern European welfare states in general, the aim of this thesis is to offer a case-study of the lesser known Romanian social policy development. The research offers an analysis of the interwar path-starting moment of the Romanian welfare state dissecting the implementation of a pro-urban bias laced with nationalistic overtones so as to mold the Romanian nation into the template of a "modern Western capitalist nation". The main argument is that the apparent misfit between a pro-urban biased welfare state and an 80% agricultural country was in fact a coherent and pro-active elite modernizing strategy designed to (re)create and/or strengthen a "desirable core" of the nation. The research is based on two pillars - an intellectual history analysis of the political arena in 1930s Romania and an analysis of welfare policies (design and coverage) measuring the extents of the urban and ethnic biases.

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## Chapter I - Introduction

When analyzing the puzzling Central and Eastern European (CEE) welfare states through the classical "bread and butter" of social policy - inequality,<sup>1</sup> scholars seem to have reached a stalemate in concurring over the overarching classification of "hybrid regimes"<sup>2</sup> and the uselessness of the *world of welfare* tradition.<sup>3</sup> Part of this problem lies in the weak attention offered to the original path-starting moment of CEE social policies: as corollaries of modernization<sup>4</sup> - a nexus consisting of industrialization, urbanization, imitative institutional adaptation (state-building), nation-building and economic nationalism, early 20th century CEE welfare states were *nationalized* responses to "backwardness", hybrid institutional structures that strived to tackle *national* inequalities.

More sensitive to historical processes, path-dependent researches offer promising avenues forward, as they have better observed the lengthy and complicated process through which the accumulation of inequalities did indeed take on *national* forms<sup>5</sup>. Seeing welfare states as political projects, not *deus ex machina* institutions,<sup>6</sup> path-dependency, paves the way for dissecting how "welfare is enmeshed in the institutionalization of conceptions of the nation": by analyzing the *nation-state* as the key locus of difference production through

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<sup>1</sup>Pieter Vanhuyse, *Power, Order, and the Politics of Social Policy in Central and Eastern Europe*, p. 54 in Pieter Vanhuyse, Alfio Cerami (eds), *Post-Communist Welfare-Pathways: Theorizing Social Policy Transformations in Central and Eastern Europe*, (Hampshire: Palgrave MacMillan, 2009)

<sup>2</sup> See Vanhuyse&Cerami, *op cit.*, also Pieter Vanhuyse *Divide and Pacify. Strategic Social Policies and Political Protest in Post-Communist Democracies*. (Budapest: Central European University, 2006)

<sup>3</sup> Gosta Esping-Andersen, *Three Worlds of Welfare Capitalism* (Princeton University Press: Princeton, 1990)

<sup>4</sup> Tomasz Inglot., *Welfare States in East-Central Europe 1919-2004* (Cambridge: Cambridge Univ Press, 2008), p. 54

<sup>5</sup> Franz-Xaver Kaufmann, *European Foundations of the Welfare-State*, English Translation- John Veit-Wilson (New York: Berghan Books, 2013), p. 25

<sup>6</sup> Ibid p.1

cultural homogenization,<sup>7</sup> as well as of inequality defining and tackling. This suggests that CEE welfare states were historically components of nation-building processes that were also seen as modernization tools through their ability to tackle *national* inequalities.

Following this line of thought, the aim of this thesis is to offer a concrete case study - the interwar Romanian welfare state as a means for nation-building.<sup>8</sup> The central research question is: *Why was a pro-urban welfare-system implemented in an almost 80% rural country?* The problem of fit seems rather acute as in 1930s, at the time of the first interwar census, "Greater Romania's" urbanization rate was barely 20.1% (within which 41.2% of urban dwellers were minorities - Hungarians, Jews and Germans), and, what is more, 90% of the rural population was engaged in agriculture.<sup>9</sup> While interwar Romania did clearly display some of the more general CEE features (weak urbanization and over-reliance on agriculture, a thin middle class that was mostly "alien", weak state-hood and a preference for seeing economic independence as a pre-requisite of full political sovereignty)<sup>10</sup>, the deviation was significant in the guise of a political format for which the appropriate social base was missing<sup>11</sup> as the rule of the bourgeoisie did not accurately reflect its real strength.<sup>12</sup>

Within a growing body of scholarly works devoted to the path-dependent entanglement of nation-building and welfare-regime creation, the Romanian case is either

<sup>7</sup>John Clarke, *Welfare States as Nation-States: Some Conceptual Reflections*, in *Social Policy and Society*, Vol. 4, Issue 4, 2005, p. 412 - own emphasis, the author originally uses "states"

<sup>8</sup>A similar idea dedicated to a larger historical overview, but with a purely qualitative methodology, more contracted argument and suffering from methodological nationalism, was published as a non peer-review work - Delcea Sergiu, *The impact of the nation-building process on the construction of the Romanian welfare-state before 1989* (Buzau: Ed. Teocora 2013). The present thesis abandons in its entirety the methodology of the previous work, sharing in common just a few primary sources and the general topic of looking at the welfare state as a nation-building tool.

<sup>9</sup>Romanian National Statistical Yearbook 1935-1936, p. 33

<sup>10</sup>A preference for industrialization, as a core tenet of modernizing economic nationalism, with a weak popular backing; intense nation-building projects and attached nostrification-type nationalizing policies, see Jan Kofman, *Economic Nationalism and development: Central and Eastern Europe between the two world wars* (Colorado: Westview Press, 1997), pp. 44-86

<sup>11</sup>Ibid, p. 57, specifically for Romania the idea appears in Kenneth Jowitt, *The sociocultural bases of national dependency in peasant countries*, in Kenneth Jowitt (ed), *Social Change in Romania 1860-1940. A debate on development in a European nation*, (Berkeley: University of California Press, 1978), pp. 18-22

<sup>12</sup>The latter feature was similar in interwar Bulgaria and the Balkans, but not in Hungary, Poland and Czechoslovakia according to Kofman, *op cit.*, pp. 57-61

shallowly analyzed or completely neglected: while actor-centered explanations have simply prioritized the Visegrad countries,<sup>13</sup> the institutionalist approach has, on a more general level, struggled with explaining path-starting moments even for standard cases, let alone the specificities of a somewhat deviant case like Romania.<sup>14</sup> While sharing, as previously mentioned a significant number of features of the wider interwar CEE area, the more dogmatic version of Romanian economic nationalism<sup>15</sup> permits not an exoticizing case-study, but a better observation of the way in which the logic of nation-building influences the foundations of the welfare state: the creation of an urban bias, through huge disparities in resource allocation, to dilute the rural fabric of the country. Therefore this thesis fills the void in the literature around the Romanian welfare state, and in addition, offers a possible template for analyzing welfare states as nation building tools.

*My main argument is that redistribution channels (i.e. the emerging welfare-state) were embedded in a more general and concerted nation-building effort, as a top-down identity-building project, with the aim of creating a new politicized social identity<sup>16</sup>: an educated, capitalist urban middle class that was ethnically Romanian and could become a backbone of a new Western-inspired, modernized Romanian nation.* The main purpose of this thesis will be to show that beyond the usual levers of clientelism and paternalism involved in the economic nationalism *cum* developmental economics, displayed by interwar nation-forgers, a pro-urban bias laced with ethnic overtones was a coherent political strategy of nation-building. More than atomized benefits, interwar Romania contained an aggregated "rational, state-mandated solution to poverty",<sup>17</sup> which suggests more than a "portmanteau

<sup>13</sup> Dragos Adascalitei, *Welfare state development in Central and Eastern Europe: A state of the art literature review*, in *Studies of Transition States and Societies*, Vol. 4, Issue 2, 2012, p.60

<sup>14</sup> Ibid., pp. 61-62

<sup>15</sup> Michael Kaser, *The Characteristics of the Period*, in Michael C. Kaser, Edward Radice (eds), *The Economic History of Eastern Europe, 1919-1975*, (New York: Oxford University Press, 1986), Vol. 1, p. 11

<sup>16</sup> Following Theda Skocpol, *Protecting Soldiers and Mothers: The Political Origins of Social Policy in United States*, (Cambridge: Belknap Press, 1995) pg. 48

<sup>17</sup> Romanian Encyclopedia 1938, Vol. 1, pg. 522

welfare state"<sup>18</sup> - as of 1933 a unification law annulled a maze of benefits of local bureaucratic traditions, in favor of a nation-wide standard with a fixed entry-level and clear conditions for accessibility.<sup>19</sup> The general tendency of interwar ruling elites to see the answer to backwardness in variations of stage-development theory laced with economic nationalism, dictated state-mandated protection of certain socio-economic categories, at the expense of others that were not a "desirable core" of the nation, thus explaining why the peasantry was not actually part of the political nation.<sup>20</sup>

The thesis measures the extent and coherence of the *conscious* political strategy, applied by Governments throughout the 1930s, to pro-actively pursue the strengthening of the ethnic urban "core" in order to create a nation that was not overwhelmingly agricultural. Yet, despite all political efforts, until 1938 the situation barely changed - decreasing in national percentages (18.63% of 19087770), urban population increased just slightly in absolute figures.<sup>21</sup> The resource allocation difference was indeed stark - for instance, barely 10% of medics worked in villages,<sup>22</sup> and by 1938 Romanian state makers proudly claimed satisfactory health care coverage, with a 1:390 (compared to 1:15000 in villages, and a 4:1 rural to urban ratio)<sup>23</sup> patient to doctor ratio but mortality rates atop European averages.

Structurally, the thesis shall be designed as follows: **Chapter I** - discusses the research tradition that the thesis follows and presents the main research question and central argument. Subsequently, **Chapter II** - identifies the gap in the literature that the thesis aims to bridge (through an extensive literature review) and outlines the methodological approach

<sup>18</sup> This kind of a critique to historical studies is raised by Kaufmann *op cit.*, p. 17

<sup>19</sup> Romanian Encyclopedia 1938, Vol. 1, pg. 546-550

<sup>20</sup> Joseph Rotschild, *East and Central Europe between the Two World Wars*, (Seattle: University of Washington Press, 1974)

<sup>21</sup> Keith Hitchins, *Rumania 1866-1947*, (Oxford: Oxford University Press, 1994), p. 336

<sup>22</sup> Hugh Seton-Watson, *Eastern Europe between the wars 1918-1941* (Cambridge: Cambridge University Press, 1945) verified by Romanian Encyclopedia 1938, Vol. 1, Chapter 8, pg. 514

<sup>23</sup> By comparison Germany had 1:780 in towns and 1:2300 in villages - Romanian Encyclopedia 1938, Vol. 1, Chapter 8, pg. 514



for analyzing the interwar welfare state. **Chapter III** - maps the conceptualizations of the role of redistribution schemes within competing nation-building and modernization projects, as well as the actual power balance in the selected timeframe. **Chapter IV** - built on statistical data concerning coverage of welfare benefits and welfare-related legislation, this chapter overviews the shape of the interwar Romanian welfare-regime so as to document the extent of the selected biases. **Chapter V** - summarizes the findings and discusses the effects of the biases.

## Chapter 2 - Theoretical framework

### 2.1 Coalescing a patchwork of methodologies

The aim of the thesis is not to offer a theory of the Romanian interwar welfare state in the wider CEE framework, but to dissect its path-starting moment, following the argument that social policies were intended as nation-building tools, meaning that the definition of socio-economic inequalities was done in an elite-driven fashion through economic nationalism. For this aim, the present research brings together seemingly disparate methodologies: on the one hand, social and intellectual history (needed for the chapters devoted to analyzing party platforms and thinkers' debates); on the other hand, classical welfare-state public policy analysis (required for the chapter on policy shape and outcomes). Obviously, a purely quantitative methodology is limited, simply because it misses the "why" point of the particular welfare-design;<sup>24</sup> whilst an isolated conceptual-history type of inquiry

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<sup>24</sup>The reliance on instruments and procedures alone hinders the connection between research and everyday life - Alan Bryman, , *Social Research Methods*, (Oxford: Oxford Univ. Press, 2001) pg. 79

is inherently limited in showing the concrete implementation of social policies and their effects (intended or otherwise).

Adding intellectual- and social-history layers from the analysis of competing nation-building projects, to an analysis of welfare benefits, clearly deepens existing knowledge of interwar redistribution channels: "emergency policy-making"<sup>25</sup> as a key coordinate of interwar CEE states (Romania included) is enhanced to mean not just market-defined emergencies, but politically-constructed ones as well. Neither layer can be cast away because the central point is to prove that the ethnic and urban biases are a coherent strategy for nation-building. In order to tackle the problem of coalescing a coherent methodological approach, the thesis, albeit not hardcore historical institutionalism, but following the path-dependency-focused research trend, borrows its centrality of historical analysis, and the methodological approach of mapping the macro-level of the welfare state (and not just individual social benefits). In this line of thinking the thesis holds historical analysis as a common methodological denominator, but instead of a purely chronological overview, offers a presentation that follows how economic nationalism and the general features of interwar Romanian politics were embedded into individual social benefits, and the more general concept of redistribution.

By using path-dependency and historical analysis this thesis is able to map the sequencing of major institutional implementations and the ideational and political conflicts that spanned the period of coalescing the interwar welfare-regime.<sup>26</sup> Because interwar Romanian nationalism was in itself not new<sup>27</sup> an accumulation of nationalizing policies seems to have preceded the creation of the first social policies, thus further cementing the

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<sup>25</sup> Inglot, *op cit.*, p. 10

<sup>26</sup> All of the criteria keep to existing studies - Inglot *op cit.*, p. 9, and Dorothy Szikra, Bela Tomka, *Social Policy in East-Central Europe: Major Trends in the Twentieth Century* in Cerami&Vanhuyse, *op cit.*, pp. 17-34

<sup>27</sup> Irina Livezeanu, *Cultural Politics in Greater Romania*, (Cornell University Press: London, 1995) p. 4

claim that a historical analysis, albeit not as lengthy as the typical *long duree* arguments of historical institutionalism, is the optimal methodological approach for the selected task. The argument is not based on the existence of "good" and "bad" nationalisms that generate "fairer" or "less fair" welfare states, but on the idea that the welfare-states do not necessarily safeguard interests of poor *qua* poor,<sup>28</sup> which in the Romanian case meant that creating redistribution channels followed a nationalized translation more than market-defined inequalities: a purported relative-deprivation of *nationals* compared with *aliens*.

## 2.2 Literature Review - identifying the gap

### *Interwar Romania - nation-building and economic nationalism, backwardness and modernization*

The scholarship on interwar Romania is tightly-knit and gravitates around a set of key features: the centrality of the backwardness debate (framed through questions such as what was the *core* of the nation<sup>29</sup>), huge rural-urban disparities which were not solved but deepened by an agricultural reform intended merely to dampen possible peasant uprisings,<sup>30</sup> facade democratic mechanisms behind which lay fascist-like coercion levers<sup>31</sup> and strong ethno-centered nationalism which prompted constant political attempts at eroding a perceived well-off status of national minorities (Jews, Germans, Hungarians<sup>32</sup>). Despite some scholarly documentations of individual social benefits,<sup>33</sup> an aggregated analysis of the welfare-state itself as a political project is missing. A plurality of authors give an account of the failures of

<sup>28</sup>Peter Baldwin, *The Politics of Social Solidarity: class bases of the European Welfare-State 1875-1975* (Cambridge: Cambridge University Press, 1992)

<sup>29</sup>Balasz Trencsenyi - "The Conceptualization of National Character in the Romanian Intellectual Tradition," in Armin Heinen, Victor Neumann, (eds.), *Key Concepts of Romanian History: alternative approaches to socio-political languages* (CEU Press: Budapest 2013), pp. 333-376.

<sup>30</sup>Henry Roberts, *Rumania: political problems of an agrarian state*, (Yale: Yale University Press, 1951)

<sup>31</sup>Stephen Fischer-Galati, *Twentieth Century Rumania*, (New York: Columbia University Press, 1970)

<sup>32</sup>That the minorities were aware of the strategy is documented in Keith Hitchins, *Autonomies in interwar Romania: Hungarians, Saxons and Jews*, in Yearbook of the "Gheorghe Sincai" Institute for Social Sciences and the Humanities of the Romanian Academy, 2013; also Ioan Scurtu et al. (eds), *National Minorities in Interwar Romania 1918-1925 [own translation]*, (Bucharest: Romanian National Archives, 1996)

<sup>33</sup>Stephan Haggard, Robert Kaufman, *Development, Democracy and Welfare States. Latin America, East Asia and Eastern Europe*, (Princeton: Princeton University Press, 2008)

health benefits to lower mortality rates,<sup>34</sup> or of too narrow a coverage of pensions and unemployment insurance, but few (if any) focus on the macro-level of redistribution through the welfare-state.

The 1930 census provides a relevant starting point to understand why the ethno-national lens was so important: in the aftermath of Greater Romania's creation 22% of the population was constituted by minorities, but perhaps even more importantly, the minorities constituted 41.2% of the country's urban population (the national level of urbanization being 20.1%).<sup>35</sup> Hence not only were the minorities in a rather strong demographic position (particularly the geographically concentrated Hungarians and Germans), but perhaps more importantly they had much higher urbanization rates (as compared to the 10.1% urbanized Romanians, Hungarians displayed 27% urbanized population and the Germans 23%<sup>36</sup>). In a country where the peasant was the common denominator of the nation,<sup>37</sup> this explains the virtual psychosis around urbanization: the "Western developed capitalist nations" were perceived as being fundamentally urban. With the exception of interwar Czechoslovakia (a net agricultural importer and better industrialized country), agriculture as a main economic sector seems to have been the norm for the wider CEE area during the interwar.<sup>38</sup>

Also fairly general was trend to try and tackle backwardness through economic nationalism, more precisely through "nostrification" (i.e. forceful nationalization) of agriculture, transport systems, banking and insurances (in Poland, Bulgaria, Baltic states, Czechoslovakia<sup>39</sup>). On the other hand, just as in the case against seeing nationalism as a one-

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<sup>34</sup>Hitchins, *op cit*, p. 336-337,

<sup>35</sup>Romanian Statistical Yearbook 1934-1935, p. 31

<sup>36</sup>Hitchins, *op cit*, p. 338

<sup>37</sup>To use Livezeanu's phrasing, *op cit*, p. 10

<sup>38</sup>Broad comparative overview offered by - Ivan Berend, *Agriculture*, in Michael C. Kaser, Edward Radice (eds), *op cit*,

<sup>39</sup>Kofman, *op cit*, p.68; more specifically anti-jewish nostrification he claims was ubiquitous in each and every CEE state. p. 73

way road<sup>40</sup>, taking economic nationalism as a one-size-fits-all ideology seems to be a methodological fallacy due to its various internal strands and different vectors of propagation.<sup>41</sup> This explains why some scholars have noted that the Romanian "nostrification", due to deeper ideological inheritances of the 19th century and to the peculiar nature of the interwar bourgeois-bureaucratic oligarchy, seems to have been arguably the most dogmatic.<sup>42</sup> Notwithstanding, regardless of political regime the modernization impetus via economic nationalism (including welfare state creation) was continuously strong.<sup>43</sup> This means that social policies were just one strategy, among many, to combat backwardness and more specifically economic backwardness of a "desirable core" of the nation.

However, following Gershenkron's important work,<sup>44</sup> it seems logical to argue that a strictly quantitative, output based, assessment of backwardness is not the most yielding methodology, as progress was monopolized by towns and barely felt in Romanian villages. Interwar Romanian industrialization although occurring at a rather high pace produced organizational structures different from the expected patterns, hence in part accounting for the lack of bottom-up redistribution pressures and cross-class coalitions. In addition, despite rather intense industrialization, even towards the late 1930s the country remains essentially backward with an uncut cord between industrial work and agriculture.<sup>45</sup> Although native entrepreneurs were emerging at a consistent pace,<sup>46</sup> despite all protectionist measures (tariffs,

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<sup>40</sup>Rogers Brubaker, *Myths and Misconceptions in the Study of Nationalism*. In: John HALL(ed.): *The State of the Nation: Ernest Gellner and the Theory of Nationalism*. (Cambridge: Cambridge University Press, 1998)

<sup>41</sup>Advanced by the middle classes for instance in interwar Romania, Hungary and Poland, but shared by the middle class and peasantry in Bulgaria and Czechoslovakia, Kofman, *op cit.*, p. 50

<sup>42</sup>Kaser, *The Characteristics of the Period*, in Michael C. Kaser, Edward Radice (eds), *op cit*, Vol. 1, p. 11

<sup>43</sup>Ingolot, *op cit.* p. 54

<sup>44</sup>Alexander Gershenkron, *Economic backwardness in historical perspective: a book of essays*, (Cambridge: Harvard University Press, 1962)

<sup>45</sup>*Ibid.*, p. 9

<sup>46</sup>Which Gershenkron sees as a counter-argument to the cultural argument of backward societies being unable to successfully industrialize owing to a national-cultural lack of entrepreneurial abilities, *Ibidem*, p. 7

legal monopolies, and legislation setting mandatory high levels of Romanian employees<sup>47</sup>), a high percentage of the interwar Romanian middle class continues to prefer the safety of state-employment.<sup>48</sup> Economic nationalism in interwar Romania galvanized artificially state-protected import-substituting industrialization (under the idea that the more backward a state perceives itself to be, the more likely it is to develop a virtual fetish for industrialization<sup>49</sup>), in a polity with long-standing traditions towards closure and tightly bounded self-definition.<sup>50</sup> At the same time one must also bear in mind, that economic nationalism, while pursuing the teleological goal of a "Western urban nation", meant imitative institutional adaption of a political format for which the social base was clearly missing<sup>51</sup>.

On the other hand, a plurality of detailed historical accounts of interwar Romania show that in economic terms villages had little to offer towns and their industries,<sup>52</sup> which meant that despite rural-urban migration being high in absolute figures, urban growth itself was not spectacular, nor was it nation-wide (as Bucharest tended to absorb most of the flows, the capital-city-bias concept seems adequate here).<sup>53</sup> In addition, the entrenched political culture was such that peasants were not considered a part of the political nation,<sup>54</sup> with their widest interwar protests being politically orchestrated rather than true bottom-top pressures. To give just one example that all modernization efforts were veered towards cities - by 1938

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<sup>47</sup>Emilia Sonea, Gavrila Sonea, *Romania's economic and political life 1933-1938* [own translation - original Romanian title - *Viata economica si politica a Romaniei 1933-1938*], (Bucharest: Edit. Stiintifica si Enciclopedica, 1978)

<sup>48</sup>An institutional culture that predates the 20th century in Romania, Constantin Iordachi, *The unyielding boundaries of citizenship: the emancipation of non-citizens in Romania, 1866-1918*, in *European Review of History*, Vol 8, No 2, 2010, 2001;

<sup>49</sup>Hence subsuming all its resources and even its institutional culture towards that goal Albert O. Hirschman, *The Political Economy of Import-Substituting Industrialization in Latin America*, in *The Quarterly Journal of Economics*, Vol. 82, No. 1, 1968, p. 8

<sup>50</sup>Constantin Iordachi, "Citizenship and National Identity in Romania. A Historical Overview," *Regio Yearbook* 2003, pp. 2-34.

<sup>51</sup>Jowitt, *art cit*, p. 20 in Jowitt (ed), *op cit*,

<sup>52</sup>On post-land reform fragmentation the classic Henry Roberts, *Rumania: political problems of an agrarian state*, (Yale University Press, 1951)

<sup>53</sup>Michael Lipton, *Why Poor People Stay Poor: urban bias in world development*, Avebury, 1976

<sup>54</sup>Joseph Rotschild, *East and Central Europe between the Two World Wars*, (University of Washington Press, Seattle, 1974)

Romanian authorities were satisfied with urban health facilities<sup>55</sup>, with coverage numerically better than Germany<sup>56</sup>, but with mortality rates remained in the European top.

It is in this nationalistic line of thought, prioritizing an ethnically-targeted industrialization and urban growth, that middle- and working-class problems gained primacy in interwar Romanian politics - they stood at the core of virtually all competing nation-building project that strived to dilute the rural-agricultural basis of the country. Either openly at the peasantry's temporary expense,<sup>57</sup> as was the Liberal Party's project (in which the "core" of the new nation had to be urban), or in favor rhetorically of the peasantry, but without much concrete policies in that direction (as was the Peasantist Party's 1928-1933 ruling period), modernization projects of all mainstream parties did not even consider the possibility of enshrining welfare benefits, as a redistribution tool, for peasants (i.e. agricultural workers). Certainly, a disclaimer must be added here for the Iron Guard and its romantic-fascist view of the Romanian peasantry.<sup>58</sup> On the other hand despite the complex nature of this fascist movement it never held power in the selected period of study - 1930-1938 hence no analysis of its concrete welfare-policies can be made, merely of its intentions and rhetoric.

Chirot's analysis of the Zeletin-Voinea debate documents a general tendency of interwar Romanian elites to see the answer to backwardness in variations of stage-development theory, which meant that a state-mandated protection of certain socio-economic categories, at the expense of others, was deemed necessary.<sup>59</sup> Beyond classical macro-studies

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<sup>55</sup>Ibid pg. 513

<sup>56</sup>Romanian Encyclopedia 1938, Vol. 1, Chapter 8, pg. 514

<sup>57</sup>For instance Joseph Roucek, *Contemporary Roumania and her problems. A study in modern nationalism*, (Stanford University Press, Stanford 1932)

<sup>58</sup>Constantin Iordachi, *Charisma, Religion Ideology: Romania's interwar Legion of the Archangel Michael*, in John Lape, Mark Mazower(Eds), *Ideologies and National identities: The case of twentieth century Southeastern Europe*, (Budapest: CEU Press: 2004)

<sup>59</sup>Daniel Chirot, *Neoliberal and Social-Democratic theories of development: The Zeletin-Voinea debate concerning Romania's perspective in the 1920s and its contemporary importance*, in Jowitt (ed.), *op cit*.

on backwardness,<sup>60</sup> Jowitt's collective volume on *Social Change in Romania 1860-1940*<sup>61</sup> with its multifaceted approach, gravitating around nationalism as a modernizing rhetoric, seems to provide a thorough explanation of the dogmatic version of economic nationalism in 1930s Romania. This volume falls perfectly in line with the previously mentioned scholarship - the crucial issue here is economic nationalism and the specific nature it gave to Romanian modernization efforts by imbuing political economy arguments with the normative overtones of national independence (hence the "dependency" syndrome<sup>62</sup> which prompted protectionism and forced industrialization rather than an opening of the market). The author's "status society"<sup>63</sup> concept argues convincingly for seeing economic nationalism as a ubiquitous lens that frames virtually all debates in interwar Romanian economic and political thought (in this line of thought the aforementioned backwardness arguments seem complemented by Seton-Watson's powerful argument that growth depended on providing neo-corporate groups protected spheres<sup>64</sup>).

The state's main strategy for thickening the ethnic Romanian middle class, an education system tailored to create bureaucrats required for the *nationalization* of a gradually expanding state-apparatus, effectively created an institutional culture where a university diploma came to be regarded as a life-long claim on the state.<sup>65</sup> Although debatable whether interwar education can be seen as a component of the welfare-state, it is rather clear that the pro-active nationalizing stance of interwar Romania prompted all political actors to place great emphasis on the education system. Livezeanu's in-depth book<sup>66</sup> presents a detailed analysis on nationalistic biases of education and the role of expanding schooling in order to

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<sup>60</sup>Chirot (ed), *The origins of Backwardness in Eastern Europe*, (Los Angeles: University of California Press: 1989)

<sup>61</sup>Jowitt (ed.), *op cit.*,

<sup>62</sup>Jowitt, *art cit*, in Jowitt, *op. cit.*, pp. 4-19

<sup>63</sup>Which, according to Jowitt, implies that intra-group and inter-group relationships bore a personal character rather than a contractualist one. See Ibidem, pp. 19-30

<sup>64</sup>Seton-Watson, *op cit.*, p. 28

<sup>65</sup>Ibid.

<sup>66</sup>Livezeanu, *op cit.*,



replace minorities in the "liberal professions" (the author notes that Law and Medicine were by far the most popular upper education choices) and create bureaucrats for an expanding state-apparatus. What is of further importance from Livezeanu's detailed analysis is an intense process of cultural homogenization created through the education system: the integration of the new provinces was not merely a bureaucratic-administrative one, but also required a political socialization based on a unitary understanding of nationhood. Other parts of the scholarship validate these assertions as for instance Boia's rich archival work concentrated in his study of interwar Romanian cultural elites<sup>67</sup> reaches similar conclusions concerning a nationalist-effervescent student body, and a running of universities that revolves around tight political control and rigid understandings of nationalism. This provides a very important argument for the central tenet of an ethnically-biased welfare-state: an ethnically discriminatory education system meant that a higher percentage of the middle-class and other would-be benefit recipients were *nationals*.

### ***Interwar welfare-states***

*Ethnic biases of social policy and welfare states as nation-building tools* - Clarke rightly observes that "welfare is enmeshed in the institutionalization of conceptions of the nation, its way of life, its need and the complex socio-demography of its people and how they are governed" because *nation-states* "are one of the means by which the key agencies through which formations of difference are produced and one of the means by which those differences are reconciled into an image of unity".<sup>68</sup> By showing that at critical historical junctures and in contexts of weak state-hood elite agency tends to bear a heavy imprint on shaping the

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<sup>67</sup>Lucian Boia *The traps of History: Romanian intellectual and cultural elites 1930-1950*, [own translation] (Bucharest: Humanitas, 2011)

<sup>68</sup>Clarke, *art cit* p. 412 - own emphasis, the author originally uses "states"

political arena (including the welfare state), historical institutionalists<sup>69</sup> have paved the way for a better understanding of the idea that the welfare state seeks to produce a certain cultural homogeneity deemed, in a top down fashion more often than not, to be *national*<sup>70</sup>. The elite-driven nation-building cum modernization projects of interwar Romania seem to perfectly fit this typology as the essential debate was that "for some the country was not democratic enough, for some it was *not national enough!*".<sup>71</sup>

Welfare-states were historically not *deus ex machina* constructions dictated by an amorphously defined logic of redistribution, but fulfilled very clear political aims such as nation-building projects.<sup>72</sup> The forging of a homogenous nation-state makes ethnic status a key variable of public policy<sup>73</sup> - the creation of a unitary national culture offers an answer to the problematic question of "*Why care for the stranger?*": discrimination for the "alien", but a partial renouncing of individual utility-maximization favorable for more amorphous visions of social justice<sup>74</sup> (such as redistribution), provided that they cater to *nationals*, and the attached solidarity they imply. For the case of interwar Romania this fits the socio-political context: the strategic use of nation-building rhetoric to dampen the system-disrupting potential of certain socio-economic groups, and the raising of support from the ones deemed necessary for the project of a *Western-style modern nation*.

The use of welfare benefits to create politicized social identities and group political orientations is not at all confined to interwar CEE states and their economic nationalism, but is also the analytical centerpiece of Skocpol's, US-focused historical analysis - *Protecting*

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<sup>69</sup>Pieter Vanhuysse, *Workers without power: Agency, legacies and labour decline in East European Varieties of Capitalism*, in *Czech Sociological Review*, Vol. 43, Issue 3, 2007, p. 498;

<sup>70</sup>Clarke, *art cit.*, p. 412

<sup>71</sup>Boia, *op cit.*, p. 48 own emphasis.

<sup>72</sup>Clarke, *art cit.*, pp. 408-4012

<sup>73</sup>For instance for post-socialist Baltic states Vanhuysse, *Power, Order and the Politics of Social Policy*, in Vanhuysse&Cerami (eds), *op cit.*, pp.55-56, 68-69

<sup>74</sup>Steffen Mau, *The Moral Economies of Welfare States. Britain and Germany Compared*, (London: Routledge, 2003) p. 35

*Soldiers and Mothers: The Political Origins of Social Policy in the United States*<sup>75</sup>. Albeit in a radically different socio-political context, the author accurately shows how socio-economic relationships (such as the granting of maternity benefits) directly influenced politicized social identities, which was high on the political agenda in interwar Romania that lacked an appropriate social base for a Western-style nation.<sup>76</sup> Of equal importance is Skocpol's analysis (although very case-specific) of how state-level policies did not coalesce into a federation-wide welfare-state, as this can be used as a contrasting case to cement the previously mentioned argument that interwar Romania was indeed a coherent welfare-state, not merely a collection of atomized benefits. In the case of interwar Romania, a clearly nationalizing state to borrow from Brubaker's typology,<sup>77</sup> the welfare state was intended as a coherent political project, a "rational approach to poverty"<sup>78</sup>, but had a very precise aim - the "healthy growth of the nation"<sup>79</sup>.

*Appearance and historical evolution of interwar CEE welfare-regimes and the specificities of the interwar Romanian welfare-state* - Despite the appearance of early social insurance programs since the latter part of the 19th century, most scholars concur that it is not until the early 20th century that these somewhat disparate schemes coalesced into what could be called a modern welfare state. While for Western Europe, Briggs documents a move from the "social service state" to the "welfare state" and a radically changed approach to poverty in the early 20th century<sup>80</sup>, in Eastern Europe rapid modernization under the impetus of nationalism brought an imitative adaptation of the Bismarkian social insurance system, which

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<sup>75</sup>Skocpol, *op cit.*,

<sup>76</sup>Jowitt, *art cit.*, in Jowitt (ed), *op cit.*, p. 20

<sup>77</sup>Rogers Brubaker, *Nationalism Reframed. Nationhood and the National Question in Europe*, (Cambridge University Press: Cambridge, 1996),

<sup>78</sup>Romanian Encyclopedia 1938, Vol 1., Chapter 8, p. 519

<sup>79</sup>Ibid., p. 525

<sup>80</sup>Which implies, also following the same author, a deeper implication of "state forces" in offsetting market mechanisms Asa BRIGGS, *Welfare state in a historical perspective*, published in Christopher PIERSON, Francis CASTLES (eds.), *The Welfare State Reader*, Second Edition, (Cambridge: Polity Press, 2006)

in the very specific post-WWI context functioned as "emergency welfare-states".<sup>81</sup> Much of the present scholarship on the evolution of CEE welfare-states, concurs on this idea and attempts to fix the path-starting moment<sup>82</sup> in the earliest Bismarkian-inspired nationalized social insurance programs, within which very divergent (oftentimes inequality enshrining) programs for workers, peasants (to be read as agricultural workers) and bureaucrats<sup>83</sup> have been observed.

Although the argument of a Bismarkian nature of the Romanian interwar welfare-state is not present in Inglot's aforementioned monograph, it is highlighted in a Romanian-Bulgarian case-study in a similarly large-study coordinated by Cerami and Vanhuyse<sup>84</sup>, who attempt a limited *long duree* type of argument to explain post-socialist welfare-regimes. Despite including only a brief presentation on interwar Romania (one not backed up with a consistent primary-source analysis) said study does mark two important directions of research: it shows a misfit between a social-insurance, urban-biased model of welfare and a primarily agricultural country and it raises the problem of social cleavages as important factors influencing the implementation of trajectory of the interwar Romanian welfare-regime.

Acknowledging a divergent trajectory of Eastern European welfare-states is not a paternalistic-orientalist approach, nor an assumption of a normative East/West differentiation, but merely a recognition of a different historical path-dependent evolution of statehood. The point here is to show that many of the gaps concerning categorizations of CEE welfare-

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<sup>81</sup>Inglot, *op cit.*, p. 10

<sup>82</sup>In the wake of the seminal Paul Pierson, *Politics in Time. History, Institutions and Social Analysis*, (Princeton: Princeton University Press, 2004)

<sup>83</sup>Szkira&Tomka, *art cit.*, p. 20 in Cerami&Vanhuyse, *op cit.*,

<sup>84</sup>Alfio Cerami, Simona Stanescu, *Welfare State Transformations in Bulgaria and Romania*, in Cerami&Vanhuyse, *op cit.*, pp. 113-115

states<sup>85</sup> are generated through neglecting the clearly path-dependent evolutions triggered by competing nation-building projects and their responses to the overarching question of "backwardness", particularly in non-standard cases such as Romania. This explains why the Esping-Andersen *worlds of welfare* tradition, cannot be employed here: CEE welfare regimes were based on nationalized echoes of Western institutional frameworks, through imitative institutional adaptation in contexts of extremely different social basis.

Bearing in mind that "the range of agreed social services set out in the provisional definition of a welfare-state is a shifting range",<sup>86</sup> any meaningful historical inquiries into CEE social insurances must pay heed to the teleological trap of forcefully using the aggregated concept of a "welfare state". For interwar Romania this is not an issue - rather than atomized charity, individual benefits were being indeed aggregated into a state-mandated safety-net, which attempted to offer a "rational approach to charity" through a "social insurance meant to replace the network of church/state-mandated charities".<sup>87</sup> The passing of legislation in 1930s which tried to define differences between industrial protection legislation and social insurances also seems to point towards the establishment of a welfare state. The theoretical counter-argument that welfare-states only exist in fully free-markets and democratic states doesn't apply: despite interwar Romania being a facade democracy, welfare-benefits were not offered automatically, as in totalitarian systems, as the 1923 Constitution did enshrine certain individual rights of citizens.

Although a significant part of the historical institutionalism scholarship has also emphasized the importance of these early design choices, it has been rather unsuccessful at

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<sup>85</sup>Certainly, one can depart from the classical typology and somehow fit CEE welfare-regimes but these are either only snapshot images or retro-active over-generalizations. For instance Will Arts, John Gellisen, *Three worlds of welfare or more? A state-of-the-art report*, in Pierson&Castles (eds), *op cit.* pp. 175-199

<sup>86</sup>Briggs, *art cit.*, p. 18

<sup>87</sup>Romanian Encyclopedia 1938, Vol. 1, pg. 522 - original Romanian phrase - "metoda de lucru era centralista"- method of organization was state-centralism

explaining why the initial choice was made.<sup>88</sup> Beyond the main-stream criticism of correlation sometimes substituting causation in Inglot's work, the main point of contention raised by the proposed thesis is the lack of focus on the fact that emergencies are not always defined by the market, but, at least in the case of interwar Romania, are sometimes rhetorically constructed *national* priorities. This idea is perfectly caught by Brubaker's well-known argument that a tendency of viewing the nation as "un-finished" generates a very active political stance by state-makers<sup>89</sup>: the state as a mediator, to keep to Inglot's argument,<sup>90</sup> is thus not "neutral". This type of welfare-regime prioritizes horizontal redistribution and status-maintenance in order to institutionalize middle-class loyalties,<sup>91</sup> defined through an ethnic lens, as the backbone of the nation. If one factors in the idea that economic insecurity will invariably breed cleavages<sup>92</sup> then Inglot's "emergency policy" model becomes insufficient, without factoring in economic nationalism, to explain the new social solidarity<sup>93</sup> that primary sources note for interwar Romania.

A possible solution to this conundrum is to integrate the purported urban-bias in the wider political aim - emulating the template a *Western urbanized nation*. Hence the urban bias is clearly a modernization aim which also fulfills a nationalistic purpose. Intimately linked here is the idea of a constructed backwardness towards rurality<sup>94</sup> which must again be seen on the background of one intellectual debates in interwar Romania about the *nature* of the nation's *core* (as either urban-modern or rural-conservative). When it comes to understanding the peculiar nature of welfare-policies a rather large gap seems to exist in what

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<sup>88</sup>Guy Peters, John Pierre, Desmond S. King, *The Politics of Path-Dependency: Political Conflict in Historical Institutionalism*, in *The Journal of Politics*, Vol. 67, No. 4, 2005, pg. 1283

<sup>89</sup>Brubaker, *Nationalism Reframed*. pg. 63

<sup>90</sup>Inglot, *op cit.*, p. 25

<sup>91</sup>Mau, *op cit.*, p. 189

<sup>92</sup>"low risk sectors favoring narrow coverage levels and high-risk sectors pushing for wider safety nets", Isabela Mares *Economic Insecurity and Social Policy Expansion: Evidence from Interwar Europe*, in *International Organisations*, Fall 2004

<sup>93</sup>Romanian Encyclopedia 1938, Vol. 1, pp. 519-525

<sup>94</sup>Chris Atkin, *Rural Communities: Human and symbolic capital development, fields apart*, in *Compare*, Vol 33, Issue 4, 2003

concerns the influence of nationalism *cum* political ideology. The aforementioned shallowness in terms of primary-source backing for analyzing interwar Romania's emerging welfare-state seems symptomatic for existing scholarship on the topic which, in its attempt to explain post-communist welfare-developments, has tended to neglect pre-communist influences<sup>95</sup> and limit most observations to arguing that the communist welfare-system simply expanded a pre-existing social insurance-based scheme.

Historical inquiries into CEE welfare-states oftentimes exaggerate the importance of institutions compared with the role of ideas in policymaking.<sup>96</sup> Although interwar Romania's limited democracy meant that a true competition of ideas was not taking place on the political market, cross-class alliances did occasionally occur around ideologies and hence bolstered specific parties into power (for instance the 1928 electoral victory of the Peasantist Party was built on the peasantry as well as the working class). Although the Romanian case does not perfectly fit into Luebbert's classical analysis of cross-class alliances in interwar Western Europe,<sup>97</sup> using such a model re-strengthens the fact that an analysis of institutions must be doubled by an analysis of parties and platforms in order to understand the internal logic of the interwar welfare state. The important point that post-WW1 Western Europe liberals loss of power eventually occurred due to their inability to raise peasant support<sup>98</sup> seems to have some echo in interwar Romania where the middle class created by the early 20s Liberals turned to the Iron Guard once it became disenchanted with mainstream parties.

By acknowledging the role of ideas, the whole concept of "risk sectors" must be re-contextualized in interwar Romania, as some considered the sufferings of the peasants as "natural" and more radical redistribution projects (particularly with regards towards industrial

<sup>95</sup>Haggard&Kaufman, *op cit.* for instance pay little attention to the interwar

<sup>96</sup>Daniel Beland, *Ideas and Social Policies: An institutionalist perspective*, in *Social Policy and Administration*, Vol. 39, No., 1, 2005, pp. 1-18

<sup>97</sup> Gregory Luebbert, *Liberalism, Fascism or Social Democracy: social classes and the political origins of regimes in interwar Europe*, (Oxford Univ. Press: Oxford, 1991);

<sup>98</sup> Ibid.

workers) were simply dismissed as communist plots. Baldwin's important work<sup>99</sup> looks specifically at how societal actors define risk categories and hence tailor redistribution channels accordingly. Built around extensive primary sources documenting political coalitions, this book maps how certain classes act as either interest groups or political parties when it comes to attributing costs of redistribution. Certainly, in the Romanian case the coalescing of cross-class solidarities did not occur and bottom-top protests were greatly limited by Governmental coercion, but atypical behavior of certain socio-occupational groups was certainly present: a bureaucratic-oligarchic middle-class which confounds itself with power-elites rather than opposing them. If one contends that the equation between categories of risk, as defined by redistribution logic, and other social categories lies at the heart of social explanations of the welfare-state<sup>100</sup> then the Romanian case shows a clear mismatch and hybridization of ideologies due to economic nationalism.

Last but not least, at least some fundamental remarks on the literature concerning the feminist critique of welfare-state theories<sup>101</sup> must clearly be made. A complicated balance between an unclear historical role and the unsystematic nature of present feminist thinking on Romania's welfare state seems to provide a strong explanation for the underdeveloped feminist critique towards the interwar welfare regime. Noting great inconsistencies in present feminist thinking on the Romanian welfare state in general, Gheaus shows an uncoordinated nature of this theory<sup>102</sup> which might be held accountable for prompting such thinkers to gloss over the complexities of the interwar period. This is legitimized through the fact that despite a

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<sup>99</sup>Peter Baldwin, op cit.

<sup>100</sup>Ibid. p. 15

<sup>101</sup>For instance J. Lewis, *Gender and the development of welfare regimes*, in *Journal of European Social Policy*, Vol. 2, Issue, 3, 1997, Ana Shola Orloff, *Gender and the social rights of Citizenship: The comparative analysis of gender relations and welfare-states*, in *American Sociological Review*, Vol. 58, No. 3

<sup>102</sup>Anca Gheaus, *Gender Justice and the welfare-state in post-communism*, in *Feminist theory*, Vol 9, 2008



rather voluminous interwar Romanian feminist press,<sup>103</sup> women were fully politically disenfranchised at the time<sup>104</sup> hence their demands were never actually permeating to the political agenda. The state of this scholarship seems to mirror the previously mentioned limitation concerning the path-dependent evolution of CEE welfare states: overemphasis on the communist period without much in-depth analysis of the interwar situation.<sup>105</sup> Hence noting the general unclear status of present feminist thinking on the interwar Romanian redistribution systems and the weak position of feminism as a political ideology at the moment of study, which coincides with the period of emergence for the Romanian welfare-state, it does not seem far-fetched to argue that for the purposes of this thesis this feminist literature can be set aside.

### 2.3. Considerations on the 1930-1938 time-span

The 1930-1938 time-span seems the optimal methodological selection as it offers good data-availability in what concerns nation-wide statistical inquiries that are better suited to map trends (and biases) of the Romanian welfare state's path-starting moment (i.e. understood in a broader sense to include institutional interplay, stabilized statehood, increased political competition).

Despite the fact that a Ministerial Office for Welfare had been established as early as 1920 its prerogatives were on a continuous move between various offices and barely in 1933 a unification law made sense of the maze of atomized welfare benefits on a national level. If one also factors into this equation the low place on the political agenda priority-list of social insurances in the 1920s and the lack of a nation-wide census until 1930 then it becomes rather

<sup>103</sup> Mihăilescu, Ștefania, *Din istoria feminismului românesc. Studiu și antologie de texte (1929-1948)* [Notes on the history of Romanian feminism. Collection and study of texts 1929-1948, own translation], (Iași: Polirom 2006)

<sup>104</sup> For one example De Haan, Francisca Daskalova, Krasimira, Loutfi, Anna (eds), *Biographical Dictionary of Women's Movements and Feminism in Central, Eastern and South Eastern Europe: 19th and 20th Century*, (Budapest: Central European University Press, 2006)

<sup>105</sup> Vladimir Pasti, *Ultima inegalitate, Relatiile de gen in Romania* [The Last Inequality: Gender Relationships in Romania - own translation,] (Polirom: Iasi, 2003)

clear that a coherent analysis on the interwar Romanian welfare state can only be conducted in the 1930-1938 time-span. Although Romanian social policies were firstly set up in the early 20s with the aim of a "rational approach to poverty",<sup>106</sup> a true interplay of institutions<sup>107</sup> that resembles a welfare state safety-net starts to function only in the 1930s. Furthermore, this time-span also permits a better observation of political conflicts (between the parties and between the king and the parties), and the interplay of ideas within public debates<sup>108</sup> in a stabilized political climate.

The creation of the School of Statistics in 1930 (renamed National Statistical Institute in 1941), means that statistical inquiries in the 1930-1938 period became more far-reaching, more frequent and more methodologically sound towards a larger number of selected indicators. Therefore, alongside party programs (platforms and laws as well as thinkers' debates), national statistical data will also be used - the Romanian 1930 census and Statistical Yearbooks from 1930 until 1938. This selection solves any problems concerning availability of data<sup>109</sup> as well as any inconsistencies inherent (for the historical era under scrutiny) in moving from local statistics to nation-wide data sets. In order to overcome problems inherent in the fact that such nation-wide statistical inquiries are not always directly measuring social policy indicators, the primary sources will be complement with data from the state-mandated 1938 Romanian Encyclopedia and secondary sources.

Although local sources could potentially be better for some aspects related to welfare state analysis than national statistics,<sup>110</sup> this is difficult for "Greater Romania" and its myriad of inherited institutional-bureaucratic apparatuses, meaning that local statistics sometimes had divergent foci. While it is true that focusing on nation-wide statistical inquiries can suffer

<sup>106</sup>Romanian Encyclopedia 1938, Vol. 1, p. 519

<sup>107</sup>Peters, Pierre, King note that many path-dependency centered approaches to welfare-states tend to neglect this idea of an interplay between institutions, *art cit.*, pp. 1283-1285

<sup>108</sup>The move towards welfare cannot be done with an idealistic/ideatic component, Kaufmann, *op cit.*, p. 90

<sup>109</sup>Mentioned for instance as a hurdle by Inglot, *op cit.*, p. 18

<sup>110</sup>*Ibid.*

from the methodological shortcoming of missing local nuances (such as for instance county-level - administrative unit of Romania - roles of private insurance agencies), there is a high risk that starting the analysis from local sources will not actually catch the general features of the path-starting moment for Romania's welfare-regime.

In terms of sequence of political leadership the thesis starts from 1930<sup>111</sup> and ends with Goga's brief 1937-1938 coalition Cabinet - which marks the beginning of the authoritarian rule of King Carol II. The 1930-1938 period contains 14 individual Cabinets,<sup>112</sup> formed either alone or in coalition, and 4 Parliamentary elections thus being methodological suitable for understanding the multiple competing influences in shaping the interwar welfare-regime. The selected time-span is also important because it is marked by a growing influence of the Iron Guard, which although never forming any Cabinet became a strong political force. In addition, the King himself is also an important power factor in the selected period and his rhetoric based on glorifying the rural fabric of the country cannot be overlooked as it discredited the pro-urban political parties.

## 2.4 Measuring components of the welfare state

This part of the thesis contains two distinct levels of analysis in what concerns the interwar Romanian welfare state: the actual social policies (coverage, shape and the logic that dictated it - in this case nation-building) and their effects (intended or otherwise). Acknowledging the "dependent variable problem",<sup>113</sup> the thesis follows what seems to be a common denominator of historical inquiries into interwar social policy in Europe, in its selection of welfare-state components: given the increased sensitivity around sickness

<sup>111</sup>With a I. Maniu Peasantist cabinet that suffered quite a few modifications - I. Scurtu et al., *Istoria Romaniei intre anii 1918-1944. Culegere de Documente* [The History of Romania between 1918 and 1944. Collection of documents - own translation], (Bucuresti : Editura Didactica si Pedagogica, 1982);

<sup>112</sup>In counting this I use Cabinets organized under the same PM and by extension same party - see I. Scurtu et al., *op cit.*, by using an expanded measurement Rothschild notes for 1930-1940 a total of 20 individual cabinets under 18 premiers - J. Rothschild, *East Central Europe between the Two World Wars*, (University of Washington Press: Seattle and London, 1973), p. 305

<sup>113</sup>*apud* Dragos Adascalitei, *art cit.*, p. 59

benefits and pensions in interwar Europe<sup>114</sup> I will analyze pensions, health care (sickness and work injury benefits) and maternity benefits. Beyond the availability reason in terms of historical data-sets,<sup>115</sup> the selected benefits are validated methodologically by a huge part of the scholarship on interwar welfare-regimes and by the prominent place (pensions less so than health benefits) they occupy in the platforms of interwar Romanian parties. Although education will not be treated purely as a welfare-benefit it will be included in the analysis due to it being envisaged as a key modernization strategy. The selected benefits will be dissected in order to understand the logic that ties them into a safety-net in the wider context of modernization that implied the protection of certain at-risk classes.

Sharing existing scholarly concern around using aggregated measures such as social spending in proportion to the national GDP,<sup>116</sup> the thesis looks at the formulation of social policies in order not to dissect quantitative "unfairness", but to understand the logic behind early targeting biases that lie outside market-derived definitions. While the nationalizing rhetoric is expected to be outward in the policy-formulations, the pro-urban tilting will be visible in the social categories and occupations selected for state-funded social-insurances and the entry levels in terms of salary. Certainly there are limitations in gleaning the pro-urban bias in this fashion, but by contextualizing the welfare-related laws with the general party program a good image on the targeting can be derived. Coverage numbers, value of benefits, funding mechanisms will also be included in order to see which inequalities were tackled through the welfare-state.

A brief methodological side-note is important: although present on the market since before the First World War, private insurance companies were gradually ousted or eroded in their power through the nostrification of insurances common to all CEE countries, and more

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<sup>114</sup>Peter Flora, Arnold Heidenheimer, *apud*. Inglot, *op cit.*, p. 15

<sup>115</sup>Ibid., pp. 15-16

<sup>116</sup> Ibid. p. 15

acute in interwar Romania.<sup>117</sup> Albeit a blurry trend, private insurance companies in the 1930s were slowly confined to just one market niche (property insurance), but since this is not a key indicator the thesis will at best deal *en passant* with private insurance companies and focus exclusively on the implementation of the state-mandated *national* welfare-system.

While analyzing the effects of the early biases of the Romanian welfare-state is not the primary task of the thesis, they cannot be completely left out due to the simple fact that already by the mid-1930s social policies were generating effects that did not match the original expectations of policy makers: a middle-class that was *de facto* a bourgeois-bureaucratic-oligarchy, which turned to supporting the extremist Iron Guard, once its main upward mobility channel (state-employment) became inaccessible.

## 2.5 Parties and programs in 1930s Romania

The reasons for focusing on political parties rather than governance or public service development stem from the failure of most historical inquiries into CEE welfare states to accurately observe political conflict<sup>118</sup> and the ideational layer behind social policies<sup>119</sup>, as well as from the nature of the case-study itself.

Firstly, strong actors tend to develop long-range definitions of their interests<sup>120</sup>, thus creating deeper biases of all institutional settings within a state (including redistribution channels). Albeit in studies generally dedicated to post-socialism, Vanhuysse has argued that elites can to a significant degree choose which social risks to accommodate (and how), and which social cleavages to play down (or accentuate).<sup>121</sup> In addition, he notes that historical institutionalists do indeed share in common the idea that *unsettled times*, are most conducive

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<sup>117</sup>Kofman, *op cit.*, p. 46

<sup>118</sup>B. Guy Peters, J. Pierre, D. S. King, *art cit.*, pp. 1276-1279

<sup>119</sup>*Ibid.*

<sup>120</sup>Walter Korpi, *The Power Resources Model*, in C. Pierson, F. CASTLES (eds.), *op cit.*, pp. 76-89

<sup>121</sup>Vanhuysse, *Workers without power*, *art cit.*, Vanhuysse, *Power, Order, and the politics of social policy*, *art cit.*,

to elite agency and strategy.<sup>122</sup> This is especially true at critical historical junctures and in contexts of weak institutions – the 1930s in Romania are an archetypal example of imitative institutions, built in a context of "emergency politics", with a social basis that is almost utterly missing (a feature that ruling elites were aware of<sup>123</sup>). Above and beyond providing safety nets for exogenously given groups of at-risk citizens, elites can *proactively shape the political arena* by reconfiguring the distributions of winners and losers and of contributors and dependants in any given polity or welfare state<sup>124</sup>. Sharing in common the teleological vision of a "Western capitalist nation", interwar Romanian ruling elites created an ethnic<sup>125</sup> (more precisely ethnic *and* urban) status as the centerpiece of a top-down strategy for modernization and economic progress, which relegated the market-defined inequalities (i.e. the dire situation of the peasantry) to an inferior position on the agenda. Adding this layer, which is sometimes completely omitted in existing scholarship,<sup>126</sup> will also permit understanding the role of agency<sup>127</sup> in political conflicts in interwar Romania.

Secondly, the case-specific feature which dictates analyzing political parties is that given the weak state-hood of Greater Romania immediately after its formation, interwar parties resorted to imitative institutional adaptation in the attempt to create a social basis that was not overwhelmingly rural and could hence be a "core" for a future *Western-inspired nation*. Whatever biases were implemented into these institutions (the welfare state included) were not long-standing trends of the Romanian state, but expressions of interwar party platforms. Once in power, interwar parties were more often than not doing more than just

<sup>122</sup>Vanhuyse, *Workers without power*, p. 498

<sup>123</sup>The "forms without substance debate" of the 19th century - Victor Rizescu, PhD Dissertation, Central European University History Department, *Debating modernization as a debate on the modernizing elite: an approach to the history of social and political thought in Romania, 1867-1947*

<sup>124</sup>The classical example - Ruth Collier, David Collier, *Shaping the political arena: critical junctures, the labor movement and regime dynamics in Latin America*, (Princeton: Princeton University Press, 1991)

<sup>125</sup> This kind of a strategy was revealed not just for the early 20th century, but also for post-socialism - Vanhuyse, *Power, Order and the politics of Social Policy*, *art cit.*, in Vanhuyse&Cerami (eds), *op cit.*, pp. 53-70

<sup>126</sup>For instance Szikra&Tomka, *art cit.*, completely neglects this issue

<sup>127</sup> Peters, Pierre, King, *art cit.*, pp. 1277-1279

pursuing an agenda through the institutional means available: they were also constantly adapting weak institutions (or even setting up new ones, like the welfare-state) to tailor to their needs. Although rigged elections created ad hoc strong majorities and thus dampened political conflict, interwar Romanian parties were without shadow of a doubt performing a representative function of certain constituencies, to which they appealed with competing modernization projects (that involved different approaches to redistribution among other issues).

By looking at party platforms and thinkers' debates (in and between parties) this chapter will argue that whatever logic of redistribution existed on interwar political agendas it was deeply embedded with economic nationalism and a *nationalizing* rhetoric. Done as a blending of conceptual history and history of political ideas, this chapter shows how the interwar parties defined the "core" of the nation and then proceeded to strengthen it through the welfare state. This chapter will focus primarily on the two largest mainstream parties - the National Peasantist Party and the National Liberal Party and the rising right-wing extremist Iron Guard. A smaller discussion on minor parties will also be included (particularly leftist parties despite their reduced size and political power) in order to map out the entire interwar political spectrum. Quite clearly, looking for references to "welfare-benefits" within party programs will be a retroactive fallacy. In order to avoid this teleological trap, the analysis will look at those parts of party platforms linked with working-class protection through social insurances and dissect these plans on the wider background of the party's program for modernization and nation-building.

## **2.6 Limitations of the data**

Beyond technical issues concerning duration and size, the present thesis has to cope with problems concerning primary data available on social policies in interwar Romania. In

this sub-chapter I will outline the main limitations stemming from the methodological choice on primary sources, as well as from the documents themselves.

As mentioned previously the thesis will utilize nation-wide statistical inquiries from 1930-1938 Romania (National Statistical Yearbooks and the 1930 population census) - the benefit being that unlike aggregating regional statistics (which might be very detailed on individual indicators of the welfare state) and their sometimes divergent foci (inherent in the different regional bureaucratic cultures that were difficult to displace by the state), nation-wide statistics permit a better mapping of the general trend towards an urban and ethnically biased welfare state. This generates one important limitation: national statistics generally held measuring social insurance coverage (which was rather new at the time), quite low on the priority list.<sup>128</sup> Yet, this does not totally hinder the research: by corroborating the direct indicators which are available, with indirect measurements deriving from data concerning connected issues (such as work- and insurance-related court-settlements, hospital inquiries concerning free consultations of injuries that could qualify a person for special pensions) both observed biases can be measured.

The existence of just one population census in the selected time-span - the 1930 census, which does contain a nation-wide ethnic breaking down along the urban/rural line, means that measuring the extent of the ethnic bias will sometimes be indirect, corroborating the original 1930 data with the yearly demographic data included in the Yearbooks. This means that measuring the extent to which cities were becoming demographically "more Romanian" relies mostly on measurement of the data and inferences made from secondary sources<sup>129</sup>: although extensive absolute figures are available concerning urban/rural migration

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<sup>128</sup>By contrast to older issues of social assistance, and more pressing indicators such as agricultural output, price indexes, contagious disease circulation etc.

<sup>129</sup>One important side-note here: although a second population census was conducted in 1941 it cannot be included as a reference point here due to a large 3 year gap in a very specific contingency (outbreak of WW2)



and demographic increase (for the majority and the minorities), the Romanian Statistical Yearbooks do not offer an ethnically-based breaking down of the population structure along the urban/rural cleavage.

The limitations do however block one dimension of the research - measuring the ethnic bias of maternity benefits is not possible at all from a quantitative point of view. Although measurements (such as the ratio of Romanians to foreigners in hospitals) give some hint towards a possible ethnic targeting of maternity benefits, nationally-aggregated data towards maternity issues is not at all ethnically broken down in the selected sources. The only concrete lead is the idea that the state-mandated 1938 Romanian Encyclopedia documents that interwar state-makers unanimously viewed protecting mothers and children as important for the "healthy growth of the nation".<sup>130</sup> By contrast, the urban bias of this indicator can be gauged indirectly in a quantitative fashion from existing data on medical assistance at births (which is broken down an urban/rural line) and the growth of state expenditure on cash, as well as in kind, maternity benefits.

### **Chapter 3 - Political actors, platforms, programs and ideologies**

Albeit shallow, interwar Romanian democracy did rest upon political parties which performed, to various degrees, a representation function of constituencies coalescing around sets of interests (class- and/or ideology based). This chapter maps the history of political ideas within the platforms of interwar parties and argues that through a combination of stage-

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which means that it is impossible to isolate welfare-policies as causes of certain developments. Furthermore, the 1941 census was greatly veered towards industrial capabilities - info available on the National Statistics Institute website - <http://www.insse.ro/cms/ro/content/prezentare-general> Last Accessed: 1st of May 2014

<sup>130</sup> Romanian Encyclopedia 1938, Vol. 1, p. 525

development theory and economic nationalism all Romanian actors viewed redistribution almost more as *horizontal* (i.e. away from any "aliens" just to one "desirable" ethnic core), rather than *vertical* (i.e. within the classes of the titular nation, regardless of how "aliens" were to be approached). In addition, this presentation will draw attention to a wide-scale personalization phenomenon of interwar Romanian politics. The main thread is the ubiquitous presence of nation-building and economic nationalism as a basis for almost all political programs, which meant that social insurances were relegated to an inferior place on the agenda (by comparison with the much more important topic of industrialization) and were tailored first and foremost for the *titular nation*.

Structurally, this part of the thesis includes subchapters devoted to presenting: parties (National Peasantist Party, National Liberal Party, the Iron Guard and its various forms and smaller parties); the agenda of the King; a broader discussion of ideological clashes (including the debates of party thinkers) on the political arena and the role of the education system as a concrete tool for modernizing interwar Romanian society.

### 3.1 National Liberal Party (NLP)

In this subchapter I will argue that despite a gradual changing of the party composition,<sup>131</sup> its approach to social insurances was constant - the NLP saw redistribution in a purely *nationalistic* fashion: away from the "aliens" towards the "desirable core" of the nation, the ethnically Romanian, urban bourgeois middle-class that the party represented (and at the same time, tried to thicken through a growing education system<sup>132</sup>).

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<sup>131</sup>Due to the structure of Romanian society, the Liberal Party started as a party of land-owners, with a growing role of small land-owners - although the ruling Bratianu family was not among them! - the interwar change was slow but clear Roberts, *op cit.*, p. 109

<sup>132</sup>Yet one that mass-produced bureaucrats and was overly-reliant on Humanities with a very distinct national-prestige type of normative overtone attached to them, Rothschild *op cit.* 320

The NLP's domineering position in 1922-1928<sup>133</sup> and its stable 1933-1937 Tatarascu Cabinet meant that *de facto* the party had arguably the most important contribution to shaping the institutional framework of the country - most notable is their almost single-handed pushing of the 1923 Constitution<sup>134</sup> and its essentially Listian orientation to property, permitting the state wide prerogatives based on "national interest".<sup>135</sup> As a party with a deep inheritance of blending in nationalism, "state interest" type of dirigisme and liberal tenets, in the absence of a strong middle class<sup>136</sup>, the NLP ascribed a social function to individual liberty<sup>137</sup> thus showing a clear tendency to forego freedom and property for more amorphous "collective security".<sup>138</sup> As main orchestrators of the 1926 "electoral bonus" law the NLP<sup>139</sup> maintained a very strong grip on power for the first decade of the interwar. Adverse to foreign capital and professing a rigid "nostrification" doctrine, the Liberals pursued a protectionist policy of industrialization, at the expense of the peasantry, both in the first decade of the interwar and in the 1933-1937 period when the party platform kept to the hardcore line of protectionism, passing successive laws in 1934-1936 maintaining high tariffs and solidifying the ethnic overtones of industrialization by heavily encouraging firms that relied on Romanian workers. The pro-urban orientation of the party is obvious in its policies - the Land Reform was envisaged as an anti-proletarianization prophylaxis, whilst industrialization was generally concentrated in towns and artificially maintained by the state

For social insurances these strategies directly mean that more would-be recipients were ethnically Romanian. Espousing a dogmatic economic nationalism meant that the NLP only envisaged a type of *horizontal* redistribution - from the domineering minorities to the

<sup>133</sup>The brief hiatus of an Averescu Cabinet in 1926-1927 was in a fact simply a Liberal puppet

<sup>134</sup>J. Rothschild, *op cit* p. 297

<sup>135</sup>Romanian Encyclopedia 1938, Vol. 1, pp. 170-201

<sup>136</sup>Roberts, *op cit* p. 108

<sup>137</sup>Hitchins, *op cit*.

<sup>138</sup>1938 Romanian Encyclopedia Vol. 1, p. 595

<sup>139</sup>The law stipulated that a party reaching 40% would automatically become a majority by receiving half of the total Parliamentary seats AND a proportional part of the remaining half!, in-depth calculating mechanism see - Romanian Encyclopedia 1938, Vol. 1, pp. 235-265

ethnically Romanian middle-class. From the noted preference for sheltered industrialization and its urban-centeredness stemmed a straight-forward negative approach to a more *vertical* type of redistribution (i.e. within the titular nation, from the upper classes to the peasantry): the party viewed the suffering of the peasantry as a temporary necessity for the modernization of the country.<sup>140</sup> This explains why despite the nation-wide expansion of social insurances,<sup>141</sup> in the final years of the interwar, the working class' situation does not greatly improve and neither does that of the peasantry: behind the aggregated image of 1937-1938 peak years for Romanian industry lied a deep urban-rural cleavage in terms of wealth accumulation<sup>142</sup>.

The NLP's outward preference for "collective security" meant that it continuously used coercion against strikes and was constantly suspicious of trade unions. Together with a rigid "nostrification" of social insurances<sup>143</sup> this effectively ensured that the Romanian welfare state was a purely top down creation, tailored to the needs of the ruling elites, as no bottom-up pressures were allowed to coalesce and gain momentum. The acute nationalistic paranoia that haunts the party (as far as 1936 for instance Liberal Prime Minister Tatarascu claimed that political pragmatism dictated a policy of conciliation towards the Iron Guard in a country that was one third alien<sup>144</sup>), meant that social policies for the NLP exclusively meant strengthening the thin ethnically Romanian middle class.

While more coherent in its program than other parties of interwar Romania, the NLP was not too far away from an acute personalization phenomenon that plagues interwar Romania<sup>145</sup> - the death of I.I.C Bratianu, which quickly followed the death of King Ferdinand, sapped the party of much of its strength, being ousted out of power in 1928. In

<sup>140</sup>Zeletin apud Hitchins, *op cit.*, p. 295

<sup>141</sup>Romanian Encyclopedia 1938, Vol. 1, pg. 559

<sup>142</sup> Sonea, Sonea, *op cit.*, pp. 70-101

<sup>143</sup>Kofman, *op cit.*, p. 68

<sup>144</sup>apud Roberts, *op cit.*, p. 88

<sup>145</sup>Rothschild, *op cit.*, p. 295

addition, this paved the way for internal cleavages to manifest themselves - during its second stay in power in 1933-1937, the party structures were dominated by "old Liberals" coalesced around remnants of the Bratianu family, whilst the Ministerial positions themselves were ascribed to newer waves of members.<sup>146</sup> On the other hand, being in opposition during the turbulent years of the depression, the NLP survived with most of its public backing unscathed. Although this permits the NLP to reorganize a coherent agenda, its second stay in power in 1934-1937 is successful because the obedient attitude of Tatarascu<sup>147</sup> more than anything else. On a more general level the 1934-1937 NLP is torn between the ideology it professes, that of an inherited neoliberalism (with a slight push towards corporatism due to the rise to prominence of Manoilescu) and its concrete policies<sup>148</sup> which ultimately looked like a patchwork of actual ideology-based agenda-setting and contingency-based politics. This is obvious for instance in the fact that growth of both industry and agriculture was corroborated with inconsistent fiscal policies and stabilization mechanisms that ultimately lead to an actual decline in real purchasing power.<sup>149</sup>

### 3.2 National Peasantist Party (NPP)

Throughout this subchapter I will argue that despite an agenda more lax in its understanding of economic nationalism, the NPP did not greatly influence the biases of the interwar welfare state. This was due to the great breaks the Depression put on the Party during its ruling period and to its deep internal cleavages.

The internal cleavages, ideological as well as in terms of action and strategies came from the NPP's origin as a 1926 fusion, more pragmatic than ideological<sup>150</sup>, between the

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<sup>146</sup>K. Hitchins, *op cit.*, p.

<sup>147</sup>Alexandrescu, *op cit.* p. 103

<sup>148</sup>*Ibid.* pp. 194-195

<sup>149</sup>Alexandrescu, *op cit.*, p. 105

<sup>150</sup>Although possessing some commonalities in terms of anti-liberal and anti-centralization agendas, the two parties are effectively brought together by the need to form a coherent adversary to the NLP Alexandrescu, *op*

historical National Party from Transylvania and the newer Peasantist Party from the Old Kingdom: on the one hand stood the more pragmatic tradition from the National Party and its former ethnic agenda,<sup>151</sup> whilst on the other stood a more ideology-based pro-peasant agenda. The new unified party program showed how the two sides balanced each-other out - the clear leftist orientation of the old Peasantist Party (outlined by Mihalache and Stere) was shifted to a centre-left position which claimed that agriculture should not in any way be subordinated to the forced industrialization policy of the NLP. In addition, a new land reform was called upon corroborated with an opening of the right to sell land.<sup>152</sup> In the immediate years after the fusion, the formation of the party platform followed the internal balance of power: Maniu's rise to leadership, while clarifying the centrist position under the catchphrase "rural democracy",<sup>153</sup> brought a mixture of idealist and impractical decisions that he pushed through<sup>154</sup>, marginalizing Mihalache's peasant-based class struggle ideas and Stere's populist nationalism.<sup>155</sup> Not surprisingly such a complicated formative period relegated social policy issues to an unclear place within party platforms.

For all its concern with agriculture the NPP was not a specific instrument of the peasantry in the way the Liberals ascribed themselves for the bourgeoisie,<sup>156</sup> not because of ideology,<sup>157</sup> but owing to the outbreak of the global depression that upset good years for Romanian harvests<sup>158</sup> and hence transformed the NPP program into a patchwork of emergency politics. While some note an "advanced social policy"<sup>159</sup> of the NPP in its 1928-

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*cit.*, pg. 273-273 notes that the National Party had been looking for alternatives since 1920s but failed to find any other possibility

<sup>151</sup>A side of the party which would however split in the 30s concerning pro- (Vaida-Voievod) or anti-King (Maniu) orientation. Alexandrescu, *op cit.*, p. 285

<sup>152</sup>*Ibid.* pp. 274-275

<sup>153</sup>Rizescu, PhD Dissertation, p. 235

<sup>154</sup>Alexandrescu, *op cit.*, pp. 277-278

<sup>155</sup>Both ideas noted by Roberts, *op cit.* pp. 144-147

<sup>156</sup>Rothschild, *op cit.*, p. 302

<sup>157</sup>Roberts, *op cit.*, p. 165

<sup>158</sup>*Ibid.* p. 177

<sup>159</sup>Here a brief note on translation that in interwar Romanian language this is not confined to "Welfare-ism", Alexandrescu, *op cit.*, p. 284

1933 rule (with a 1930-1931 caveat for a Iorga coalition Cabinet), in reality just a mild improving in the conditions of the peasantry and the working class seems to have occurred. Early 30s laws cemented the offering of pensions exclusively to bureaucrats<sup>160</sup> showing that the party was not successful in pursuing an agenda towards more *vertically* designed welfare benefits. Albeit diluting the impetus of nostrification through opening the country to foreign capital and promoting a partial decentralization, by picking up NLP and Iron Guard inspired coercion (most notably against the 1933 Grivita workers strike), the NPP continued the blocking of bottom-top redistribution pressures.

The renewed NPP direction following Madgearu's theorizations of the "peasant state",<sup>161</sup> from the 1934-1935 program re-strengthened the commitment for decentralization but brought only vague directions for the possibility of extending welfare benefits to the peasantry (i.e. agricultural workers).<sup>162</sup> This new direction includes a softer version of economic nationalism-derived preference for industrialization: conserving the ethnic overtone, but purging ineffective industries and helping those that absorbed agricultural output and workforce.<sup>163</sup> For social policy these liberal insertions<sup>164</sup> did envisage a stronger redistribution on *vertical* line, but also meant a strategy that ensured would-be recipients were also *nationals*. Sapped by internal fractures, the NPP did not bring much to 1930s policies, including the welfare state - whilst the moderate side follows the previously outlined Madgearu-doctrine, a group around Vaida-Voevod coalesces around radicalized nationalism<sup>165</sup> eventually leaving the party to rally with the Iron Guard, and yet another faction around Mihalache strives to revive the leftist strand of thinking about peasants in

<sup>160</sup>Romanian Encyclopedia 1938, Vol. 1, pp. 552-556

<sup>161</sup>Which casts away Stere's populism and Mihalache's leftist orientation, Rizescu, Phd Dissertation, p. 235

<sup>162</sup>Scurtu et al, *op cit.*,

<sup>163</sup>*Ibidem*

<sup>164</sup>Roberts argues that the insertions almost wiped out the peasantist element *op cit.*, p. 150

<sup>165</sup>Vaiva-Voevod goes as far as supporting a "numerus Valahicus" clause in higher education, a support that is not backed up by the NPP in any way - Roberts, *op cit.*, p. 174

a huge 1936 demonstration.<sup>166</sup> Maniu's inconsistent withdrawal from politics, deprived the NPP of its most visible personality capable of rallying the factions and the electorate. His 1937 pact with the Iron Guard beyond shocking the NPP's constituency shows the clear drift of Romanian politics towards extremist nationalism in the latter 1930s if even a consummate democrat such as Maniu had to admit the growing power of the fascist Iron Guard.

### 3.3 The Iron Guard

The main argument of this brief presentation is that the unusual variety of fascism that was the Iron Guard,<sup>167</sup> while not bringing any actual contributions to conceptualizations of redistribution in interwar Romania, greatly augmented the popularity of rigid understandings of nationalism and charisma (with the attached personalization phenomenon) in 1930s Romanian politics. Although its electoral rise comes rather late (in 1937, when the Legion ranks third in the Parliamentary elections), virtually all scholars on interwar Romania contend that throughout the 30s the Iron Guard was one of the major actors on the political arena.<sup>168</sup> *De facto* this meant that in order to secure their own popular backing mainstream parties had to borrow some of the rhetorical tropes of the Iron Guard, more precisely rigid nationalism.

For the welfare-related aim of this thesis the intricate formative details of the movement are of little importance,<sup>169</sup> suffice to note that as the movement grew into a mass party, it took on an authoritarian structure (and an authoritarian political attitude as it constantly resorted to assassinations - the most famous being that of Liberal Prime Minister Duca in 1933), with a strict hierarchy and a rotation of personnel to insure the break-up of

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<sup>166</sup>Demanding among other things welfare-ist measures and a clear delineation from fascism, Roberts, *op cit.*, p. 190

<sup>167</sup>Legion of the Archangel Michael in its original name, "All for the fatherland" Party after 1933 - Iordachi, *Charisma, Religion Ideology: Romania's interwar Legion of the Archangel Michael*, in John Lampe, Mark Mazower(Eds), *Ideologies and National identities: The case of twentieth century Southeastern Europe*, (CEU Press: Budapest, 2004), p. 19

<sup>168</sup>Alexandrescu, goes as far as identifying a metaphorical tripartite struggle between the King, the Legion and the mainstream parties *op cit.*, p. 99

<sup>169</sup>The historical birth is of little importance for the present thesis - for details Iordachi, *Charisma, Religion, Ideology, art cit.*, pp. 19-22



any possible rivals to the undisputed "Captain" that was Codreanu.<sup>170</sup> Discerning the Iron Guard's concrete steps for political and economic development is a difficult task within a maze of religious imagery and extreme nationalism laced with anti-Semitic rhetoric - in the words of its charismatic leader Corneliu Zelea-Codreanu "The country is dying because of lack of *Men*, not programs".<sup>171</sup> While some have noted that unlike A.C Cuza's thinking,<sup>172</sup> Codreanu's political program was more complex with a clearly delineated political philosophy and socio-economic tenets,<sup>173</sup> primary sources paint a different picture: his autobiographical *Pentru Legionari* (For members of the Legion) is just a mixture of asceticism, violence and religious imagery. Even in the more theoretical works of Nicolae Rosu, the ideologist of the Iron Guard, the "right wing revolution"<sup>174</sup> is less of an ideology, in the more coherent-inclusive sense that other parties ascribed to it,<sup>175</sup> and more of a teleological credo in the force of an organically defined nation.

On the *vertical* axis of redistribution, for all its glorifying of rurality as the core of the nation, the Iron Guard simply played on anti-Semitic feelings,<sup>176</sup> promised in a purely demagogic fashion a full land reform and envisioned a state modeled after the patriarchal rural life.<sup>177</sup> The Legion's interest in the working- and middle-classes coalesced in the second half of the 30s - the party favored creating a bourgeoisie with a predominantly ethnic-Romanian composition, but other than abandoning the "large industry of capitalism" in favor of "workshops and stores",<sup>178</sup> not many other directions were outlined. While keeping to the

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<sup>170</sup>Ibid., pp. 36-27

<sup>171</sup>Codreanu apud Iordachi, *Charisma, Religion, Ideology*, p. 28 - own emphasis

<sup>172</sup>A University of Iasi Professor professing anti-Semitism and hardcore nationalism, founder of the *Liga Apararii National-Crestine* from which Codreanu dissociated in forming the Legion

<sup>173</sup>Stephen Fischer-Galati, *Twentieth Century Rumania*, (Columbia University Press, 1970), p. 52

<sup>174</sup>Rizescu PhD, pp. 202-203

<sup>175</sup>Alexandrescu, *op cit*, p. 201

<sup>176</sup>The latter having a great appeal in Romanian villages Fischer-Galati, *op cit*.

<sup>177</sup>Radu Ioanid, *The Sacralised Politics of the Romanian Iron Guard*, published in *Totalitarian Movements & Political Religions*, Vol. 5, Issue 3, 2004, p. 444

<sup>178</sup>Rosu apud Ioanid, *art cit.*, p. 442

*horizontal* redistribution of taking away from "aliens",<sup>179</sup> instead of either a classical welfare-ist plan or an industrialization direction, the Legionary movement simply offered a type of re-nationalizing of worker's feelings who were to feel as "masters in their own country".<sup>180</sup>

The electoral basis of the Iron Guard is not easy to pinpoint: while its wide rural backing is certain, Heinen's additional findings concerning a penetration of urban environments are of key importance.<sup>181</sup> While charisma undoubtedly played its part,<sup>182</sup> the penetration rests on deeper processes - the growing inefficiency of the market, and more importantly, of the state apparatus to absorb the high number of university graduates, who had been trained in climate of intense ethno-centrist nationalism and saw a university diploma as a life-long claim on the state.<sup>183</sup>

### 3.4 Smaller parties

Framed by the stabilized NLP-NPP duality of the late 20s,<sup>184</sup> Romanian politics in the 1930s saw a large number of small parties with temporary visibility around personalities or nationalistic tropes, but weak influence either in policy-making or at the very least on ideological canvas. Therefore in reviewing the contribution of smaller parties to interwar social policy, this subchapter considers its selection based on concrete policy contribution, or major ideological influence (in favor or against the originally outlined tenets of stage-development theory, redistribution, nation-building and economic nationalism).

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<sup>179</sup> In the words of Nicolae Rosu - the Romanian "petit bourgeoisie has been accused of cowardice and failing to understand the dynamism of the modern world", when it has in fact apparently just been in a precarious position because of "too many foreigners" apud Ioanid, *art. cit.*, pp. 442

<sup>180</sup> apud Ioanid, *art. cit.*, p. 446

<sup>181</sup> apud Iordachi, *Charisma, Religion, Ideology.*, pp. 34-35

<sup>182</sup> Ibid, p. 34

<sup>183</sup> Seton-Watson, *op cit.*,

<sup>184</sup> Alexandrescu, *op cit.*, p. 91 presents a full map of the interwar political spectrum; The centrist position was completed by minority-parties who were eager at democratic power sharing at least in the 20s Fischer-Galati, *op cit.*, p. 32

In a climate of general impotency of labor movements, at least in 1930-1933,<sup>185</sup> the Social-Democratic Party (SDP), resulting as a split of a more moderate wing from within the Socialist Party, struggled in delineating a position that could veer clear of extreme leftist ideologies (at which the state aimed a virtual crusade) and, at the same time, withstand accusations related to the shallowness of a workers' movement "meant to supersede the capitalist system, in a country where peasantry constituted the overwhelming majority of the workforce".<sup>186</sup> Although never actually obtaining political power during the 30s, the party did remain a steady presence on the political arena adopting an anti-King position in the struggles between parties and the monarchy.<sup>187</sup> For the aim of this thesis more important than a welfare-ist agenda it never actually pushed through,<sup>188</sup> was the SDP's powerful critique to the ruling bourgeois- bureaucratic oligarchy which gained some popularity - by refuting stage-development theory, the SDP main theoretician,<sup>189</sup> Voinea coherently argued that the 1930s rule of the bourgeois-bureaucratic oligarchy was in no way conducive to modernization, but monopolized wealth through closure. While not immediately influencing policy-making, this idea was picked up, to various degrees, by adversaries of the NLP, contributing to its eventual loss of popularity.

Completing this picture is the People's Party(PP) coalesced around the war-time hero General Averescu and hence borrowing his charisma-based electoral basin. Starting with an amorphous populist agenda, the party would slowly drift into an NLP puppet, most notably during its 1926-1927 Governing period, with an unclear position on the political-ideological spectrum. Despite being the Parliamentary majority and forming the Cabinet that put into

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<sup>185</sup>Roberts, *op cit.*, pp. 176

<sup>186</sup>Rizescu Phd, p.215

<sup>187</sup>Alexandrescu, *op cit.* p. 108

<sup>188</sup>The 1927 party platform called for a greater stake of the workers in the insurance agencies (envisioned to be autonomous rather than state-controlled), full accident insurance paid by the employed, full state-mandated medical insurance, a re-drafting of social insurances so that the burden be shared by the state, employed and employee Scurtu, *op cit.*,

<sup>189</sup>For an in-depth presentation on the lesser known SDP party theoretician Lotar Radaceanu see Rizescu Phd, pp. 220-226

effect significant parts of the 1921 Land Reform, the People's Party was not its creator. This party's rise to prominence in the early 1920s was a result of a general disenchantment with the wartime parties and Averescu's unwavering stance on "emergency politics".<sup>190</sup> The PP is important not for its ideological contributions to social policy (it virtually had no welfare-ist component to its platform), but for its concrete creation of a Ministerial Office for Welfare within the 1920 Averescu Cabinet, showing that redistribution concerns were sifting into the political agenda. The importance of this party must be understood contextually - the charisma of a leader such as Averescu is to a certain extent similar to the appeal that Codreanu had as leader of the Iron Guard.<sup>191</sup> However, in the case of the PP the role of charisma proves an insufficient bonding agent and the party slowly fades away in the 30s despite the fact that Gen. Averescu maintains some visibility.

### 3.5 The King - Carol II

In this subchapter I will argue that while King Carol II continuously eroded the power of 1930s parties, his amorphous policy did not account for a "grand plan" towards his authoritarian 1938-1940<sup>192</sup>. While this strategy was built upon portraying the parties' pro-urban orientation as "adverse" to the country's rural fabric, it did not contain any kind of in-depth *vertical* redistribution plan.

The 1929-1930 regency crisis revealed that all parties aimed to exert some control over the monarchy,<sup>193</sup> Maniu's political idealism being the key coordinate of his decision to reinstate Carol II: he envisioned himself as having an upper hand following I.I.C Bratianu's

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<sup>190</sup> Alexandrescu, *op cit.*, p. 91

<sup>191</sup> One could force the parallel even further concerning the failures of routinization of charisma to use Iordachi's frame - once Averescu's "star" faded so did the People's Party, whilst the more coherent, though not by much, Iron Guard survived, albeit shaken, the death of Codreanu and re-organized itself around Codreanu; Iordachi, *Charisma, Religion, Ideology*, pp. 20-23

<sup>192</sup> Alexandrescu notes this is a teleological fallacy of most of the scholarship on interwar Romania, *op cit.*, p. 99

<sup>193</sup> Lucian Boia quotes from the journal of Queen Mary (wife of Ferdinand and mother of Charles/Carol the IIInd) that she felt a pro-active stance by the parties during the regency crisis to ensure that the regency did not become a majority of the royal family, see Lucian Boia, *Balcic. Micul Paradis al Romaniei Mari* [Balcic. The Small Paradise of Greater Romania - own translation], (Bucharest: Humanitas, 2013)

tradition throughout the 20s.<sup>194</sup> According to the 1923 Constitution, interwar Romania functioned as a constitutional monarchy, but one in which the King retained rather large prerogatives in all aspects of political life,<sup>195</sup> the most important of which being the right to name the Prime Minister. *De facto* this created a system in which the elections were organized by a party already commissioned to form the Cabinet, and thus could use the state apparatus to easily manufacture an ad hoc Parliamentary majority.

Beyond the biographical details of a flamboyant and rather unstable personality,<sup>196</sup> King Carol II followed a policy of eroding the parties' popularity and re-strengthening the image of the monarchy (which did benefit from a rather strong popular backing). Concretely, most of King Carol II's strategies were aimed at exaggerating the personalization phenomenon within political parties: by discrediting visible personalities the King created a very unstable climate with frequent Cabinet changes that enveloped the parties in an aura of utter inefficiency alienating them from their social basis. Tacitly tolerating the Iron Guard, while at the same time offering guarantees for parliamentary democracy to the mainstream parties, the monarch slowly eroded political institutions despite the economic prosperity of the 1933-1937 Tatarascu Cabinet. At the same time, the King and his growing camarilla greatly benefited from this strategy, in manner that was more crudely materialistic than political.<sup>197</sup>

A very important feature of Carol II's reign was the adoption of nationalistic rhetoric, partly to lure the Iron Guard into some political machinations and partly to strengthen the monarchy's popular backing. This represents the source of the King's support for sociological inquiries into village life - revealing the poor conditions of the lower strata of the peasantry,

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<sup>194</sup>Alexandrescu, *op cit.*,

<sup>195</sup>Promulgating and/or rejecting laws, naming and revoking Ministers, supreme commander of the Army among others - full list Romanian Encyclopedia 1938, Vol. 1, pp. 187-188

<sup>196</sup>For a detailed biography - see Paul Hohenzollern, *King Carol II: A life of my grandfather*, (London: Methuen, 1988)

<sup>197</sup>Alexandrescu notes the camarilla's continuous enrichment, *op cit.*,

conditions which were blamed on the alleged pro-urban and hence anti-national orientation of the political parties.<sup>198</sup> However, this should not be seen as a pro-peasant orientation of the King - quite to the contrary, by breeding political instability King Carol II ensured that the economic prosperity of the latter 1930s became de facto concentrated in the hands of the ruling elites, never really sifting down to the lower classes. The industrialization boom was almost entirely due to forced rearmament policies (partly envisaged by parties, partly by the King himself), whilst most of the working class only benefitted from very mild improvements.

### 3.6 Ideological clashes, visions of nationhood and modernization of interwar parties

The aim of this chapter is to review the fundamental debates on concepts of nationhood and modernization, with an eye kept firmly on issues of working-class problems, redistribution and social-policy issues. The main argument is that the teleological understanding of nationhood and economic modernization common to virtually all political actors reshaped the temporal horizon<sup>199</sup> of social policies - by the protection of just one socio-economic group deemed a "desirable core", general modernization of the *nation* could be achieved therefore benefitting all Romanian society. The conundrum which frames the thinking of mainstream interwar Romanian parties was that "for some the country was not democratic enough, for others it was not national enough",<sup>200</sup> while concrete politics was not so much what was to be done, but who was to do it.<sup>201</sup>

Despite rigged elections and the strong ascendancy that the executive held over the legislation (corroborated with a very feeble judiciary), interwar policy-making was not

<sup>198</sup>Romanian Encyclopedia 1938, Vol. 1, pp. 970-971 - Although Roberts nuances that revealing the hard situation of the peasantry was done independently of the King's strategies, Roberts, *op cit.*, p. 205

<sup>199</sup>Koselleck apud Escudier, *Some Reflections on Historical Semantics, Political Modernity and Romanian History (1780-1939)*, in Heinen&Neuman (eds), *op cit.*, p. 47

<sup>200</sup>Lucian Boia *The traps of History*, p. 48

<sup>201</sup>Roberts, *op cit.*, p. 196

merely a contingency-based patchwork - in their attempt to forge a new social solidarity<sup>202</sup> parties did make use of ideological constructions, be them more coherent or not. For instance, scholars concur that the post WW1 death of the Conservative Party must not be equated with the death of conservatist political thinking<sup>203</sup> - in a negative sense, a conservative spirit permeates almost all programs.<sup>204</sup> Yet, while the rampant economic nationalism of the early 1920s and its apparently inherent conservative nature<sup>205</sup> somewhat justifies the idea that conservatism was a ubiquitous social feature,<sup>206</sup> generally a conservative apathy was only *indirectly* ascribed to parts of Romanian society, with varying degrees of accuracy, by either party thinkers or intellectuals.

By and large, politically involved intellectuals and party thinkers underestimated the role of the individual to the benefit of a collectivist philosophy and a dominant group theory<sup>207</sup> due to a combination of seeing modernization through derivations of "world system" theories<sup>208</sup> and an unabashed fervor for economic nationalism. Granted, parties varied in their approach concerning the "core" of the nation from which the nation-building modernizing project should start, but this seems to be the source of powerful self-induced complexes<sup>209</sup>: through the reports of Bucharest-appointed functionaries in the aftermath of WW1 the relative deprivation of Romanians in comparison with ethnic minorities such as Jews, Germans and Hungarians became the key inequality, alongside older concerns of East/West backwardness<sup>210</sup>. Certainly, altogether different was the Iron Guard's amorphous

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<sup>202</sup> Romanian Encyclopedia 1938 Vol. 1, pp. 519-525

<sup>203</sup> Roberts, *op cit.*, p. 90

<sup>204</sup> Alexandrescu, *op cit.*, p. 197

<sup>205</sup> Kofman, *op cit.*, p. 57

<sup>206</sup> Ibid.

<sup>207</sup> Victor Neumann, *Neam (Romanian for Kin) and Popor (Romanian for People): The Notions of Romanian ethno-centrism*, in Neumann&Heinen(eds), *op cit.*, p. 385

<sup>208</sup> Rizescu pushes the argument even further saying that Western scholars looking at Romanian history have themselves mirrored this trend, Rizescu Phd - pp. 253-154

<sup>209</sup> Tilted either to inferiority or superiority (in the nationalistic way of thinking) Neumann, *art cit.*, in Neumann&Heinen, *op cit.*, pp. 385-386

<sup>210</sup> Ibid., p. 384

modernization through a "new man" type of concept and political strategy of simply eliminating opponents. As far as mainstream parties are concerned the overarching problem was that of finding a *nationalized* solution to backwardness, which meant that on top of market-defined inequalities relative deprivation of certain *nationals* compared to aliens was also a key issue.

However, this is not just a romantic-conservative response as Romanian thinkers were accurate in discovering that the 19th century imports of Western institutions had, already by the interwar, created hybrid social results which were difficult to solve by simply applying more imports. Precisely this idea of imports and development frames the most coherent intellectual clash in interwar Romania between the liberal Zeletin and the social-democrat Voinea. More influential in his time than Voinea, Zeletin's stage-development-based defense of the status quo<sup>211</sup> espoused a purported counter-reactionary role of nationalism to modernization.<sup>212</sup> He argued adamantly for closure and a limiting of *vertical* redistribution: the protection of a bourgeois-bureaucratic oligarchy (at the expense of the peasantry<sup>213</sup>), that was similar to a "Western enlightened monarchism"<sup>214</sup>, was a logical stage of Romanian economic progress. Although perhaps failing to assert himself as the dominant NLP theoretician he wanted, Zeletin did greatly influence a Liberal Party which effectively grew to only represent the commercial bourgeoisie.<sup>215</sup> In economic closure Zeletin saw the only effective possibility of *national* modernization, but in the in the long-run, his thinking was one of the main sources of the "servant and master relationship" between the aforementioned bureaucratic-oligarchic class and the working class.<sup>216</sup>

<sup>211</sup> Seton-Watson, *op cit.*, p. 121; borrowing from Marxism according to Chirot, *art cit.*, in Jowitt (ed), *op cit.*, p. 51

<sup>212</sup> apud Trencsenyi, *art cit.*, in Neumann&Heinen (Eds), *op cit.*, p. 349

<sup>213</sup> apud Hitchins, *op cit.*, p. 295

<sup>214</sup> Rizescu, Phd, p. 130

<sup>215</sup> Seton-Watson, *op cit.*, p.127

<sup>216</sup> Hitchins, *op cit.*, p. 381



Pursuing a thorough dissection of Zeletin's works, Voinea sometimes gets ground down in details<sup>217</sup> and thus his own program is not easily discernible. His starting point lies in tearing down the main assumption that the Romanian bourgeoisie is at all akin to its Western counterpart, by arguing that the closed economic system has created nothing else than corrupt officials (and not the capitalist bourgeoisie Zeletin saw).<sup>218</sup> As a slight side-note, the peasantist critique also relied heavily on this idea that the existing Romanian ruling class (and to some extent the middle class it was over-representing) was actually incapable of fulfilling its progress-related promises. Voinea correctly identified that the Romanian bourgeois elite had political power more than it had industrial control, and it could hence only manipulate industry, not built it as a thorough modernization program.<sup>219</sup> Albeit accurate when arguing that a closed economy would only self-perpetuate backwardness, Voinea overestimated the idea that a united peasantry and working-class could perhaps hold at bay the bourgeois-oligarchy: this hypothetical cross-class alliance and the implied *vertical* redistribution was extremely hard to orchestrate in interwar Romania where even if classes did not clash, they had sufficiently different interests as to be difficult to coalesce.<sup>220</sup>

Since Iron Guard thinking basically summarizes such debates through visions of a "new man", Christianity and national rebirth placed in villages, it behooves the analysis on interwar social policy to therefore take a glance at the peasantist understanding of nation-building, modernization and development. As main NPP theorist in the 30s, the economist Madgearu does not reject the possibility of industrialization<sup>221</sup> and constructs a theory based not on a romantic view of the peasantry (as in the late 20s populism of Stere), but on economic considerations around the ability of the peasant family to perform multiple tasks

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<sup>217</sup> To the point that Rizescu claims Voinea's only aim was to tear down Zeletin and not to explain Romanian society - Rizescu PhD, p. 217

<sup>218</sup> Chirot, *art cit*, in Jowitt(ed), *op cit.*, p. 45

<sup>219</sup> Voinea apud Chirot, *art cit.*, in Jowitt (ed), *op cit*, p. 50

<sup>220</sup> Seton-Watson, *op cit*, p. 128

<sup>221</sup> Rizescu PhD, p. 235

and drastically cut costs when needed.<sup>222</sup> Through decentralization, Madgearu advocated an industry that helps the peasantry by absorbing excess workforce and produce. In the present course of industrialization he sees not just a problem of fit with Romanian agriculture, but an even more problematic irrationality which will be obvious when "technology will reach its limit".<sup>223</sup> More open to foreign capital and less adamant about the *horizontal* redistribution (although not fully abandoning it as industry was envisaged to rely heavily on Romanians), Madgearu's correct misfit hypothesis<sup>224</sup> dialogued with the Liberals and the Social-Democrats by retorting to a vision of society and nation that was however already losing ground even in the "West"<sup>225</sup>.

Throughout the 1930s Romanian parties were rather firm in their dissociation of "protection" and "social insurance": the former was coherently enveloped in nationalistic overtones of economic protectionism, the latter was a more amorphously defined and generally relegated to an inferior position on the agenda. While primary sources corroborate the story of a "centralist social insurance meant to replace the network of church and/or state poverty assistance",<sup>226</sup> in interwar Romania the difference between social and political inequality was not mirrored by the difference between political and social reform.<sup>227</sup> In addition, the teleological overtone inherent in competing nation-building programs embedded a rigid, top-down understanding of progress: more state interventionism towards<sup>228</sup> the artificial protection of industry would create a capitalist economy, which in the "Western nations" seemed to benefit the entire nation.

<sup>222</sup>apud Hitchins, *op cit.*, pp. 319-324

<sup>223</sup>Ibid. 319

<sup>224</sup>Romanian villages had little to offer towns and their adjacent industries - Ibid, p. 363

<sup>225</sup>Roberts, *op cit.*, pp148-149

<sup>226</sup>Romanian Encyclopedia 1938, Vol. 1, pp. 519-520

<sup>227</sup>As was in the case of Germany, which had a considerable influence on Romanian intellectual environments - idea belongs to Kaufman, *art cit.*, p. 62; for German influences in Romania see - Boia, *Traps of History*, and Boia, *Germanofili. Elita Intelectuala romaneasca in anii Primului Razboi Mondial*, [The Germanophiles. The Romanian cultural elite in the years of the First World War] (Bucharest: Humanitas, 2009)

<sup>228</sup>Angela Harre, *The concept of property in Romania's economic-legal history*, in Neumann&Heinen (Eds), *op cit.* p. 154

On the other hand, there is an element of welfare-ism in this thinking as social rights are not awarded automatically as in a totalitarian system.<sup>229</sup> Yet, the societal solidarity contract realized through social insurances,<sup>230</sup> was, if we look at most Romanian interwar thinkers, fully immersed in a nationalizing rhetoric: the Legion simply argues for nationalistic rebirth, Liberals accept the temporary suffering of one class for a teleological nation-building cum modernization, Voinea and his followers argued for a peasant-working-class alliance to counter-act an oligarchy that could not create capitalist progress of "the nation", and Madgearu's NPP relies heavily on a kind of inherent economic value of the Romanian peasant family. What is more, virtually no party nor thinker go as far as extending social insurances to the peasantry, which was concretely the common denominator of the nation<sup>231</sup> - even with its renewed interest in a leftist understanding of peasantism orchestrated by Mihalache in the later 30s, the NPP itself does not devote more than a mere paragraph to this possibility.<sup>232</sup>

Albeit neglected from the point of view of social policies, peasants were nonetheless perceived as a possible huge source of socio-political tensions. Beyond NPL nostrification, Iron Guard romantic-rural rants<sup>233</sup> and the NPP's view of the peasant as a distinct economic unit, mainstream parties approached land reforms and rural economic recovery first and foremost as anti-communist prophylaxis,<sup>234</sup> in a political context which almost never stopped pushing for industrialization at the peasantry's expense. Even at the height of its pro-peasant

<sup>229</sup>Pensions for instance had to pass through validation committees- Romanian Encyclopedia 1938, Vol. 1, p. 552-556

<sup>230</sup>apud Mau, *op cit.*, p. 33

<sup>231</sup>Livezeanu, *op cit.*, p. 10

<sup>232</sup>Scurtu, *op cit.*,

<sup>233</sup>Codreanu called for a land reform that gave every peasant a strip of land, but glossed with remarkable ease over the practical impossibility of the measure Ioanid, *art cit.*, p. 444

<sup>234</sup>Fundamental for NPL for instance Rothschild, *op cit.*, p. 291

orientation in the early 30s Maniu Cabinet the NPP barely dampened the popularity of pro-industrialization economic nationalism<sup>235</sup>.

Concretely, the 1921 Romanian Land Reform, radical in terms of land re-allotment, but less so in terms of compensation, bore the imprint of the NLP's rigid nostrification<sup>236</sup>: eager to ensure the breaking down of large estates of the minorities (particularly in Transylvania and Bessarabia<sup>237</sup>) and to secure *national* proprietorship 20s Liberals added very strict laws on the re-selling of land gained through the reform. The law created an economically unsustainable fragmentation of the land (due to prohibitive selling in a context of large demographic peasant booms), but succeeded in dampening post-WW1 social tensions<sup>238</sup>. Already by the mid-1930s numerous authors blamed the post-WW1 land reforms for agricultural ruin of the country particularly in the cases where these reforms had taken on more radical forms (such as Romania and the interwar Yugoslavia).<sup>239</sup> Despite their 1927 call for a new land reform the Peasantist Governments of 1928-1933 generally resorted to other anti-Depression measures such as cost reduction, debt conversion and market monopolization.<sup>240</sup>

The general scholarly assumption of a pre-eminence of social-democratic thinking at the basis of all welfare-states is indeed forceful<sup>241</sup> for interwar Romania with its legal-institutional setting that ranked collective security higher than individual liberty.<sup>242</sup> The implementation of social policies in interwar Romania followed a top-down imitative pattern

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<sup>235</sup>Kofman, *op cit.*, p. 79

<sup>236</sup>While some of the first measures were taken by the Averescu Government, the Land Reform as a coherent plan pertained to wartime Liberals. Berend, *art. cit.* in Kaser&Radice (eds), *op cit.*, p. 156;

<sup>237</sup>Berend, *art. cit.* in Kaser&Radice (eds), *op cit.*, p. 156

<sup>238</sup>Roberts, *op cit.*, p. 20

<sup>239</sup>Berend, *art. cit.* in Kaser&Radice (eds), *op cit.*, p.203

<sup>240</sup>Common to the Entire CEE region, Ibid. p. 177

<sup>241</sup>For his Western-European example Kaufmann actually argues that an essentially Christian origin of welfare-ism pre-dates social-democratic thinking. For the Romanian case Kaufmann's assertion is right in the sense that a distinctively left-ist basis of social policy is missing, Kaufmann, *op cit.*, p. 76

<sup>242</sup>Romanian Encyclopedia 1938, Vol. 1, p. 595

just as in the case of other institutions. In this process, a distinctively German influence seems to characterize the Romanian interwar welfare state which performed an anti-proletarianization role and was essentially inequality entrenching and urban biased. State dirigisme was a common denominator in all modernization projects, which explains why trade unions and syndicates were by law deprived of much of their bargaining power.<sup>243</sup> Unlike the Western model Romania was trying to emulate, its trade union movement was already rather feeble and bottom-top redistribution pressure was less of a coherent strand of thinking and more of a periodical outburst of strikes when the working-class simply could not bear the economic climate.

On the ideological canvas of 1930s Romania, one important place seems to have been occupied by the economist Mihail Manoilescu and his growing scientific prestige.<sup>244</sup> While his impact was not minimal,<sup>245</sup> Manoilescu's Ministerial positions were generally due to good standing with the King, more than actual strength and popularity of his program<sup>246</sup>. Manoilescu reshuffled protectionism in his mid 30s corporatism - disagreeing with the moderate Listian stance of previous Liberals, he proposed the protection of industries more productive than the national average.<sup>247</sup> While some sort of a *vertical* redistribution could derive from taking away the revenues of industries artificially sustained by the bourgeois-bureaucratic oligarchy, the essential feature of Manoilescu's corporatism was a high degree of closure to enable Romanian *national economy* to compete on its own on the international market. Romanian protectionism and industrialization did indeed go further throughout the

<sup>243</sup>Romanian Encyclopedia 1938, Vol. 1, p. 590

<sup>244</sup>Marcela Salagean, Vasile Puscas, *Mihail Manoilescu - Economic Thought and Economic Reality*, in *Yearbook of the Institute of History "George Baritiu"* Historica Series, Issue 51, 2012

<sup>245</sup>Roberts. *op cit.*, p., 196

<sup>246</sup>Which eventually became popular in the context of Latin American developmental economics - Salagean, Puscas, *art cit.*

<sup>247</sup>Roberts, *op cit.* p. 195-199

30s, under a renewed impetus of economic nationalism,<sup>248</sup> but in reality paid little attention to Manoilescu's rigid doctrines.

The late 30s renewed peasantism of Mihalache also brought nothing much on the political arena despite his organization of a mass protest in 1936. Eroded in their popularity by the King (who ideologically also did not innovate in any way), all mainstream parties saw their constituencies vanishing as the peasantry and a disenchanted middle class gravitate towards the more extremist Iron Guard. A mixture of economic and ideological reasons explain this shift: seeing the NPP move towards industrialization pushed an impoverished peasantry away from a moderate stance, whilst the bourgeois-bureaucratic middle class created by the NPL saw itself devoid of its main upward mobility ladder (state-employment) and hence became attracted to ideas of "renewal" and quasi-eschatological salvation via national rebirth<sup>249</sup>.

### 3.7 State-mandated education as a vector of modernization

Interwar Romania's education system perfectly displays Brubaker's argument concerning the way in which a perception of incomplete nationhood prompts an increased state dynamism<sup>250</sup>: given the growing need for *national* elite cadres,<sup>251</sup> interwar Romanian authorities took on more and more responsibilities in terms of funding and organizing the education system.<sup>252</sup> Among its important tasks were: creating a country-wide cultural homogenization via a single curriculum<sup>253</sup> and eroding the ascendancy that the "aliens" held in the state bureaucracy<sup>254</sup> and the liberal professions (due to better higher-education rates). Not only was this future middle class trained in a nationalistic climate, but it also served a

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<sup>248</sup>Kofman, *op cit.*, p. 44

<sup>249</sup>Trencsenyi, *art cit.*, in Neumann&Heinen (eds), *op cit.*, p. 357

<sup>250</sup>Brubaker, *Nationalism Reframed*, p. 63

<sup>251</sup>Livezeanu, *op cit.*, p. 211

<sup>252</sup>Romanian Encyclopedia 1938, Vol. 1, p. 476

<sup>253</sup>Taught in a standardized Romanian language Romanian Encyclopedia pp. 443-482

<sup>254</sup>apud Iordachi, *Charisma, Religion, Ideology*, in Lampe&Mazower (eds), *op cit.*, p. 22

first and foremost nation-building role: filling the ranks of a state that was enshrined by the Constitution as being *national*, and hence had to belong in its utmost entirety to the titular nation.

As virtually undisputed masters of the state in the early 20s the Liberals created an education<sup>255</sup> system almost exclusively designed to create state bureaucrats, favoring heavily the Humanities (with a very distinct national-prestige type of normative overtone<sup>256</sup>). To a certain extent, the strategy pays off - between 1922 and 1937 the Romanian Parliament for instance consisted of 40% lawyers and by contrast of only 15-18% large landowners.<sup>257</sup> While the Depression marked a predictable general decrease in university enrollments and graduations, the 1933-1938 period showed a clear decrease in minority representatives of about 10-15%<sup>258</sup>: Romanian university students outweigh enrollments coming from the minorities in, Law, Literature, Philosophy, History, Medicine and Agronomy.<sup>259</sup> The state's nationalistic stance meant that the appearance of minority-sponsored universities was impossible, yet a response-effect from did exist: until 1935 minorities outweighed Romanian students in private primary and secondary schools,<sup>260</sup> a short-lived trend that dies out in 1936-1937<sup>261</sup>.

What this strategy effectively created was a middle class which albeit ethnically Romanian is comprised almost exclusively of intellectuals and civil servants,<sup>262</sup> and hence is

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<sup>255</sup>In what concerns primary and secondary education trends are difficult to find as even the most generous governmental plan oftentimes failed to economic contingencies. For instance in what concerns gender-segregated education primary source note that "if only one school existed it would be mixed, if two existed they had to be segregated" - Romanian Encyclopedia 1948, Vol. 1, p. 469

<sup>256</sup>Rothschild, *op cit.*, p. 320; Law and History by far the most popular Romanian National Statistical Yearbooks 1935-1936 pp. 140-144, 1937-1938 - pp.255-263

<sup>257</sup>Hitchins. *op cit.*, p. 382

<sup>258</sup>Higher for Jewish students - Romanian National Statistical Yearbook 1937-1938, pp. 255-263

<sup>259</sup>Some sort of contingency-based ethnic balances were to be seen in the Cluj Law faculty - Romanian National Statistical Yearbook 1935-1936, p. 143

<sup>260</sup>Particularly well represented were the Hungarian and German minorities Yearbooks 1935-1936 pp. 111-115, 1937-1938 pp. 212-216, 1938-1939, pp. 255-260

<sup>261</sup>Yearbook 1938-1939, pp. 260-270

<sup>262</sup>Seton- Watson, *op cit.*, p. 124

prone to continue the tradition of preferring state-employment rather than the riskier entrepreneurship.<sup>263</sup> The backlash is however two-fold: firstly, huge imbalances were created as a real shortage of engineers and agricultural specialists appeared<sup>264</sup>; secondly, once the state can no longer offer any kind of employment security, the nationalistic climate pervading Romanian universities<sup>265</sup> effectively ensures that the growing number of graduates turn to the Iron Guard's promise of renewal.

The education system did not generate the immediate economic recovery it was expected, and given the high social prestige artificially vested in a university diploma, graduates generally did not return to the villages<sup>266</sup> thus further deepening the rural-urban cleavage. However, it was not just a prestige that kept new graduates in towns - Romanian Governments, generally had few (if any) plans for developing the country-side.<sup>267</sup> A further dangerous effect the underdeveloped technical sector of education<sup>268</sup> was the fact that skilled workers were seldom threatened in their domineering position as few new urban graduates went for industrial work and peasants were confined to unskilled jobs.<sup>269</sup> The high availability of low-skilled workforce coming from the peasantry meant that wages could be kept low by employers, deepening the rural-urban cleavage, and helps explain, at least in part, why interwar Romanian Governments were not forced to set up any kind of unemployment benefit safety-net - most workers simply went back to agriculture<sup>270</sup> rather than unionizing or creating any kind of bottom-top pressure.

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<sup>263</sup>Iordachi, *Unyielding boundaries*, p. 163

<sup>264</sup>Statistical Yearbook 1938-1939 pp 286-288. ; For instance when in the early 1930s the Ministry of Agriculture put half its budget into research and training, it effectively amounted to 3% of all the state's budget - Berend, *art. cit.* in Kaser&Radice (eds), *op cit.*, p. 167

<sup>265</sup>Boia, *The traps of history*,

<sup>266</sup>Romanian Encyclopedia 1938, Vol. 1, Chapter 8, pg. 514

<sup>267</sup>Seton-Watson, *op cit.*, p. 95

<sup>268</sup>Statistical Yearbook 1938-1939 pp 286-288.

<sup>269</sup>Watson, *op cit.*, pp.117 + 136

<sup>270</sup>*Ibid.* p. 185 - according to Gerschenkron this uncut cord with the land is a sign of a backward society, Gerschenkron, *art cit.*, p. 9



## Chapter 4 - Welfare benefits: shape, implementation, coverage and functioning

This chapter will document the overarching assertion that in the beginning virtually all welfare models tended to be urban-biased,<sup>271</sup> in the specific contingencies of interwar Romania, where an ethnic overtone was also added to the welfare state. Structurally, the chapter will include separate parts for the main selected benefits (pensions, health care - sickness and work injury benefits, and maternity benefits), and a large discussion concerning the actual social functions and effects of the indicators. The small individual chapters will attempt to show the merging of the urban and ethnic biases in the main benefits, whilst the larger discussion will show the social embedding of a nationalized way of understanding the welfare state.

The fundamental aims of the interwar Romanian welfare state were a rational approach to poverty and the forging of "a new social solidarity,"<sup>272</sup> goals which stood however on a very thin line between a purely social-policy sense and a nationalistic understanding. The teleological understanding of nationhood combined with the preference for stage-development theory of most political actors, as shown in the previous chapter, dictated that the key socio-economic group to be protected by the emerging welfare state had to fit a narrow profile: ethnically Romanian, educated, urbanized and capitalist. Yet, as the economist M. Vulcanescu emphatically noted "everywhere you look within our towns you barely hear a word of Romanian".<sup>273</sup> Partly corroborated by statistical data (41.2% of 1930 urban population was non-Romanian, a percentage that would go down, albeit not drastically,

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<sup>271</sup>Hagaard ,Kaufman, *op cit.* p. 143

<sup>272</sup>Romanian Encyclopedia 1938, Vol. 1, p.519-525

<sup>273</sup>Vulcanescu apud Boia, *Traps of history*, p. 52

until 1938<sup>274</sup>), the concern grew out of proportions and became the framing lens for the interwar welfare-state.

#### 4.1 The pension system

Although some have noted that in interwar Europe pensions were a sensitive political topic<sup>275</sup> this appears a somewhat broad assumption: Kaufman and Hagaard's finding that “pensions in Eastern Europe were financed out of social-consumption that also covered a wide variety of other social benefits, from family allowances to social assistance for the elderly”,<sup>276</sup> points to a more diluted salience of the issue in interwar CEE political agendas. On the other hand, the scholarship on interwar Central and Eastern Europe does more solidly converge on the central place that bureaucrats occupied in most interwar social policy projects,<sup>277</sup> a feature which represents the key coordinate of the Romanian system as well. Given that as invalidity pensions functioned under different rules which will be detailed in the health benefits section this subchapter will be devoted to old-age retirement pensions.

The essential dimension of pensions in interwar Romania was their very specific targeting - coverage was exclusively offered to state functionaries either in the national institutions or in the local branches.<sup>278</sup> The system was gradually set up through successive laws between 1925 and 1931 establishing basic salary schemes for bureaucrats, required years of service and establishment of a National House of Pensions.<sup>279</sup> The mandatory time of service was fixed at 35, with retirement ages being 57 for civil bureaucrats (65 for teachers, between 60 and 70 for various magistrates, between 47 and 71 for army members) and 65 for religious functionaries. The contribution was set at 10% of the monthly salary to be paid

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<sup>274</sup> Romanian National Statistical Yearbook 1935-1936, p. 44

<sup>275</sup> Peter Flora, Arnold Heidenheimer, *apud*. Inglot, *op cit.*, p. 15

<sup>276</sup> Stephan HAGAARD and Robert KAUFMAN, *op cit.*, p. 31

<sup>277</sup> Szikra&Tomka, *art cit* in Cerami&Vanhuysse, *op cit.*,p. 20

<sup>278</sup> Romanian Encyclopedia 1938, Vol. 1, pp.553-556

<sup>279</sup> *Ibid.* p. 553

directly to the National House Pensions, whose income consisted of direct state subsidies and revenues derived from certain fines.

Interestingly enough, exiting the system is impossible - even if a possible recipient wishes to go for private pension, the 10% contribution remains mandatory. By 1938 the number of recipients was 93000, whose pensions were being calculated through a fairly straight-forward system that factored in the base salary and number of years. Yet, this figure must be seen in context as primary sources note that in 1937-1938 there was a significant drop in terms of state expenditure on retirement pensions,<sup>280</sup> without a similarly steep drop in the number of civil servants.<sup>281</sup> As is the case with other interwar insurances, pensions also covered family members both in case of premature death, or in certain specific contingencies, in case the recipient died while already receiving a pension. One other important feature was that even to bureaucrats, pensions were not an automatic social right, but had to be requested and validated by a specialized committee from within the National House of Pensions.

The urban-bias of the pension system consists of two basic level: firstly, limited coverage - legal provisions ensured, that peasants (i.e. agricultural workers) were not covered by any kind of social insurance<sup>282</sup>; secondly, even within the established system there was an almost 3:1 ratio of urban to rural bureaucrats with a 2:1 salary difference along the same line<sup>283</sup> (which directly affected contributions and in turn pension levels). While nation-wide statistics do not ethnically break down pensions, the creation of an ethnic bias can still be gleaned from the historical context - in the early 30s Romanian Governments have been known to greatly favor, amidst the Depression, the central, Bucharest bureaucracy or the civil

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<sup>280</sup>Unless mentioned specifically all data from this page derives from a single primary source - Romanian Encyclopedia 1938, Vol. 1, pp. 552 - 556 - For the sake of space and formatting this single multiple reference will be used multiple times throughout the thesis.

<sup>281</sup>National Statistical Yearbook 1937-1938 pp. 30-32

<sup>282</sup>Romanian Encyclopedia 1938, Vol. 1, p. 546

<sup>283</sup>Comparable tables in National Statistical Yearbooks 1935-1936, 1937-1938, 1938-1940 pp. 19-22

servants from the "Old Kingdom", going as far as not paying at all,<sup>284</sup> or even massively firing regional bureaucracies (where minorities were still present, albeit in declining numbers). As the nationalizing process went deeper, "Old Kingdom" bureaucracy, overwhelmingly Romanian, became favored, and as it took over the regional state apparatus, became very hard to displace<sup>285</sup> ensuring that even well-organized minorities could not easily re-enter. In addition, one must at the same time bear in mind the recurring topic of mass-producing ethnically Romanian civil servants which directly meant fewer possible "alien" recipients of pensions. .

In addition, Stan and Turcescu note the interesting feature that priests had partly state-funded pensions.<sup>286</sup> Given that Orthodoxism was discursively introduced as a component of Romanian-ness, at some level or another, this legal classification of priests as partial state functionaries seems to add yet another layer to the process of *nationalizing* the state apparatus. Although perhaps less direct than other strategies, solidifying the domineering position of the titular majority's church seems to also slowly disenfranchise minorities, particularly in a setting where primary data shows a strong presence of confessional schools that were keeping education rates higher for "aliens" than for nationals<sup>287</sup>. Yet, the perverse effect that happened with university graduates turning to the Iron Guard in the late 1930s, was also present in the case of priests, which also started massively supporting the Legionary movement based on their discursive merger of Orthodoxism and ethno-centrist nationalism.

Although the scholarship on interwar Romania converges on the high powers held by a bourgeois-bureaucratic oligarchy, primary sources document the intention of state-makers to cut down the powers of civil servants by banning unions under the credo that "people

<sup>284</sup>Rothschild, *op cit.*, p. 306

<sup>285</sup>Romanian Encyclopedia 1938, Vol. 1, p. 552

<sup>286</sup>Lavinia Stan, Lucian Turcescu, *Religion and Politics in Post-Communist Romania*, (Oxford University Press: Oxford, 2007),

<sup>287</sup>Comparable tables in National Statistical Yearbook 1935-1936 pp. 107-148, 1937-1938 pp. 204-262, 1938-1939 pp. 254-300

exerting the authority of the state cannot challenge the state".<sup>288</sup> This system-disruptive potential seems to have been alarming for the political class, as Romanian state-makers believed that syndicates "abused" their rights (the irony being that legally striking was virtually the only tool syndicates and trade unions had at their disposal<sup>289</sup>). The context is extremely important here: rather unscrupulous about using violence against working-class strikes, interwar politicians seemed a bit more careful towards a bureaucracy that was needed for nationalizing the country and rigging elections. On the other hand, if in 1934 only 50% of strikes are by unionized workers, the number rises already by 10% until 1935 and continues to grow until 1937,<sup>290</sup> thus giving some backing to the concern surrounding strikes.

#### **4.2 Health care benefits - invalidity pensions, medical insurance and maternity**

By 1938 Romanian authorities were by and large content with the advance of a health-care system that was first and foremost urban-biased: "if we were to judge exclusively by the high number of doctors in towns, we could say that we have attained at least satisfactory elementary coverage".<sup>291</sup> What the statement hides is that due to over-centralization only 1000 of 9000 doctors worked in villages<sup>292</sup> and on a comparative level Romanian mortality rates (particularly concerning infants) were still immense<sup>293</sup>, highlighting that the official picture was in fact misleading.

The 1933 Ioanitescu Law unified a maze of pre-existing benefit schemes around a cluster consisting of illness, maternity, invalidity, work-accident and old-age related provisions (those over 65 were not included).<sup>294</sup> Interestingly enough, under the new

<sup>288</sup>Romanian Encyclopedia 1938, Vol. 1, p. 590

<sup>289</sup>Watson, *op cit.*, p. 136 Unions were disconnected from parties; also see Romanian Encyclopedia 1938, Vol. 1, pp. 590-592

<sup>290</sup>Comparable tables National Statistical Yearbooks 1935-1936 pp. 166-172, 1937-1938 pp. 292-305, 1939-1940 pp. 320-332

<sup>291</sup>Romanian Encyclopedia 1938, Vol. 1, p. 513

<sup>292</sup>Ibid. 514

<sup>293</sup>Hitchins, *op cit.*, p 336

<sup>294</sup>Romanian Encyclopedia 1938, Vol. 1, pp. 545-547

coverage plans fell not only the salary-drawer himself/herself but also family members (spouse, under-age children and parents if they were unable to work<sup>295</sup>), and in some cases legal apprentices. State-mandated medical insurance offered 26 weeks of possible hospitalization for the salary-drawer and up to 4 weeks for family members, additional time being contingency-based on whether "extra funds were available".<sup>296</sup> Work-related accidents were also covered but under a more dubious mechanism - "if the worker lost more than 20% of his *working capacity* after the injury had been healed", an examination after which up to 2/3 of the insured salary could be offered in case of "full incapacity to work",<sup>297</sup> and proportionally lower levels according to the injury. The funding mechanism was constantly shifting and was a mixture of older legislation concerning monthly stamp duties, direct contributions by the workers and state subsidies.

To begin with, invalidity and accident-related pensions required a total of 200 weeks of contribution (within which hospitalized time or military service are not counted), necessarily at least 16 weeks/year, and the right could be extended (with a certain algorithm) to spouses and descendants in case of death. The legislation is however very careful to differentiate between bureaucrats and other salary drawers both in terms of entry conditions and, more importantly perhaps, in terms of what was actually offered. Firstly, the law takes into account the nature of the job - if bureaucrats sustained injuries that were not directly caused by their work, they did not get any specialized pensions, but offered regular retirement plans. If the injury was directly caused by the duties of the job and made the bureaucrat incapable of public service, a special algorithm calculated a pension of 40% of contributions (with yearly 3% increments, for the first 10 years) but crucially this pension permitted receiving any other kind of salary (i.e. non-civil service).

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<sup>295</sup> Romanian Encyclopedia 1938, Vol. 1, p. 546

<sup>296</sup> Ibid p. 545-550

<sup>297</sup> Ibid p. 551

When the injury was work-derived and made the civil servant incapable of *any* kind of future employment, after passing a rigorous control (with both personal doctors and those appointed by the House of Pensions), the invalidity pension was extremely high - at least 75% of the last salary. By comparison, non-civil service insurance recipients only needed a personal doctor's confirmation of total loss of work capacity, and received a maximum pension of 2/3 the *insured* salary. Romanian laws further stipulated that in case of an accumulation of pensions, the highest one would always receive priority,<sup>298</sup> which effectively only helps civil servants as they were the only wage earners that could access multiple pensions. While these imbalances do not speak directly about the urban and ethnic biases, they do strengthen the argument that the state was extremely active in over-protecting bureaucrats, which were important both for *nationalizing* the state and rigging elections.

Limitations of existing data notwithstanding, snap-shot images are rather clear: the overall percentage of days of insured hospitalization was high, hovering around 53% between 1936 and 1938<sup>299</sup> and by 1938, 204996 hospitalization days were billed to private companies compared to over 7.200.000 to the state.<sup>300</sup> In general, state expenditure on medical assistance (irrespective of spending on personnel salaries) rises constantly and rather sharply from 1934 until 1938.<sup>301</sup> The 1:15000 (rural) vs. 1:390 (urban) ratio of medics to patients in favor of towns<sup>302</sup> seems to cement the argument of an urban-bias if one also factors in other connected issues and/or indirect measurements - the continuous strong

<sup>298</sup>Unless specifically mentioned all the data and facts from these paragraphs is derived from a single primary source - Romanian Encyclopedia 1938, Vol. 1, pages 494, 550-540

<sup>299</sup> 313 660 out of 583997 in 1937 - National Statistical Yearbook 1937-1938, p. 159 - 1931-1935 data not found, but the overall growth in total days in hospital - 66-68% in 1933-1937 and the general growth in social insurances at the time makes it a plausible assumption that the number of insured days was growing; see also National Statistical Yearbook 1939-1940 p. 762

<sup>300</sup>National Statistical Yearbook 1939-1940 p. 211

<sup>301</sup>Romanian Encyclopedia 1938, Vol. 1, p. 550

<sup>302</sup>Ibid p. 490

majority of rural population from which came the bulk of the country's demographic boom,<sup>303</sup> the changing dynamics between death tolls for age-groups in rural and urban environments. While the latter is not fully attributable to social insurances, this can be safely assumed to be the result of better access to medical facilities regardless of insurance status - for instance by 1938 21.7% of all urban deaths occurred without any medical presence compared to the 68.3% deaths in villages.<sup>304</sup>

Although the ethnic bias is not directly embedded into the health insurance legislation extensive work put into documenting the spread of "social diseases" that needed to be "cleansed",<sup>305</sup> in a context of political psychosis around a purported 1/3 part of the nation being "alien"<sup>306</sup> (in reality numbers did not go beyond 20% for the entire country, with the important note of almost 40% of urban population represented by minorities<sup>307</sup>), depicts a high importance ascribed by the state to demography, in the wider process of nationalizing "Greater Romania". Although not broken down at all on an urban/rural line, nor paying attention to insurance status, nation-wide primary sources do note huge imbalances between hospitalized nationals and minorities: almost 50:1 Romanians to Hungarians in 1933-1935 (in a demographic balance of roughly 10:1!),<sup>308</sup> numbers that continue to increase to 60:1 in 1937 (the Romanians:Jews ratio goes down a bit to 25:1 but still way outside any demographic proportionality<sup>309</sup>). Even if one were to factor in suppositions that better off

<sup>303</sup>Until 1938 rural population goes up from 79.9% to 81.6% - National Statistical Yearbooks 1935-1936, pp. 50-52; 1937-1938 pp. 84-85

<sup>304</sup>Between 1930-1937 there is a 5:1 death ratio in favor of towns in deaths by contagious disease, only slightly lowered to 4.5:1 in 1938 - National Statistical Yearbook 1935-1936 pg. 75; National Statistical Yearbook 1939-1940 pg. 144; Also telling are the age-group differences are urban 65+ deaths start off higher than infant and child mortality in early 1930s, but eventually become lower, a trend which does not occur in villages;

<sup>305</sup>Romanian Encyclopedia 1938, Vol. 1, pp. 490-500

<sup>306</sup>apud Roberts, *op cit.*, p. 88

<sup>307</sup>National Statistical Yearbook 1935-1936 pp.33-34 subsequent data is not rural/urban broken down but show a very modest demographic increase for minorities;

<sup>308</sup>30:1 Romanians:Jews (15:1 demographic ratio) National Statistical Yearbook 1935-1936 p. 100

<sup>309</sup>National Statistical Yearbook 1937-1938 p. 159



minorities had better food and living conditions and were hence less prone to diseases, the trend is continuous and way outside other demographic proportionalities.

In the case of maternity benefits the nationalistic aim is expressed outright in the legislation - the protection of mothers and children are a priority for "the normal and healthy development of the nation".<sup>310</sup> In order for the insurance to be granted, having contributed to the state social insurance budgeted 26 weeks in the 12 months before birth is mandatory<sup>311</sup>; a contribution for which 12 weeks of money and assistance (6 before birth, 6 after - during which hospitalization was free) were granted with as much as 50% of the salary being offered (unless certain conditions like getting family assistance were activated).<sup>312</sup> Concretely, the numbers nationally aggregated for towns (including both insured and non-insured mothers), which were generally better off between 1931-1937, point to a more amorphous picture: while indeed the number of completely non-assisted births was low (between 3% in 1931 and 4% in 1937), only 15% of births actually occurred in hospitals (growing only up to 16.62%), barely 4% with medics outside hospitals (decreasing slightly), a feeble majority with qualified help (57% to 56%), and a non-negligible 20% with unqualified assistance.<sup>313</sup> On the other hand, when the urban/rural comparison is made the contrast is almost abysmal: over 20 times as many births hospitalized or with medics in towns<sup>314</sup> and 1.5 times more births with qualified assistance<sup>315</sup>! In a context of a constant 10% yearly growth of overall social insurance recipients from at least 1936 until 1939,<sup>316</sup> such a huge difference between towns and villages seems to directly point to an urban-biased maternity benefit system.

<sup>310</sup> Romanian Encyclopedia 1938, Vol. 1 p 525

<sup>311</sup> Ibidem.

<sup>312</sup> Romanian Encyclopedia 1938, Vol. 1, p. 525

<sup>313</sup> National Statistical Yearbook 1937-1938 p. 158

<sup>314</sup> 0.1% rural births occur in hospitals (decreases 1931-1937), 0.8% with medics outside hospitals (decreases slightly), National Statistical Yearbook 1935-1936 pp. 62-74, National Statistical Yearbook 1937-1938 p. 120

<sup>315</sup> barely 34.4% with qualified assistance (goes up to 39.9%), Ibidem

<sup>316</sup> National Statistical Yearbook 1939-1940 p. 758

#### 4.4 General features of the welfare state and its social functioning in 1930s Romania

The original 1920 Ministerial Office for Welfare was more of an *ad hoc* creation than a true beginning for the interwar Romanian welfare state as its prerogatives were unclear and constantly on the move between Ministries.<sup>317</sup> The construction of a true welfare state could be more accurately placed in the gradual accumulation of laws and policies in the late 20s and early 30s surrounding pensions, health-care, the unification of various local jurisdictions and the 1933 set up of a Central Insurance Fund, from which all wage earners with a monthly salary under 6000 lei<sup>318</sup> could be covered (1/6 of the highest salary for top-ranking bureaucrats, but higher than the lower-ranked civil servants who represented 76% of the total functionaries<sup>319</sup>). The Fund gathered monthly wage contributions from 5 levels of income, and special taxes from employers, and was spread as following: 40% for sickness, maternity and widowing, 40% for invalidity, old-age and accidents, 7% re-insurance funds, 6% general reserve and 7% for its own administrative costs.<sup>320</sup> Initial estimates placed the number of insured employees at around 600.000 (by comparison in 1930 there were roughly 4.1 million salary-drawing workers<sup>321</sup>) in 1933, a number that would keep on constantly growing up to just over 1.000.000 in 1939.<sup>322</sup>

Despite the legal clarifications and state involvement in supplementing the insurance funds, throughout the 1930s the re-organized Ministry of Work, Social Assistance and Health was one of the smallest ministries in the 30s in terms of both size and funds: second smallest in terms of employee size in 1934-1935,<sup>323</sup> and had by far the smallest budget in 1937-1938 (previous years were somewhat similar) and envisioned to be even further contracted by

<sup>317</sup> Romanian Encyclopedia 1938, Vol. 1, p. 549-551

<sup>318</sup> Aprox 35\$/month Kaser&Radice (eds), *op cit.*, Vol. 2, p. 119

<sup>319</sup> At the salary levels of 1934-1935, National Statistical Yearbook 1935-1936, p. 22

<sup>320</sup> Romanian 1938 Encyclopedia, Vol. 1, p. 548

<sup>321</sup> National Statistical Yearbook 1935-1936, p. 164

<sup>322</sup> Romanian Encyclopedia 1938, Vol. 1, p. 549 and National Statistical Yearbook 1939-1940, p. 758

<sup>323</sup> National Statistical Yearbook 1935-1936 pp. 166-169

1941.<sup>324</sup> While for most interwar CEE states this seems to have been a general feature,<sup>325</sup> in the Romanian case it contrasts with the official policy of increasing centralism,<sup>326</sup> from which stemmed a virtual nationalizing crusade against private initiatives both in what concerns social assistance and social insurances.<sup>327</sup>

On the other hand, that rigid centralism characterized the emerging welfare state is documented by a large number of primary sources (platforms of the interwar SDP, documents put forward by trade unions or during large strikes<sup>328</sup>) who argued for a decentralization of social insurances increasing the control of employers and employees. The state's argument however was constant and inflexible - accusing the trade unions of abusing their right to strike solely to block the state's industrialization and modernization projects, state-makers simply continued with their purely top-down agenda. Not surprisingly such a response was backed up by powerful coercion mechanisms along the lines of the previously mentioned idea that "collective security" mattered more than "individual freedom"(which show the collectivist logic of a nation-building project started from protectionist economics).<sup>329</sup>

For social insurances the effects of the strategy are clear: violations of insurance laws decrease between 1934-1937 (previously being one of the top causes for court cases related to working contracts<sup>330</sup>) and a growing majority of strikes and conflicts are solved in favor of the workers that resorted to mediation by law.<sup>331</sup> In addition private insurance companies were being gradually ousted from the market, by 1937 even the larger ones had become less

<sup>324</sup> National Statistical Yearbook 1939-1940 pp. 320-328

<sup>325</sup> Kaser&Radice (eds), *op cit.*, Vol. 2, p.3

<sup>326</sup> Romanian Encyclopedia 1938, Vol. 1, p.522

<sup>327</sup> "exactly when a private insurance company could have hoped for a tight collaboration with the state, it immediately found itself deprived of funds - Ibid p. 524

<sup>328</sup> Scurtu et al. *op cit*

<sup>329</sup> Romanian Encyclopedia 1938, Vol. 1, p. 595

<sup>330</sup> National Statistical Yearbok 1937-1938 pp. 292-306

<sup>331</sup> Ibid. 290

profitable seeing their capital drained<sup>332</sup> and being reduced to small niches such as property insurance. This shows that rather than a market-response, the biases of the Romanian interwar welfare state were a top-down state-mandated strategy, which involved multiple layers in the wider "nostrification" nationalizing project. Interestingly enough though, consistent primary data shows that even the state's interference in reduced market niches was urban-biased - between 1930 and 1935 there is a drop in anti-fire property insurance which is gradual for urban dwellers and by more than half for rural areas, whilst from 1935-1938 both drop significantly, maintaining however higher percentages for towns.<sup>333</sup> While this must be nuanced by the unsurprising fact that by 1937-1938 the developmental gap between towns and villages was growing out of proportion,<sup>334</sup> it is rather clear that various degrees of an urban bias exist in every aspect of the welfare state's construction in interwar Romania.

Greatly hampered by the Depression, the NPP did not manage to push its decentralization and pro-peasant agenda in the early 30s, afterwards gradually losing its vitality to internal turmoil partly as a result of its older cleavages, and partly due to the King's machinations. What is more, even the NPP main theorist, Madgearu drifts further and further apart from peasantism, introducing consistent support for the Liberal policy of forced industrialization in his thinking.<sup>335</sup> On the other hand, although Tatarascu's leadership brought a rejuvenation in the ranks of the NLP, his high degree of subservience to King, while ensuring stability (the 1933-1937 Liberal Government was the only Cabinet, backed up by a single Parliament, that fulfilled its term under King Carol II), meant that policies were an amorphous blend of the party's program and the King's own agenda.

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<sup>332</sup> A trend starting in 1935 -Ibid p. 682

<sup>333</sup> National Statistical Yearbook 1937-1938, pp. 698-702

<sup>334</sup> Sonea&Sonea, *op cit.*,

<sup>335</sup> Hitchins, *op cit*, p. 320-324

Broadly speaking, Romanian politics in the 30s was marked by a strong degree of continuation which contrasts with the previously noted consistent changes within the mainstream parties. In addition, the more purely political nationalism of the 20s is now replaced with an economic nationalism that was increasingly often put into legal and institutional frameworks and given official sanctioning.<sup>336</sup> Yet, in a European context marked by growing revisionism, economic nationalism starts to exaggerate the idea of "independence" that marked the early 20s,<sup>337</sup> thus explaining the new impetus of protectionism and industrialization: fearing that "open markets imply open societies"<sup>338</sup> (economically and from a nationalistic point of view) Romanian state-makers pushed forward their protectionist understanding of industrialization in the second half of the 1930s.<sup>339</sup> Not only had the economic recovery granted the state concrete means of further investment, but also new vectors of spreading the belief in industrialization were available - Kofman notes that in CEE countries in general it fell to the state bureaucracy to garner public support for industrialization projects.<sup>340</sup>

Beyond the general goals of *nationalizing* the state apparatus and raising popularity for industrialization, the bureaucracy fulfilled a very important concrete political role - rigging elections. Albeit putative de-politicization measures, the immovability and stability of bureaucrats originating from the 20s,<sup>341</sup> were in fact steps taken by the Liberals in their heyday to ensure their maintenance in power - since the King nominated the Prime Minister, the newly formed Cabinet needed a loyal state apparatus, particularly the Ministry of Interior, in order to rig elections. This high political value explains in part why 2/3 of the Ministry of

<sup>336</sup> Kofman, *op cit.* pp. 44-46 - In the wider CEE area not just Romania

<sup>337</sup> Ibid. 47

<sup>338</sup> Chirot, *art cit.*, in Jowitt (ed), *op cit.*, p. 40

<sup>339</sup> To which the NPP also subscribed in the late 30s - Dietmar Müller *The notion of Europe from the perspective of Romanian historical studies* in Neumann&Heinen(eds), p. 200

<sup>340</sup> Kofman, *op cit.*, p. 51

<sup>341</sup> Romanian Encyclopedia 1938, Vol. 1, pp 208-210

Interior's functionaries are employed on the highest wage category<sup>342</sup> (by comparison the Ministry of Education, Arts and Culture, with its own prestige-type importance for nation-building, almost 3 times as large in terms of employees, had only 20% high-wage category functionaries). Unsurprisingly, the percentage is even higher for the Ministry of Defense, of equal political importance both from a nationalistic point of view (the "independence" issue generated a growing military industry under King Carol II), and from the point of view of the continuous coercion used by parties against strikes and/or the Iron Guard.

On the other hand, the stability of bureaucrats also counter-acted the low entry-level wages, as civil service became arguably the most secure type of employment in interwar Romania. This stability comes into full effect during the Depression deepening the rural urban cleavages as bureaucrats were not exposed to same kinds of revenue drops that affected industrial workers or agricultural producers.<sup>343</sup> In addition, moving up the hierarchy, albeit under some control similar to case of pensions, was rather quick requiring at best 1 or 2 year periods.<sup>344</sup> While the lower echelons of the bureaucracy were accessible directly through exams, the middle and upper parts of the hierarchy required as a mandatory condition university diplomas.<sup>345</sup> Although the criticism of the 1938 Romanian Encyclopedia of the lax entry conditions<sup>346</sup> must be seen in context (as a document published under the King's tutelage it naturally attacked mainstream parties), it does at least in part prove the argument concerning the continuous expansion of the bureaucracy in interwar Romania.

The biases of the welfare state stemming from economic nationalism did nurture the growth the middle- and working-class, yet Chirot seems accurate in his assertion that

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<sup>342</sup> National Statistical Yearbook 1935-1936 p. 20

<sup>343</sup> As high as 57% for the latter, comparable to Poland but much higher than the 38.5% of Hungary - Berend, *art. cit.*, in Kaser&Radice (eds), *op cit.*, p. 167

<sup>344</sup> Romanian Encyclopedia 1938, Vol. 1, p. 209

<sup>345</sup> Ibidem

<sup>346</sup> Ibidem

"capitalism penetrated Romania, but it enslaved the peasants more than ever".<sup>347</sup> Even if one were to somehow forcefully attribute the mild rural improvements (in terms of better health care, somewhat improved economic conditions and so on), primarily to the welfare state the urban-bias would still be obvious. However such an argument simply does not hold - as per Romanian law "agricultural workers" were not covered by social insurances,<sup>348</sup> which means that 73% of the active population in 1930 and some 78% in 1937<sup>349</sup> were locked out the welfare state. The small 3-10 hectare plots that the 1921 Land Reform viewed as the future backbone of Romanian agriculture had grown to represent more than half of the total number of properties<sup>350</sup> due to demographic boom and tight re-selling regulations. By comparison with the stable income of the bureaucrats and comparatively higher wages of urban workers, in the early 30s even in the fortunate case of a peasant-worker the difference between income and expenses barely covered enough food for maintaining a family, for peasants with small estates (under 10 ha).<sup>351</sup> At the same time, while by the mid 30s all parties had agreed that the future of Romanian agriculture rested in changing the crop-style, this was impossible de facto<sup>352</sup> and the weak governmental subsidies and projects did not amount to much. What is more plans to extend the welfare state to the country-side were at best feeble, as economic nationalism still dictated a preference for industrialization - as far as 1935 even the Peasantist Party barely devotes two paragraphs to the possibilities of extending social insurances to peasants or at least moving industries into villages<sup>353</sup>.

As the country gradually starting growing economically in the mid 1930s, the urban bias that characterized Romanian politics began to create huge imbalances rather than to

<sup>347</sup> Chirot, *art cit*, in Jowitt (ed), *op cit.*, p. 41

<sup>348</sup> Romanian Encyclopedia 1938, Vol. 1, p. 459

<sup>349</sup> Hitchins,

<sup>350</sup> Roberts notes that actually only the micro-holdings of under 3ha were 52% growing to 58.4% in 1941, Roberts pp. 50-51

<sup>351</sup> Hitchins, *op cit.*,

<sup>352</sup> Kaser&Radice (eds), *op cit.*, Vol. 2 p. 24

<sup>353</sup> apud Scurtu et al.

promote general growth: by 1937 57% of all industrial capital was held by 3% of the corporations<sup>354</sup> and by 1938 Bucharest's production was 17% of the whole country (20% if adjacent settings are factored in). In absolute figures though the country's urban growth had been modest at best, actually dropping in percentages from 20.1% in 1930, to just under 19% in 1938.<sup>355</sup> The growth of social insurances in 1936-1938 was in fact most spectacular for the upper-middle categories of salaries<sup>356</sup> and must be read in context: the availability of rural cheap labor force combined with unclear administrations effectively ensured that the employer had huge leverage over the workers and thus easily kept wages down in villages.<sup>357</sup> This means that not only were urban workers better off in terms of salary, but they could also receive welfare benefits. That the picture is blurrier in what concerns the role of the welfare state for the working class, than for the bureaucracy, is unsurprising: interwar nation-forgers had rarely considered this socio-economic group as a possible "core" of the nation, hence state-mandated statistical inquiries were less detailed.

Certainly, all mainstream parties shared the concern for improving working conditions and legislation, but this was less of a redistribution logic and more an anti-communist prophylaxis. The strategy for counter-acting this fear was two-fold: firstly, unusually high levels of coercion (declaring the state of siege was a very simple mechanism that permitted using violence against either strikes - as was the case in the railway strikes of 1933, or against the Iron Guard); secondly, clarifying working laws and welfare benefits. Primary sources note that indeed working conflicts, strikes and lock-outs declined slowly from 1934 onwards,<sup>358</sup> in a context of increased unionization levels.<sup>359</sup> In addition, the top cause of conflicts in the early 1930s, working laws and conditions (reaching peak levels as

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<sup>354</sup> Hitchins, *op cit.*,

<sup>355</sup> National Statistical Yearbook 1939-1940, p. 142-143

<sup>356</sup> Ibid. p. 758-760

<sup>357</sup> Seton-Watson *op cit.*, p. 136

<sup>358</sup> Comparable tables National Statistical Yearbook 1937-1938 p. 297, National Statistical Yearbook 1939-1940 p. 330-331

<sup>359</sup> National Statistical Yearbook 1935-1936 - pp. 166-170



high as 70% of all strikes in 1935<sup>360</sup>), is replaced by the more predictable issue of salaries. However, reading this decline as a deep interest by the ruling elites towards helping the working class is a bit misleading - the decline in unemployment<sup>361</sup> and the apparent "pacification" occurred because many people simply reverted to subsistence agriculture. On top of a possible "downgrading" from urban to rural status, this meant more importantly falling outside the coverage of the welfare state.

What seems to strike out is that the interwar Romanian welfare state was indeed inequality entrenching, not merely due to its Bismarkian-inspired origin, but also in a more intricate way that has to do with the peculiar version of Romanian economic nationalism - the teleological goal of a "Western capitalist nation" and stage-development theory dictated that there were certain specific classes which due to their inherently modern nature had to be protected for progress to be achieved. As the growing number of graduates and state functionaries shows,<sup>362</sup> the interwar state-makers were successful in creating an ethnically Romanian educated middle class, yet one which, coming out of an education system emphasizing prestige espoused an "unprecedented fusion between questions of national character and the problematization of political modernity".<sup>363</sup>

Once growth became dependent on providing benefits for neo-corporate groups,<sup>364</sup> within a "status society"<sup>365</sup> and its top-down created prestige conferred onto state-employment, seen as secure and "logical" but not easily available anymore, the educated middle class left out of employment becomes greatly disillusioned with existing political elites. Disenchanted with mainstream politics, this new social stratum, on the basis of its own nationalistic rhetoric, turned to supporting the Iron Guard - thus explaining the third place of

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<sup>360</sup> Ibidem.

<sup>361</sup> Ibidem p. 174

<sup>362</sup> National Statistical Yearbook 1939-1940

<sup>363</sup> Trencsenyi, *art cit.*, in Neumann&Heinen (ed), p. 334 - a European not just Romanian features

<sup>364</sup> Seton-Watson, *op cit.*,

<sup>365</sup> Jowitt, *art cit.*, in Jowitt (ed), *op cit.* p. 20

the movement in the 1937 elections. This came as a great blow to mainstream parties that had already been slowly eroded by the King, who in the months following said election appointed puppet-Governments that paved the way for his personal authoritarian rule starting in early 1938.

## Chapter 5 - Conclusions

One important teleological trap that haunts historical works about visions of modernization and nation-building in interwar Romania is the temptation to ask "Who was ultimately right?" and then proceed to pinpoint which party thinker or public intellectual "better" captured the zeitgeist of interwar Romanian society.<sup>366</sup> Albeit interesting exercises in intellectual and/or political history, such endeavors ultimately miss the complex social dynamics caused by the earliest institutional-design choices, generally stemming from economic nationalism. In a rather similar fashion, most historical inquiries into the interwar CEE welfare states have generally stopped at mapping the inherently inequality entrenching nature of Bismarkian-inspired welfare regime, without looking at the nationalistic overtones of said inequalities.

By replacing the temptation of seeing which thinker was more accurate, with an analysis of the role of agency (of thinkers within parties, and of parties in general), and by factoring in economic nationalism (which was a quasi-ubiquitous strand of thinking), this research has mapped out not just competing discursive tropes of nation-building and modernization, but also the way in which the welfare state, as one concrete nation-building

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<sup>366</sup> Rizescu Phd., also Alexandrescu, *op cit.*

tool among many, was implemented and what effects it generated. This has permitted a better observation of competing nation-building projects, therefore bypassing any teleological fallacies both towards historical explanations of the Romanian welfare state and the fragmentation of political life in the 1930s on a more general level.

### 5.1. The extent of the biases - summary of the findings

In what concerns the urban bias of the bureaucracy, the figures are clear: three times more urban than rural bureaucrats (in country with a 4:1 rural to urban demographic ratio throughout the entire selected period), with a wage difference of 2:1 in their favor, that in turn generated higher pension levels and health care benefits. In addition, preferential treatment was offered in case of work-related injuries and invalidity pensions - in case of non-debilitating injury bureaucrats received pensions *and* the opportunity to draw salary from non-state sources, while debilitating injury meant drawing a pension of at least 75% of the salary (by comparison with the more modest *maximum* 66% available to other wage-earners). The quantitative difference might not appear staggering at first glance, but the context is telling: even when starting at a lower salary (which was seldom lower than 75% of the minimum insured salary<sup>367</sup>), bureaucrats had much more secure employment (less prone to shocks such as the Depression which cut peasant income, for instance, by 57%), and clear perspectives for climbing the institutional hierarchy and receiving better income (either on a yearly or bi-yearly basis bureaucrats could improve their position<sup>368</sup>).

The ethnic bias within interwar bureaucracy, albeit not measured precisely from a quantitative point of view, is backed up on both layers by both primary and secondary sources (albeit in different degrees): firstly, reducing the number of "aliens" (constantly by at least 10-15% in 1933-1938), in an education system created mostly to mass-produce civil

<sup>367</sup> National Statistical Yearbook 1937-1938 pp. 30-34

<sup>368</sup> Romanian Encyclopedia 1938, Vol. 1, p. 208-213

servants; secondly, a gradual ousting of existing bureaucrats that were not ethnically Romanian and ensuring that the new ones had a solid enough position.

The urban-biased nature of health insurance stemmed from the concentration of industries into towns (a mostly NPL-lead project, but weakly counter-acted by the NPP), and is also obvious in the 1:390 vs 1:15000 ratio of doctors to patients in favor of towns. It was not just industries that were concentrated in towns, but doctors as well - barely 10% of medics worked in the country-side and the state created very weak incentives for this to change.<sup>369</sup> The ethnic bias comes from the creation of a *national* industry which relied heavily on an ethnic-Romanian workforce and thus effectively ensured that very high percentages of would-be welfare benefit recipients were *nationals*. The nationally-aggregated data, while insensitive to insurance status, document trends way outside any demographic proportionality - almost 50:1 Romanians to Hungarians in 1933-1935 (in a demographic balance of roughly 10:1)<sup>370</sup>, numbers that continue to increase to 60:1 in 1937 (the Romanians:Jews ratio goes down a bit to 25:1 but still way outside any demographic ratios<sup>371</sup>). For the specific case of maternity benefits the ethnic biased was not assessed quantitatively due to limitations of the data-sets used, yet the nationalistic purpose is obvious in primary sources - insurance was granted for the "healthy growth of the nation". However, the urban/rural difference is staggering: over 20 times as many births occurring in hospitals or with a doctor's assistance and 1.5 times more births with qualified assistance.<sup>372</sup>

## 5.2 Why precisely these biases and what are the effects?

This research has shown that, broadly speaking, mainstream parties shared the vision of an active and engaged *nationalizing state* and applied various projects which ultimately

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<sup>369</sup> Ibid. 514

<sup>370</sup> 30:1 Romanians:Jews (15:1 demographic ratio) National Statistical Yearbook 1935-1936 p. 100

<sup>371</sup> National Statistical Yearbook 1937-1938 p. 159

<sup>372</sup> National Statistical Yearbook 1935-1936 pp. 62-74, National Statistical Yearbook 1937-1938 p. 120

strived to mold the Romanian nation into a "Western capitalist, urbanized nation". Whatever logic of redistribution permeated mainstream political agendas, it was deeply embedded with a *nationalizing nationalism*<sup>373</sup> which claimed that any and all resources "organically" belonged to the titular nation, and hence the primary task of an active *nation-state* was to redistribute "away" from the "aliens". Concretely, the unchallenged domination of the Liberals in the 20s and the great limits put on the NPP program by the 1929-1933 Depression, followed by another stable NLP Government, ensured that *de facto* the Romanian welfare state followed the template of the "nostrification" strategy<sup>374</sup> and tailored to only one core group: an urban, bourgeois-bureaucratic middle class, very thin in its ethnic-Romanian composition originally but "thickened" through consistent state policies. Although not espousing dogmatic economic nationalism, the NPP shared the concern for nation-building (as is obvious in their late 30s platforms which claimed solidifying the *national* industry), but its decentralization and open-ness agenda was greatly hampered by the Depression, and thus the NPP was not able almost at all to erode the institutional path the 20s Liberals had set.

The biases of the interwar Romanian welfare state result from intertwining economic nationalism (shared to various degrees by all mainstream parties), stage-development theory (equally shared by most party theoreticians), and the concrete dominance of the Liberals in interwar Romania (as shown throughout the thesis the NPP 1928-1933 Cabinets did little to reverse the trend put in motion by the 20s NLP). Conceptualizing modernization through stage-development uniformitarian theory, mainstream parties identified a "core" of the nation, which needed to be strengthened even within the titular majority, for the teleological view of a "Western capitalist nation" to be constructed. This explains why the welfare state

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<sup>373</sup> Brubaker, *Nationalism Reframed*,

<sup>374</sup> The Romanian case was one of the dogmatic instances of nostrification - Kaser&Radice (eds), *op cit.*, Vol. 2 11 also validated by Kofman, *op cit.*,

functioned on two layers: an ethnic targeting (which first and foremost replaced well-off "aliens" from their privileged socio-economic positions, was shared by all parties), and an urban bias (mostly due to the political pre-eminence of the Liberal Party, but very inconsistently challenged by the Peasantists).

Who actually became part of the *new political nation* was an altogether different question,<sup>375</sup> as despite their demographic superiority, peasants had a very weak political power, and, as previously mentioned were not as represented even by the NPP as the commercial and bureaucratic bourgeoisie was by the NLP.<sup>376</sup> Mainstream parties agreed that the social basis for the "desirable" teleological vision of nationhood was either lacking (as the Liberals saw it), or simply *qualitatively* different (as the Peasantists viewed the Romanian peasantry), and hence a new politicized social identity was needed.<sup>377</sup> The combination of nation-building prestige-type logic, imitative institutional implementation and economic nationalism created a middle-class that was a bourgeois-bureaucracy, which due to over-protection grew to "treat the budget like its holdings"<sup>378</sup>. This new politicized social identity was envisaged to be a social basis for institutional patterns and political formats that, albeit imperative, had been prematurely implemented.<sup>379</sup>

However, operating in a context of frail socio-economic balances and imitative institutional patterns<sup>380</sup>, once it saw its main upward mobility vector closed, this new socio-economic group, overwhelmingly Romanian in its ethnic composition, having grown (i.e. been educated) with the experience of the collapse of the historicist discourse, was tempted to

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<sup>375</sup> Rothschild, *op cit.*,

<sup>376</sup> Seton-Watson, *op cit.*,

<sup>377</sup> Skocpol, *op cit.*, p. 48

<sup>378</sup> apud Chirot, *art cit.*, in Jowitt (ed), *op cit.*,

<sup>379</sup> Jowitt, *art cit.*, in Jowitt (ed), p. 20

<sup>380</sup> Both in terms of institutional settings as such, but also bureaucratic culture which are important in defining the socio-political identity -Skocpol, *op cit.*, p. 48

negate the linear understanding of modernization<sup>381</sup> proposed by mainstream parties. Within the "status society"<sup>382</sup> created through a prestige-type reasoning embedded into most institutional settings (but most prominently the educational system), this new middle class believed that "to be young was tantamount with being intellectually superior"<sup>383</sup> and thus turns to a narrative of *national renewal* integrated into the "world rhythm"<sup>384</sup> (in reality one of rising fascism).

Therefore, the appeal that the Iron Guard had throughout the 1930s seems to have been a combination between its leader's charisma and the growing resentment towards mainstream parties and their inefficient policies that appeared to constantly "delay" modernization. All speculation aside about exactly how rigged or how free the election was, the NPP-Iron Guard pact from 1937 and the inconclusive results (no party gets even the 40% needed for the "electoral bonus") show a rather deep fragmentation of the polity. *Prima facie* the third place of the Iron Guard in the 1937 elections might not seem spectacular, but the context is again telling - in the early 30s the Legion never entered Parliament as a party,<sup>385</sup> only Codreanu through personal charisma (alongside some other few personalities of the movement) managed to win his constituency.<sup>386</sup>

In a certain perverse-effect type sense, Luebbert's idea that interwar Liberals (in Western Europe) lost their power because they failed to garner the support of the peasantry,<sup>387</sup> seems to hold some validity for 1930s Romania, with a different scope: while the Liberals saw their popularity dwindling in a middle class they had created, the Peasantists quickly lost ground both within the middle class, and within the peasantry. What growth did

<sup>381</sup> Trencsenyi, *art cit.*, in Neumann&Heinen (ed), *op cit.*, p. 357

<sup>382</sup> Jowitt, *art cit.*, in Jowitt (ed), p. 20

<sup>383</sup> Cioran apud Boia, *The Traps of history*, p. 23

<sup>384</sup> Polihroniade apud Boia, *The traps of history*, p. 23

<sup>385</sup> If one is to make the speculation this was because of rigged elections, then by using a similar logic one can also speculate that in 1937 the Legion could have been even higher up the results list!

<sup>386</sup> Iordachi, *Charisma, Religion, Ideology*, p. 33-35

<sup>387</sup> Luebbert, *op cit.*,

occur, at least in what concerns industry in 1937-1938<sup>388</sup>, was greatly monopolized by towns and the bureaucratic-oligarchy, with very few improvements sifting down to the lower classes, thus creating deep cleavages within Romanian society.

### **5.3. Extending the research**

By documenting the main trends of the path-starting moment for the Romanian welfare state, the present research naturally opens significant avenues for further research, both for the selected case-study and the wider literature on path-dependency and CEE welfare-states (which has thus far generally reduced the role of the interwar era for explaining post-socialist hybrid welfare regimes). Possible further developments include, but are not restricted to, overcoming the limitations of the data for specifically the interwar welfare state and adding new indicators, extending the historical scope of the research or comparatively assessing the trends of other path-starting moments for CEE welfare regimes.

First and foremost future research, which would necessarily require more space, time and resources, would greatly benefit from the adding of regional sources or from specific archives for each selected welfare-benefit (such as data from the Romanian National House of Pensions, Health Ministry and so on). While the former would help in showing how the Bucharest-mandated modernization project gradually generated nation-wide trends, the latter would be instrumental for precisely documenting the extents of the urban and ethnic bias within each selected welfare benefit. At the same time, the use of such specific benefit-related archives could also permit adding new indicators - as for instance the very briefly discussed case of property insurance. In addition, having proven the necessity of introducing agency into path-dependent inquiries of the welfare state, future research could also consider adding

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<sup>388</sup> National Statistical Yearbook 1937-1938



the Romanian Orthodox Church as a political power factor since the discursive merger between Orthodoxy and nationalism originates from the interwar.<sup>389</sup>

Keeping to the interwar era, the present research could be naturally developed into a comparative study, as nostrification and economic nationalism were obviously not limited to Greater Romania. Obvious options are the other CEE states (Bulgaria, Poland and Hungary are top candidates), but through the proxy of developmental economics, and perhaps even more specific, the proxy of Manoilescu's corporatism, Latin America could be introduced<sup>390</sup>. Such possible studies could test multiple hypothesis related to whether the problem of fit raised by this thesis was a common feature of all developing agricultural countries, or whether "in the beginning all welfare regimes were urban biased"<sup>391</sup>.

Last but not least, keeping to the core tenet of historical institutionalism, widening the historical scope, by adding the communist era, is also one important avenue for expanding this research. While it is certain that the communist take-over brought about a radical change in institutional structure and social stratification, it is undeniable that some interwar legacies persisted<sup>392</sup>. By looking at the overlapping of a socialist-totalitarian universalism on an essentially Bismarkian institutional structure, a better understanding of the post-1989 policy windows and policy directions could be gleaned.

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<sup>389</sup> Stan&Turcescu, *op cit.*,

<sup>390</sup> The Hagaard&Kaufman piece is such an example that does not have the interwar

<sup>391</sup> Ibid

<sup>392</sup> Inglot hints at this possibility without exploiting it

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