

ASPECTS REGARDING THE INDUSTRIAL DYNAMICS OF ROMANIA IN THE PERIOD (1878 - 1914)

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Abstract

Our article has the stated purpose of highlighting some essential aspects, regarding the industrial dynamics of Romania, in the period of consolidation of capitalism. The analyzed period (1878-1914) represents a historical stage full of uncertainties, but which generated determination, spirit of initiative, courage, but, above all, good intentions, for the leaders of the time, but also for the great mass of the population. It is an alarm signal, to consider the analyzed stage as a model that worked, even if the structural funds differ in origin and quantity, compared to what it was then, when the spirit of involvement for the country's development dominated, and less, exacerbated individualism of today, when now, with the multitude of possibilities, the interest in what is national, seems diminished and this is not justified in any way.

Keywords: industrial dynamics, production, development

JEJ Codes – B15, B19

Introduction

The period 1878-1914 was a period of modernization of industry and industrial development, although agriculture will continue to dominate the share in the economic life of the country, both in terms of employed population, domestic product and export possibilities.

The development of industrial capitalism took place in the most varied ways. In the extra-Carpathian regions, an important role in the development of various forms of industry was played by political union and the beginning of the formation of the national market (1859), the abolition of guilds (1873), conquest (in fact) and international recognition of state independence the adoption of a protectionist customs tariff (1886) and the law to encourage industry (1887), followed by other measures in this regard, at the beginning of the twentieth century (Axenciuc, 1977).

. The development of the Romanian economy was based on the dowry of ideas accumulated as a result of the efforts of these intellectuals and thinkers who are not only supporters of the industry, but also established how it should be done.

Although late, the political measure of protectionism played a beneficial role even before it became a practice, it was transposed into an ideational and political plan. Their merit lies not only in the elaboration of the concept of protectionism, but in its adaptation to the conditions of the country (Lungu, 2002, p. 381).

The current of industrial protectionism gave expression to the industrial bourgeoisie, whose economic positions were gradually strengthened by the cohesion of manufacturing and then manufacturing, which were affected by increased competition from foreign goods and as such, considered necessary to defend and protect domestic industry (Aurelian, 1967, p. 203). At the same time, the current of ideas and protectionist policy responded to the requirements of the development of the modern organism of our economy and was part of a broader trend that had been outlined in the economic policies of several European states.

1 Small manual and serial production

Despite the competition of large enterprises, which eliminated handicrafts and manufactures, in the industrial landscape of the country there were still numerous manufactures and small handicrafts and even a fairly widespread household industry.

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Progress had been made in transforming the craftsman into a small capitalist, so that at the end of the 19th century and the beginning of the 20th century, according to the 1901-1902 survey, out of the 22,517 patron craftsmen, 62.5% - worked alone, 34.2% had between one and five journeymen, 2.5% had between six and eight workers, and 08% - over ten workers (Constantinescu, 1998, p. 297).

In the tannery and leather industry, production was based on small workshops. At the beginning of the twentieth century, there were 85 major enterprises across the country, most of them operating on a manufacturing basis. Capital investment in factories in the leather industry has been greatly hampered by foreign competition - 60% of domestic consumption is covered by imports from Austria-Hungary. (Din istoria Transilvaniei, 1963, p. 201)

2 Textile industry

As for the textile industry, Romania remained dependent on foreign countries, most needs being met by imports. The annual import of textile products, at the beginning of the 20th century, represented 50%. In the country, its industry was distributed in Buhuși, Azuga and Bucharest.

The survey, from 1901-1902, revealed that in the large industry, the food industry was in first place, holding 30% of the number of enterprises, ie 44% of the invested capital, 42% of the driving force and 56.7% of the value of the large manufacturing industry. After the beginning of Iași, in 1841, in the south of the country there is a mill with a "machine that works with fire", in 1852. In Bucharest, the first steam mill, rollers and sieve systems was built in 1853 by to the merchant George Asan, long known as the "Obor fire mill" or "Asan's ship." Gradually, the number of mechanical mills increased and the 1869 census recorded in Romania (without Dobrogea) 33 steam-powered mills. Within the food industry, the most widespread enterprises were mills that were concentrated in Bucharest, Craiova, Ploiesti, Botosani, Brăila, Galați. In these conditions, the largest steam mill, built in 1899, in Brăila, by Panajoti F. Viollatos, with 200 workers and a daily grinding capacity of up to 20 wagons (a 10 tons each). By regions, the distribution, technical endowment, workers and capital (Asan, 1896, p. 28) of these mills are given below.

Table no. 1 Distribution and technical endowment in the milling industry

Historical province	Number of mills	Daily wagon grinding capacity of 10 t	Steam paths	Wather paths	Workers	Nominal capital paid in new lei
Muntenia	64	124	5 450	1 180	1 356	9 960 000
Moldavia	29	56	2 669	455	639	5 680 000
Dobrudja	5	4,75	165	30	86	235 000
TOTAL	98	184,75	8 284	1 665	2 081	15 875 000

Source – Adapting author

In connection with the processing of agricultural products and with state support, the sugar industry has developed. The production of this industry has grown steadily, being driven by foreign capital. It should be noted that under the protection of a protectionist customs tariff and having the advantage of manufacturing premiums from the state, sugar producers sold on the domestic market one kg of sugar for 1.05-1.10 lei, while for export they offered it with 0, 45 lei / kg, the main market being the Balkans.

The other food sub-branches were poorly represented. In the vegetable oil industry there were several factories that covered domestic consumption in a proportion of only 25%.

A sub-branch that has acquired a slightly faster pace of development has been the alcohol industry. In 1901 there were 31 alcohol factories, of which 15 were installed after 1880.

The faster development of the economy, after 1887, forced the acceleration of the pace of construction, which resulted in an increase in the importance of building materials. In this respect, the machinery industry has made progress. There were some brick factories that used modern technology - circular mixers and ovens. A very significant fact at the time was the construction of a cement factory in Brăila, which alone covered 3/4 of the country's cement needs.

3 Wood industry

A special place in the Romanian manufacturing industry was occupied by the wood industry. After the invested capital, the driving force used and the value of the production, this branch was ranked third in the manufacturing industry. Most of the timber industry's production, timber production was one of the main export goods. Between 1901 and 1902, there were 54 lumber mills, with over 6,000 workers and technicians.

Closely related to this type of industry, but also benefiting from a tradition meant to acquire a machinist development, was that of paper.

Due to the growth of the state apparatus, population, education, science and culture, the needs of paper in the domestic market have increased greatly. (Vajda, L., A. Egyed, 1959, p. 116) Based on the protectionist policy and in the conditions of the existence of raw materials, in abundance, were established, until the beginning of the twentieth century, a series of factories (Puia, 1991, pp. 137).

In 1881, Ion C. Brătianu and C. Porumbaru created the Letea paper factory, with a capital of 371,055 lei. In order to be able to operate, the factory contracted loans, until 1885, in the amount of 950,000 lei, from the Depository House. In 1885, it already had a capital of 1,496,650 lei, and since 1887 it has benefited from the facilities offered by law to encourage industry.

In 1883, on the estate of Carol I, in Jepsi-Bușteni, a cardboard factory - made of wood, belonging to some Saxon manufacturers, enlarged with new machines and installations, will be put into operation, then moving to paper manufacturing. Other factories were built, so that by 1898 the factories from Câmpulung, Scăieni (near Ploiești), Cheia (Prahova), Cosmești (near Tecuci), all with local capital, also came into operation. 2018, pp. 303).

The metallurgical industry had a lower rate than the average annual rate of the entire large manufacturing industry. Between 1889 and 1893, an average of 1.3 enterprises / year appeared in the metallurgical industry, and between 1893 and 1906, 1.6 each. The 75 enterprises mentioned in the 1901-1902 survey - some of which were simple workshops and manufactures, used 6.4% of the total driving force of the large manufacturing industry and gave a production of 13% of the value of food production, or 7.5 % of the value of the entire large manufacturing industry.

4 Extractive industry

The industrial development of the country, at the end of the 19th century and the beginning of the 20th century, included to a more accentuated extent the extractive industry, well represented in the industrial landscape of the time. In it, oil extraction came first. Until 1895, this branch will know a slow development, due to the lack of investments and local capitals. After this date, in the conditions of the worldwide increase of the use of the explosion engine and of the increase of the domestic needs, encouraged by the foreign capital, the oil industry developed very fast (Sédillot, 1979, p. 58).

An important role in the development of the oil industry was played by the Mining Law, from April 1895. This law laid the foundations of the mining regime in Romania, on the principle of separating the mining subsoil from surface property, establishing that all subsoil wealth belongs to the state, except oil. , ozocherite (Sédillot, 1979, p. 60) and the asphalt that remained the property of the one who owned the soil. As a result of the generous conditions, created by the Mining Law, a series of companies with foreign capital appeared in our country, among which: "Romanian Star", founded in 1889 - with Austro-Hungarian and English capital, "Aurora", established in 1908 - with German and Dutch capital, "International", created by German capital, as well as four companies with English capital, all established until 1900.

5 Oil industry

Greater progress was made in the oil industry after 1900. Due to the growing importance of oil worldwide (Sédillot, 1979, p. 219) and the excellent operating conditions in Romania, starting with 1904, new companies were built. with foreign capital. Thus, the "Standard-Oil" Trust laid the foundations of the first company called Romanian-American. Also in 1904, the German capital, through the big banks "Diskontogesellschaft" and S. Bleichröder ", founded the companies" Concordia "and" Oil Credit ". Two years later, the same capital created the powerful company "Vega", and in 1910, the Anglo-Dutch trust "Royal Duch Scheel", founded the company "Astra Română".

Due to technical progress in drilling and extraction, the increase in the number of wells, oil production has greatly increased. If the oil production in 1890 was 53,000 tons, it reached in 1990 - 247,487 tons, and then in 1900 to be 1,810,170 tons. Almost all oil production was concentrated in Prahova and Dâmbovița counties.

Conclusions

In the period 1878-1914, one can speak, indeed, of an economic development.

The main feature of the industry dynamics was a more pronounced spread of machinery, accompanied by a pace compatible with the growth of industrial production. The development of the internal market and the increase of the requirements of the foreign market, for some Romanian products, stimulated the capital investments in the industry, which led to the numerical growth of the enterprises and to the increase of their production capacity.

The aim was to encourage those branches in which there were indigenous raw materials, or in which the needs of the state were very high. The encouragement was manifested by: ceding land for the construction of the factory, facilitating the import (exemption from customs) of necessary machines, large facilities for the procurement of raw materials, creating, as far as possible - for goods produced by those factories - a monopoly situation in country (through protectionist laws). The customs tariff used during this period was the one legislated in 1886.

The widening of the protection measures of the industry as well as the increase of the volume of invested capital stimulated the beginning of the process of formation of joint stock companies. If in 1901 and 1902 there were only 25 public limited companies, in 1914 their number had reached 187. Of these, only 18 were smaller. Of the large companies, with a capital of over five million lei, most belonged, in particular, to the oil and sugar industry.

Stronger joint-stock companies were formed in branches in which foreign capital was more interested. Thus, in the oil industry, the company "Astra Română" owned 35% of the oil production, and "Steaua Română", 27%.

The limits of the industrial dynamics and the level reached by the Romanian industry result from some calculations made in 1907 when the driving force, considered per 1,000 inhabitants, was 10-15 times lower than in England and 5-8 times lower than in France.

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