

THE SPREAD OF ECONOMIC IDEAS AMONG ROMANIAN PEOPLE. CASE STUDY: BOGDAN PETRICEICU HAȘDEU

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In this very complex context of globalization and European integration, Romania is facing a very sensitive problem: we need to find the best way to define ourselves, to find our genuine values and to send a clear message to the world. If we search our history we will find that, even though Romanians proved to be less inventively or too moderate on economic issues, there are some important Romanian economists. One of them, almost forgotten by the historians and scholars, is Bogdan Petriceicu-Hașdeu who tried hard to familiarize the public with the sense of occidental economic thought and, thus, promoting the surpass of people's economic ignorance. His desire to spread economic ideas was his guiding light and his economic writings, backed up by a substantial theoretical background, tackles the numerous economic issues. Analyzing Bogdan Petriceicu-Hașdeu economic writings is a very good way to find romanian real values.

Key words: economic culture, romanian economists, liberalism, socialism, protectionism

Introduction

In the nowadays Romania, deeply linked to the occidental values, if someone would like to know more about the Romanians way of thinking he will find about Romanian sausages (mititei), stuffed cabbage (sarmale) or Romanian brandy (palinca). Everything seems to be reduced to the extraordinary joy showed by Romanians at their religious or laic holidays. What is the cultural heritage of Romanians, which are their intellectual traditions, how they interacted with the civilized world? The answers to these questions seem not to interest us anymore, but, in the mean time, we complain about the depreciatory treatment of the others. The Romanian would like to be appreciated for his joy for live, for his extraordinary versatility and adaptation skills always invoking the now-boring cliché of his social intelligence. Despite a great history filled with genuine heroes who now became fake heroes, Romanians proved to be less inventively or too moderate on economic issues. They did not wish for wealth, did not start wars to seek for wealth because they were already proud of their riches which have to be defended in their own country. The opening to Occident was a gradual but painful process, many of the original values disappeared being replaced by others more or less good, but bad behaviors and attitudes were inertially kept. With all the history turmoil, those who tried to promote the emancipation of the people were forgotten. The History's dust felt out covering the ideas which guided the actions of statesman taken in the long way of emancipation. The trade off between a defensive status to an offensive attitude proved to be difficult due to the ignorance of the people, very convenient for the government, but extremely inefficient for the economy.

Among those who felt the need to give to their peers a small part from their natural gifts, Bogdan Petriceicu-Hașdeu is, by far, the most brilliant. Like other Romanian scientists of the XIXth century, fully aware of the common people hardships, Bogdan Petriceicu-Hașdeu searched, in a critical manner, to detect the historic causes of the Romanian economic underdevelopment. Fully convinced that the assimilation of the western economic ideas will change not only the economic way of thinking of the people but the economic status also, Bogdan Petriceicu-Hașdeu tried all the possible ways to spread the western economic ideas proved to be successful by the extraordinary economic expansion of the West.

The spread of economic ideas

Through articles published in mass-media, essays, translations, controversial discussions, linguistic analysis and parliamentary speeches, Bogdan Petriceicu-Hasdeu tried hard to familiarize the public with the sense of occidental economic thought and, thus, promoting the surpass of economic ignorance. This duty, voluntarily taken upon himself by the Romanian scientist, is revealed when Hasdeu choose to mention Napoleon III as a motto for his study *Agriculture and manufacture* : „C'est le premier devoir des bon citoyens des propager les sages doctrines de l'Economie Politique” [Hasdeu, 2002c: 64]. His desire to spread economic ideas can be felt in every word he wrote beginning with the language and ending with his extremely relevant and accessible examples. The language, subordinated to one clear purpose: to familiarize people and to explain those people the economic terms, is very colloquial, alive and straight to the point. The majority of arguments are followed by exclamations which either express the author's own convictions or ironies regarding some economists or economic theories. The examples used by the Romanian economist in order to support his affirmations are surprisingly clear, accessible, suggestive and, sometimes, anecdotal [Hasdeu, 2002a: 23]. For example, to make clear his thesis that competition is possible only inside a country and never between countries, Hasdeu states: “When a person moves his wallet from the left pocket to the right pocket he does not lose anything, on the contrary, he can be better off if the left pocket was ragged. But, I wonder, it is the same thing for me moving my wallet from the left to right pocket and moving it in my neighbor's pocket?” [Hasdeu, 2002a: 34]. His eagerness to spread abroad as many economic thoughts as possible is clearly revealed by the primary documentary sources used and brilliantly interpreted by Hasdeu. The economist quotes contemporary or ancient economic texts written in English, German, Greek, Italian or French belonging to a wide range of authors beginning with the Greek historian Strabo and ending with economists like Mill or List.

His economic writings, backed up by a substantial theoretical background, even though are written and published in a very short period of time (1867-1870) – which reminds of one of his favorites economists, Frederic Bastiat – tackles, in a positive manner, the way in which Romanian economy should be. Hasdeu proves a deep understanding of economic theories mastering arguments which even today seems to be very complex. For instance, his comments on paper money grasp the very essence of the monetary theory which seems to be nowadays forgotten: “a limited amount of money can not be dangerous” [Hasdeu, 2002b: 47] but the paper money is not desirable when the government can not refrain himself from issuing money in his own interest. Laying the competition principle as the foundation of economic science [Hasdeu, 2002a: 21] and considering economics as “the little sister of history, philosophy and law” [Hasdeu, 2002a: 23], the Romanian scientist grants economics with the status of science of the future which importance is given by its goals: global welfare and universal happiness. Putting together economics, history and philosophy Hasdeu considers economics as a social science consisting in general principles derived from general observations on individual and collective behavior. Hasdeu, a genuine scientist, probably realized the consequences and the faults of the empirical method, and thus, he hesitated in defining economics as a general science considering that the economics can be considered as a set of principles which can be applied in order to achieve wealth [Hasdeu, 2002a:28]. Like other classical economists, Hasdeu defines economics as a science of wealth avoiding the socialist point of view, commonly accepted by the economists of those times, which defines economics as some kind of craft meant to reduce poverty. Even though economics is a science of wealth, its principles should be applied by the poor people who needs economics more than anyone else or, in another way of speaking, using the very language of economics: „It [economics] seeks to be an essential commodity, not a luxury good” [Hasdeu, pg 89]. Hence, for the Romanian economist, economics represents the best way the nation's progress and, thus, economics should be treated as the science of the future.

Although he declared himself as a liberal and even promoted liberal principles, for the very reason that some ideas from the works of the greatest western economists of the XVIIIth and XIXth centuries, such as Adam Smith, Friedrich List, Jean Baptiste Say, Frédéric Bastiat, were according to his own beliefs, Bogdan Petriceicu Hasdeu remains a humanist. His attachment to liberalism doctrine does not restrain him to strongly criticize those liberal theses which, from his point of view, do not find their place in the economic realities. These critics are mainly referring to the so-called liberal incapacity to perceive that there can be competition among nations and, thus, a country could be better off applying protectionist policies. Despite his declared sympathy to the liberal economics, Hasdeu goes as far as arguing that the liberal principles are “the scholastic theology of Middle Ages” [Hasdeu, 2002c:75], blaming liberal economics for fallacies such

as: conclusions without a real background, irrelevant distinctions, symmetrical consequences and false premises.

Honestly interested by the country economical and political progress, Bogdan Petriceicu-Hașdeu is deeply attached to the economic emancipation thesis and gives an almost heroic sense to the land, quoting Robert Peel: „We are placed to the Western Europe’s edge like a link which made the connection between the old and the new world” [Hasdeu, 2002a: 35].

Analyzing the Romanian realities, Bogdan Petriceicu-Hașdeu adopts an attitude very similar with the attitude of Lord Acton; he gives away any preconceived nationalist idea opposed to liberty and any kind of politics against national ideals. Needless to say that his ideal was the economic emancipation of the Romanians. The union of all Romanian language territories which share the same history, traditions and values is a leitmotiv of his writings. The unfavorable conjuncture and the fear of invaders emphasize the idea of national unity: “Is hard for us to quarrel with three kingdoms spread across the Eastern Europe which are holding Romania so tight that their love almost broke our nation in three pieces” [Hasdeu, 2002a:36].

Manufacture, agriculture and competition

Hasdeu firmly rejects the most in fashion thesis of that period – “Romania agricultural country”- arguing against this dangerous and “trivial superstition” [Hasdeu, 2002c: 68] which favors only the agricultural development and leaves behind the economic progress of the country. Using a very scrupulous and well documented analysis of the main economic theories and showing an extraordinary impartiality specific only to a genuine scientist, Hasdeu gathers a series of important arguments in favor of industrialization. These arguments belong to schools of thought economic which are usually opposed, such as the liberal and protectionist doctrines. The analysis on manufacture and agriculture offers him the appropriate reason to give an answer to the never ending controversy between the main economic theories. It appears that the common point of interest between all this theories is their clear option for a manufacture based economic growth. Hence, the Romanian scientist can be credited with a very rare success – to reconcile (not for long) the liberal and socialist philosophies. The arguments against “Romania agricultural country” thesis are logically synthesized and presented by Hasdeu and all these arguments are long term valid:

1. a development based only on agriculture presents a lot of risks for the nation economy
2. an agricultural country is in clear disadvantage in international exchange
3. manufacture use assets and labor more efficiently because it is simpler to shape people than land [Hasdeu, 2002c: 71];
4. the exchange and competition emerge due to the products diversity which can not be maintain only by agriculture
5. manufacture is the key of agricultural development.

In order to prove that manufacture is, eventually, the main propeller for agriculture Hasdeu uses as example the case of professors and students which shows that the amount of teachers is the main factor of an increased number of students. He argues, in a manner which reminds us of Malthus, that:” We can say that the number of teacher increase and decrease in an arithmetical progression while the students number increase or decrease in a geometrical rate.” [Hasdeu, 2002c: 84]

Despite the risk of being perceived as a protectionist, “a not so very popular notion” [Hasdeu, 2002c: 89] especially for a person with liberal political options, Hasdeu claims that Romania has to follow the path of industrialization which means that the lawmakers should protect and encourage the almost embryonic industries of the country. Nevertheless, Hasdeu finds for himself some attenuated circumstances for this unorthodox point of view arguing that any economist becomes a protectionist when is bound to give practical solutions [Hasdeu, 2002c: 97].

For Bogdan Petriceicu Hasdeu, competition is a fight between economically equal partners, and also a sign of nation’s maturity. His attachment to the national competition is influenced by List’s theory and is used more as a very convincing argument for territorial union than a manifestation of human action and liberty. But the hidden message is very clear: the agricultural restoration keeps the country dependency and the lack of investments does not allow economic progress.

Bogdan Petriceicu Hasdeu evokes the advantages of competition for domestic exchanges using the arguments of commutative and distributive justice and the principle of moderation. The competition game and the price variation generate “the balanced competition, the asking (the demand a.n) matching with supply and the supply with the asking. Then there is neither more nor less, there is no extremity or disproportion: it is justice!” [Hasdeu, 2002a: 22].

Disregarding the economic realities, Bogdan Petriceicu Hasdeu claims that there can not be possible nor desirable the international competition among nations. In some way, probably influenced by the writings of Bastiat, Hasdeu only sees the glass half empty. He is not able to perceive that the so called free trade is the result and, in the same time, the beginning of globalization. Nevertheless, Hasdeu takes notice on a very interesting phenomenon, there is an inequality between liberty grades of each entity and thus the exchanges are not always fair: “Let ask ourselves if it is possible a free trade between a master and a slave, between an athlete and a pigmy, between a philosopher and an idiot, between a man and a child, between a rich man and a poor man, between a man armed with a gun and a man armed with a stick, between a nation and another nation?...” [Hasdeu, 2002a: 35]. Hasdeu also gives a very interesting argument against the Ricardo competitive advantages theory arguing that the original argument – the free trade is better for both countries- with the following argument: if a country is allowed to freely develop it might not need the benefits of international trade [Hasdeu, 2002c: 82-83]. This is a very interesting point of view which follows the very same path as Ricardo theory: the exchange of wine and cloth between England and Portugal.

„The Jewish problem”

The widely spread xenophobia was the wrong answer but unfortunately the only answer to the serious fallacies of the Romanian economic politics of that time. The essential problem was: there were just a few local merchants because there was no money, the money was absent because the Romanian economy was stuck in a primitive stage of natural economy, this primitive stage was protecting the almost feudal system and its restriction on labor migration, thus the capitalist monetary economy was driven away. Consequently, the migration to the city was hindered by the villagers economic dependency to the landlord, the city did not flourish due to the scarcity of money and labor needed for urban activities such as manufacture, commerce and banking. The foreigners were filling an empty place, they did not chase away the Romanians in order to take their place, but the incompetency of the Governments, the incomplete legislation and the ignorance of the landlords sustained also by the intellectuals approval amplified a rather nationalist than xenophobic attitude. Bogdan Petriceicu Hasdeu seemed not to understand the historic innocence of Jewish people who was excluded from all public matters for almost 2000 years and who found a way to survive by undertaking economic and liberal activities. By doing the same activities for a very long period of time, the Jewish people developed the well known ability for finances which has caused their exclusion from society.

Bogdan Petriceicu-Hasdeu is, unfortunately, still dependent on the moral norm of Antiquity and Middle Age which states that commerce and particularly money trading were undignified occupations because they stimulate the effortless gain: “The merchant and the banker do not produce almost anything they are only intermediaries. The merchant and the banker did not work almost at all they only speculate a merchandise previously using the labor of other people.” [Hasdeu, 2002a: 38]. The author’s attitude against Jewish people is in many cases very aggressive. For instance, Hasdeu argues that Ricardo was the only economist who got rich but not because it was economist and rather because was a Jewish. Of course, these hostile attitudes, not necessary against Jewish people and rather against not deserved gains, are contradictory to the western values such as tolerance and virtue.

We can see a clear difference between Hasdeu the scientist and Hasdeu the politicians. While his political discourses, filled with a lot of messages, are very populists, the economic writings are conveying genuine scientific messages.

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