

THE POLITICAL AND ECONOMIC CONSEQUENCES OF THE SECOND WORLD WAR AND THE TRANSFORMATION OF THE ROMANIAN ECONOMY INTO A SOCIALIST ECONOMY (1945-1965)

TĂRĂBÎC MIRELA

UNIVERSITATEA „TIBISCUS” TIMIȘOARA, e-mail: tarabic_mirela@yahoo.com

Abstract:

In addition to war reparations, Romania was forced to accept the presence of Soviet troops on its national territory until 1958 and to maintain them with everything necessary.

The forced abdication of King Mihai - December 30, 1947, the falsification of the electoral elections of 1946 and 1948 by the communists, all these will lead to the establishment of the totalitarian communist regime in Romania, a regime that will collapse only in 1989. The entire Romanian economy will be reorganized according to the Soviet model (1948-1965), thus moving to the process of centralization of the Romanian state.

Key words: *World War II; economic consequences; political consequences; world economic order; the reconstruction of Europe and the division of spheres of influence.*

JEL classification: *A10, G22, N40*

Through its proportions, human and material efforts, as well as its devastation, World War II particularly affected economic life worldwide. The period 1939-1945 is unanimously regarded as a black page in human history. World War II led to the emergence of a new international economic order that changed U.S. relations. and Europe. At the initiative of the USA, the countries of Western Europe have accepted the establishment of a new international monetary system as well as the liberalization of trade, essential conditions for post-war economic reconstruction..

Regarding the evolution of the world economy after the Second World War it was marked by: the political, material, human and territorial consequences of the second world conflagration; the efforts of the participating countries to restore the economies affected by it; the general context and a number of factors of an objective and subjective nature; concerns for economic recovery and / or the transition from a war to a peace economy; the division of spheres of influence in Europe by the great powers; the creation of international organizations and institutions with the purpose of contributing to the establishment and consolidation of economic ties between states, as well as to supporting their economic and social development; uniting the efforts of some states to accelerate their economic and social development, to achieve sustainable economic growth; interstate integration policy which, in addition to economic objectives, sometimes had political and ideological connotations.

The reconstruction of Europe meant restoring the destroyed economies, regaining the balance of foreign markets, finding a new social consensus and restoring the strength of the currencies destroyed by inflation. Destroyed and ruined, lacking international means of payment, the European continent was forced to seek foreign aid, which could only come from the United States. After the American loan (Marshall plan) Western Europe ceased to be the dominant pole of world trade, in the sense that it kept only 37% of exports in 1948 compared to 46% in 1937, and the European currency - the pound sterling - lost all credit to the dollar, as evidenced by the failure of the attempt to return to external convertibility from July to August 1947. As for the process of decolonization, it has led to a lasting decline in the prestige and global strength of Europe.

The consequences of the Second World War for Romania were drastic and damaging from a material, human, political and territorial point of view. *From a material point of view*, Romania's total losses amounted to about \$ 3.7-4 billion in 1938. This includes the enormous war reparations that our father had to pay to the Soviet Union. *From a human point of view*, the blood tribute of the Romanian army amounts to 1 million victims: dead, missing and prisoners who never returned. *From a territorial point of view*, Transylvania returned to Romania by annulling the Vienna Dictate, but Bessarabia, Bukovina and Hertza remained in the U.R.S.S., and the Quadrilateral remained in Bulgaria. *From a political point of view*, Romania has entered the sphere of influence of the U.R.S.S. as a result of the decisions of the great powers at the Yalta Conference - February 1945. In addition to paying war reparations, Romania was obliged to accept the presence of Soviet troops on the national territory until 1958 and maintain them with everything necessary. The forced abdication of King Mihai - December 30, 1947 and the falsification of the electoral elections of 1946 and 1948 by the communists will contribute to the establishment of the totalitarian communist regime, which will exist until 1989. Political life in Romania and the entire Romanian economy will be reorganized Soviet, thus moving to the process of centralization of the Romanian state (Florin Constantiniu: 1999, pp. 436-462)

On February 10, 1945, in Paris, the Peace Treaty was signed between Romania and the Allied Powers, a treaty containing 40 articles, of which we mention the following: Romania is not granted the status of a co-belligerent country, but of a defeated country and thus cannot recover damages caused by Axis countries after 1944; German assets in Romania pass into the patrimony of the USSR, and Romania's assets in allied countries could be confiscated on account of war reparations. (Florin Constantiniu: 1999, p. 433)

Regarding the aspects of the evolution of the Romanian economy in the period (1945-1965) we specify that at the beginning of 1945 the gap between the demand and supply of individual consumer goods determined: the spectacular increase of inflation; black market expansion (undeclared work); the call for cartels / rationalizations of food and financial products; salary claims; low level of material and financial resources; disorganization of production due to the disastrous state of transport, especially rail; the drought of 1945-1946, respectively that of 1947. (Maria Mureșan, Dumitru Mureșan: 1998, pp. 319-396). All these irregularities required measures to rehabilitate the national economy and improve the living standards of the population. However, as we will see, the economic measures that were taken during the period (1945-1965) had a statist-dirigiste character, ie populist-reformist, because they aimed, in perspective, the

elimination of capitalism and the abolition of private property. (Mirela Tărăbîc: 2019, p. 14-15). To this end, the following laws have been developed and applied:

Law for agrarian reform - March 23, 1945 government dr. Petru Groza began the agrarian reform and thus 1.5 million hectares were expropriated, of which 1.1 million were given to the peasants and 400,000 hectares were kept in the state reserve. During the agrarian reform, over 9000 agricultural machines were confiscated, an action that abolished the class of landowners and private property in Romania. This law sought to abolish land ownership and attract the poor peasantry to the P.C.R. (Mirela Tărăbîc: 2019, p.141);

- May 3, 1945, a package of laws was adopted: *the law for the regulation of salaries and the establishment of savings banks; the law for regulating prices and movement of goods; the law for the suppression of illicit speculation and economic sabotage; the law for the circulation of goods; the law for the establishment of citizen control bodies.* (Maria Mureșan, Dumitru Mureșan: 1998, p. 325);
- May 8, 1945, a trade agreement was signed with the U.R.S.S. through which the sovroms were established, companies that had a single purpose, namely the efficient and rapid exploitation of Romania;
- *Law on the nationalization of the National Bank of Romania - December 28, 1946* by which the state ensured the guidance, direction and control of loans granted to all credit institutions, which meant a drastic limitation of capital and private initiative. (Mirela Tărăbîc: 2019 , p.141; Maria Mureșan, Dumitru Mureșan: 1998, p. 325);
- *Law on the nationalization of the main means of production - June 11, 1948* - by which all enterprises in industry, transport, telecommunications, trade and banking were transferred from private property to state property = 8894 industrial enterprises were nationalized. According to the Industry Census of October 31, 1948, the state sector owned 80% of the energy industry, 58% of the extractive industry and 80% of the processing industry. (Ioan Scurtu, Gheorghe Buzatu: 1999, p. 555)
- On April 5, 1947, the Ministry of Industry and Trade was established, and on July 1, 1948, the State Planning Commission. Since the second half of 1948, the majority of state-owned enterprises have been operating on a monthly production schedule. The decree of July 28, 1949 imposed the state monopoly on foreign trade to regulate import, export and transit operations, and in December 1949 the Romanian Foreign Trade Chamber was established to coordinate the country's foreign economic relations. (Maria Mureșan, Dumitru Mureșan: 1998, p. 326);

Starting with 1949 and continuing with 1950, the Romanian economy was organized on the basis of annual plans - in the literature it is stated that at the end of 1950 the economic recovery of our country was completed, and it was considered that the volume of industrial production exceeded since 1938 and the pre-war level was reached for the social product and the national income of the same year. From 1951 until 1989, the Romanian economic life took place on the basis of five-year plans.

In 1951 the government of Gheorghe Gheorghiu-Dej took the following measures for *the industrialization of the country*: the development of the Romanian economy which took place on the basis of five-year plans and which was focused on the development of industry because it aimed to transform Romania into an industrial-

agrarian state. efficient economy; closing the gaps in economic development between areas, regions, counties and bringing the level of their economic and social development closer together; creating a modern structure of the economy and attracting, respectively rational use in the process of developing the available resources in each area of the country, in accordance with the needs of the area. However, the realization of these desideratums was affected by the conception of industrial development focused on heavy industry, by the existence of governing and control bodies and bodies that often overlapped, which generated contradictory and even erroneous decisions, false statistical data reports in order not to create dissatisfaction among the central decision-making bodies. Also, huge industrial projects were developed for the realization of which labor was needed, which is why the communist authorities resorted to the displacement of the population from areas with large demographics in the newly established industrial centers. (Maria Mureșan, Dumitru Mureșan: 1998, p. 327).

In 1956, against the background of the anti-communist revolution in Hungary, the echoes of which were also heard in Romania, the Bucharest regime took several measures such as: increasing workers' wages; increase scholarships for students; abolition of compulsory grain quotas; increasing teachers' salaries (Mirela Tărăbîc: 2019, pp. 165-170)

After 1962, Gheorghe Gheorghiu-Dej managed to obtain some important foreign loans with which he managed to re-technologize industry and agriculture. In 1965 Gheorghe Gheorghiu-Dej died, and Nicolae Ceaușescu was appointed to lead the Romanian Workers' Party, who in 1974 was elected president of the state (Denis Deletant, pp. 133-137).

The strong industrialization of Romania in the 50s and 60s determined the need for large quantities of raw materials and markets for its products. During this period, Romania developed close economic relations with the countries of Africa, Asia and the Middle East. One of Romania's most important economic partners was Libya, which supplies most of the oil imported by our country.

According to the *Statistical Yearbook of Romania / 1990* (pp. 526-527), the investments made in the national economy and in industry, in the period 1950-1965, on groups A (heavy-metallurgical industry, machine builders, extractive, etc.) and B (consumer goods industry, food industry, textile industry, etc.) were the following: investments in industry, group A were 80%, sometimes even 90%; Group B investments were 11%, and very rarely reached 16%. Although investments in the national economy were growing in varying proportions from year to year, exaggerated investment in heavy industry negatively affected the overall structure and structure of the national economy, but especially the standard of living of the population.

After the Second World War, *Romanian agriculture* was marked, first of all, by the agrarian reform of March 23, 1945, when the following measures were taken: 1,468,946 ha of land were confiscated, 917,777 peasants were owned with lots, with 1,1009,562ha, and the land difference was confiscated and abusively passed by the communist authorities in the state reserve. By the Order of the Ministry of Agriculture and Domains no. 825/19 April 1945 the owners of tractors and agricultural machines were obliged to hand over all agricultural machinery to the state, which also became the sole buyer of agricultural products. The following were confiscated: 3,135 tractors; 2,533 plows for tractors; 2,140 cereal sticks; 682 locomotives; 37 combine; 2,135 reapers, other tools and agricultural machines with animal traction (Maria Mureșan, Dumitru Mureșan: 1998, p. 336).

According to the Agricultural Census carried out at the beginning of 1948, it results that 91.1% of the properties represented the households that owned 5 ha, and 36.4% up to 1 ha. The strategy of imposing a socialist agriculture, according to the Soviet model, in the Romanian rural environment was achieved by intensifying the class struggle, by destroying the landlord as a social class, by attracting the poor and middle peasantry and by liquidating the *chiaburim* (village bourgeoisie) by P.C.R.

The transition from the capitalist type economy to the socialist type economy in Romania has known 3 periods that present the way in which the process of forced collectivization of agriculture took place:

- *the period 1949-1953* - characterized by the recourse of the communist authorities to violence or persuasion regarding the imposition of the collectivization process:

- ✓ at county and local level the collectivization activity was supervised by the police - the Militia and Security Bodies, which intimidated the population, drew up reports with the name of "class enemies" who resisted and sabotaged collectivization;
- ✓ between 1949-1950 there were visits of Romanian peasants to the USSR;
- ✓ according to Decree 306/1949 the peasants were obliged to give to the state significant quantities of cereals and products, fixed by the state, without taking into account the harvest obtained or the drought periods of that year, an agricultural tax was levied, situated in that the peasants were left without food or grain for sowing;
- ✓ In August 1953, during the Plenary of the Central Committee of the Romanian Workers' Party, the communist authorities recognized that taxes, quotas led to a decrease in household production, an increase in the number of unemployed lots, which harmed the national economy. (Mirela Tărăbîc: 2019, pp. 144-163)

- *period 1954-1956* - there is a relaxation in the development of the collectivization process in the sense that the tax levies collected by the state to peasant households have been reduced:

- ✓ At the end of 1953, at the country level, 200 Collective Agricultural Farms were established, and in the period 1954-1957, 564 more households were established.
- ✓ Between 1956-1957, in the rural area of Banat, the peasants expressed their dissatisfaction (they burned the portraits of the communist leaders, set fire to the pastures, shouted slogans for the monarchy, etc.) towards the communist regime influenced by the events in Hungary. (Mirela Tărăbîc: 2019, p.163-169)

- *the period 1957-1962* - the violence against the peasant households increases with the acceleration of the collectivization process:

- ✓ between July 1, 1957 and July 1, 1958, 700,000 families entered the collectivist structures, and in 1960 81% of the country's surface was represented by peasant households;
- ✓ in 1961 the State Agricultural Farms receive the name of Collective Agricultural Enterprises; Collective Farms are called Agricultural Production Cooperatives; Car and Tractor Stations are called S.M.A.s (Mirela Tărăbîc: 2019, pp. 170-179)

During the Plenary of November 30 - December 5, 1962, Gheorghe Gheorghiu-Dej stated that over 800,000 peasants were sent to trial, and 30,000 of them were tried on behalf of the fight against the scoundrels. The collectivization process in Romania ended on April 27, 1962 when collectivist structures owned 96% of the country's arable land

and a number of 3,201,000 families were included in collectivist structures (Gheorghie Gheorghiu-Dej: 1953, p. 40).

During the Plenary of November 30 - December 5, 1962, Gheorghie Gheorghiu-Dej stated that over 800,000 peasants were sent to trial, and 30,000 of them were tried on behalf of the fight against the scoundrels. The collectivization process in Romania ended on April 27, 1962 when collectivist structures owned 96% of the country's arable land and a number of 3,201,000 families were included in collectivist structures (Gheorghie Gheorghiu-Dej: 1953, p. 40).

- *International Monetary Fund (IMF) for monetary issues;*
- *The International Bank for Reconstruction and Development (IBRD) also called the World Bank for Financial Affairs;*
- □ *The General Agreement on Tariffs and Trade (GATT) which for a long time regulated the trade activity of the UN member countries - regulated international economic relations and was intended to facilitate economic growth.*

At regional and regional level, the post-war world almost unanimously adopts the *principle of interstate integration*, which has the advantage of coordinating efforts to accelerate economic and social growth and development. This principle is embodied in the establishment of *economic communities*, which in the literature on international customs are called *interstate economic integration*.

Western interstate economic integration is based on the political will of Western European states to accelerate post-war recovery and future economic development, a will that materializes through the establishment of the following communities / organizations (Mirela Tărăbîc: 2004, p.52-61): *in 1948* with the creation of *the Western European Union* and *in 1949 of the Council of Europe*, the first Western European political body;

- □ *For a better administration of the American aid granted by the Marshall Plan, in 1948 the European Organization for Economic Cooperation (OECE) is established, and later, in 1961 its place is taken by the Organization for Economic Cooperation and Development (OECD).*

American help, enshrined in history as the *Marshall Plan*, amounted to \$ 12.8 billion, spread from April 1948 to June 1952 and distributed mainly as follows: 24.9% United Kingdom, 21.2% France, 11, 8% Italy, 10.8% FRG, 7.7% Netherlands, 5.5% Greece, 5.3% Austria, 4.4% Belgium. In 1952, the objectives of the Marshall Plan were exceeded, the level of production achieved by the countries receiving the aid exceeding on average by 40% that provided. Also, between 1947 and 1952, attempts were made to create customs unions: Frantita, Benelux, Finibel, Fritalux, but they failed, except for the Benelux, and in 1951 it was concluded by six Western European countries - f Germany, France, Italy, Belgium, the Netherlands and Luxembourg, *the Treaty establishing the European Coal and Steel Community (C.E.C.O.)*. By *the Treaty of Rome signed on March 25, 1957* the signatory states of the C.E.C.O. establishes *the European Economic Community (C.E.E.)*, which is the most representative for interstate economic integration (Mirela Tărăbîc: 2004, pp. 76-84)

Another expression of interstate economic integration is the *European Free Trade Association (EFTA)*, established by the Treaty signed in November 1959 in Stockholm by England, Sweden, Norway, Denmark, Switzerland, Austria and Portugal, and which entered into force. in 1960. (Mirela Tărăbîc: 2004, pp. 61-62) Later, Iceland, Lichtenstein

and Finland joined this association in 1960. England and Denmark left this group in 1973, and Portugal in 1986.

Regarding the interstate economic integration of Eastern Europe, after the Second World War, in the sphere of influence of the U.R.S.S. a policy of self-isolation was carried out by setting up a multilateral organization of economic and technical-scientific collaboration between communist countries, also conceived as a replica of the Marshall Plan and Western interstate economic integration. In this regard, in January 1949 the Council for Mutual Economic Assistance (C.A.E.R.) was established, whose founding members were: Bulgaria, Czechoslovakia, Poland, Romania, Hungary (satellite states of the Soviet Union), and later Albania, R.D. Germany, Mongolia, Cuba and the Republic of Vietnam. Whereas in all Member States the C.A.E.R. the state had a monopoly on foreign trade and foreign exchange reserves, and the economy was subject to centralized planning, collaboration took place at the intergovernmental level. In direct connection with the conduct of trade and credit relations between the member countries of the C.A.E.R. the International Bank for Economic Cooperation (IECB) and the International Investment Bank (IAB) were established and became operational on 1 July 1970.

Conclusions

In conclusion, the installation of the communist regime in Eastern Europe, after the Second World War, led to the emergence of a new economic thinking and policy on economic development: total intervention and state control through economic centralization, the abolition of the market economy and private property. . The Stalinist model in economic terms was focused on: the liquidation of private property, intensive industrialization and cooperative agriculture. We specify that the statistical data that refer to the evolution of the Romanian economy in the period 1950-1965, respectively 1965-1989 and which are included in yearbooks and other works are relative, uncertain, they having mostly a propagandistic character. The first Statistical Yearbook was published in 1957 and contains data from 1955, which are relative due to: the evolution of the monetary system, the system and methodology of pricing, due to changes in the methodology of calculation and expression of indicators. In 1990, the Statistical Yearbook of Romania was published, which includes recalculated data for the period 1950-1989, respectively chapters and indicators not published until 1990, which also interpret the economic facts and phenomena in Romania and partially eliminate the lack of accuracy of the statistical data. the interpretation of economic facts and phenomena is based.

BIBLIOGRAPHY:

1. Florin Constantiniu, (1999) O istorie sinceră a poporului român, Editura Univers Enciclopedic, București
2. Denis Deletant, (19997) România sub regimul comunist, Fundația Academia Civică, București
3. Maria Mureșan, Dumitru Mureșan, (1998) Istoria economiei, București, Editura Economică,

4. Ioan Scurtu, Gheorghe Buzatu, (1999) *Istoria românilor în secolul al XX*, Editura Paideia, București
5. Mirela Tărăbîc, (2019) *Aspecte privind instaurarea comunismului în Banat (1945-1965)*, Editura Eurostampa, Timișoara,
6. Mirela Tărăbîc, (2004) *Realități europene și euroatlantice*, Editura Augusta și Art Press, Timișoara.