Classical Liberalism in Romania, Past and Present

Radu Nechita¹ and Vlad Tarko²

Present-day Romania is the result of the unification of three historical principalities: Moldova, Wallachia, and Transylvania, situated east, south and west of the Carpathian Mountains. The areas of Moldova and of Wallachia were for most of their history, since the mid 15th century, under the control of the Ottoman Empire, and unified in 1859 under Alexander Ioan Cuza, a prominent 1848 revolutionary in Moldova, elected as prince. The area of Transylvania has been for most of its history since the 11th century integrated in the Hungarian kingdom and controlled by Hungarian speaking aristocracy, even during its independence (16th and 17th centuries) or integration with the Habsburg empire (18th and 19th centuries). Transylvania had a large Romanian peasant population. It became part of Romania after Hungary's loss in WWI (Hitchins 2018/1996).

Broadly speaking, from its beginnings in the 19th century and to the present day, we can see Romanian liberalism as a movement trying to modernize and integrate Romania within Western European culture and politics. The main counter-reaction to this movement has been, and continues to be, a coalition of forces favoring tradition and idealizing rural life. The Orthodox Church has been, and continues to be, part of this anti-liberal, anti-European counter-reaction.

Romanian liberalism has its origins in the 19th century ‘national liberal’ movement in continental Europe. That movement was the main intellectual driver for the political unification of Romania and the creation of the Romanian national

¹. Babeș-Bolyai University, 400084 Cluj-Napoca, Romania.
². University of Arizona, Tucson, AZ 85721. We would like to thank Cristinel Trandafir, Emanuel Socaciu, and Vladimir Topan for several useful comments, and Karras Lambert for valuable copy-editing.
state. The movement has had two key components, one economic and one ethno-

political.

On one hand, national liberalism was a movement against the power of the
landed aristocracy and of lingering feudalism in parts of Europe. The movement,
during the early 19th century, saw the urban bourgeois and a part of the aristocracy
(the ‘small boyars’) joining forces with peasant revolts in a fight to abolish serfdom
and establish a commercial society. This movement shook the continent with the
1848 revolutions, and while all of these revolutions were, strictly speaking,
defeated, they nonetheless generated large social and political changes. The ‘small
boyars’ side of the Romanian 1848 revolutions included most of the public
intellectuals of the period, who brought modern ideas—both liberal and anti-
liberal—to the region. Romania did not have a significant industrial workforce until
communism and, as such, there was little basis for the growth of socialism per se.
However, the main peasant party in the mid-20th century had many characteristics
of a center-left party. Before the 20th century, liberals were also seen as primarily
left wing, in opposition to traditionalist forces. Some of the key 19th century liberal
figures, like C. A. Rosetti, were radical both in their republican and anti-clerical
beliefs. Moving into the 20th century, the National Liberal Party became a center-
right party, in opposition to the peasant party, and its policies gradually moved away from classical liberalism toward protectionism and mercantilism.

On the other hand, national liberalism was a nationalist movement against empires and colonialism, especially against the Austro-Hungarian, Ottoman, and Russian Empires. The political aim was to create national states, understood in opposition to the multi-ethnic empires. These national states were envisioned as a method of protecting ethnic identities by allowing each ethnic group to have its own independent state. A simultaneous, and complementary, aim was to create these unified ethnicities in the first place by standardizing language and writing (Schulze 1994). Modern European languages, and Romanian is no exception, are to a large extent the product of these top-down centralized policies of standardization.  

Ironically, both the Austro-Hungarian and the Ottoman Empires facilitated these homogenization policies by compromising with the movements for national independence (Djuvara 2012). In the case of the Romanian language, the Ottoman Empire, which was occupying the Balkans in the 19th century, allowed the Ministry of Culture in Bucharest to coordinate Romanian language school instruction throughout the entire region. Similarly, the Austro-Hungarian Empire allowed Transylvanian politicians to address the empire’s parliament in Romanian.

Romanian liberalism today downplays the nationalist element, although it recognizes its historical role, and one of the main liberal parties is still called the National Liberal Party. The pro-European drive remains a salient feature of liberalism in Romania. In institutional terms this manifests in strong support for the European Union and NATO, which of course pose their own threats to classical liberal arrangements. In ideological terms, liberalism in Romania remains a center-right movement and tends toward free markets, anti-corruption, decentralization, and rule of law. It has a strong intellectual affinity to the center-right in the United States, even more so than to Western Europe; for example, the National Liberal Party often adopts culturally conservative stances, although other liberal parties, like the Save Romania Union, tend to be socially progressive.

In what follows, the article is structured according to the four main historical periods, delimited by the Treaty of Adrianopole in 1829, each of the two World Wars, and the fall of the communist regime in 1989. The four historical periods may be briefly described as follows:

1. A century of institutional reformation (1829–1918). At the beginning of the 19th century, Wallachian and Moldovan elites were shocked to discover the material and cultural gap between themselves and Western Europe. Their solution was to adopt

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3. Italian is a prominent exception. To this day, the Italian language is less homogenized than most European languages, partly because the Italian national state formed later.
as fast as possible institutions similar to those in the more developed part of the continent. According to them, the main obstacle to this was the strong dominance of the Ottoman Empire. Their political strategy involved taking advantage of the rivalry between European powers—spurring the internationalization of the ‘Danube problem’ and carefully choosing allies to protect any progress, and gradually moving toward independence from the Ottoman Empire. The last vestiges of medieval institutions such as serfdom and even slavery were formally abolished during this period and replaced by French (Swiss) Civil and Criminal codes, one of the most liberal constitutions at that time, and significant but uneven advances in most economic and social aspects. The major intellectual debates concerned the speed (but never the direction) of change, the difficult situation of the peasantry, political rights such as conditions of citizenship and moving from censitary to universal suffrage, and a gradual adoption of protectionist restrictions against entry of foreign capital, goods and people. Most institutional reforms during the 1829–1918 period were in broadly classical-liberal directions.

2. Interwar period: freedom losing ground (1919–1945). In this period Transylvania becomes part of Romania. We take the opportunity to provide a brief history of Transylvania, before resuming the story from 1919. After WWI, Romania doubled its geographic size and, against all odds, united all provinces, hence creating the modern Romanian national state. However, the human and material losses during the war, inefficient economic policies, and a worsening international environment made further economic and social improvements extremely difficult. Contrary to a widely believed myth or nostalgia, Romania was not only one of the least developed countries in Europe at the time, but the gap to Western Europe increased (Murgescu 2010). Romania succumbed to political instability, violence, royal authoritarianism, anti-Semitism, and military dictatorship. Romania entered WWII allied with Nazi Germany, and switched sides in 1944 as the victory of the Soviet Red Army became imminent.

3. Communism: social and economic transformations at any costs (1946–1989). After the Iron Curtain fell in the aftermath of the WWII, the Soviet-dominated Romania was attached to the Eastern Bloc. The new regime falsified elections and instituted a system of widespread political terror. The communist regime also instituted a system of forced industrialization. Armed resistance against the regime was defeated, and the collectivization of all farmland was completed by the mid-1960s. Worker uprisings in 1977 and 1987 lacked a strong ideological element and were appeased. Along the positive developments we can mention a decline in child mortality, a large expansion of literacy, and improved women’s rights. While economic growth was slower than in capitalist countries, it ended altogether around 1980. Inspired by a visit to North Korea, Ceausescu instituted a system of autarchy and even stricter political control, done under a smokescreen of ultra-nationalism.
4. After 1990: the road from serfdom. The fall of Ceaușescu in December 1989 came as a surprise. High-ranking communists with a vague record of dissidence were the fastest to organize and capture political power. This led to the erratic transition of the 1990s. Over the first five years, the former communists tried to manage the transition from large-scale failed communist industry by means of hyperinflation and the encouragement of early retirement (Tarko 2020). A center-right government was elected and instituted a ‘shock therapy’ type of reform in 1996–1997 involving large scale privatizations, elimination of all price controls including currency exchange controls, and other economic reforms, which made it impossible to reverse course. In 2000, the Social-Democratic Party, home to the former communists, returned to power, but rather than trying to turn back the market reforms or block Romania’s economic and political reconnection to the Western world, they continued the reforms and facilitated the constitutional changes required for entry to the European Union, such as independent judges. Over the past two decades Romania has been one of the fastest growing economies in Europe, but large geographical inequalities persist. Most of Romania still experiences some of the lowest incomes in Europe, while cities like the capital Bucharest have already converged to Western European standards of living.

The birth of modern Romania: A century of institutional reformation (1829–1918)

Serfdom was abolished de jure in 1746 in Wallachia, in 1749 in Moldova, and in 1785 in Transylvania, but it remained de facto in place, and its last vestiges were fully eliminated only by the mid-19th century. In the second half of the 19th century, economic changes in Romania (Wallachia and Moldova) also involved a French Revolution-style confiscation of all the land owned by the Orthodox Church, which was the largest landowner. How was such a move politically possible? The change was accompanied by a government commitment to pay priests wages in perpetuity, essentially turning all Orthodox priests into state employees. The Cuza regime thereby offered individual priests greater financial security than they were experiencing under Church governance and,
hence, made it very difficult for the higher ranking Church authorities to oppose
the nationalization. The Orthodox Church in Wallachia had also opposed the 1848
Revolution and helped the Ottoman authorities defeat it, which later made it easier
for Cuza to confiscate their properties and enact land reform.

Over 1.6 million hectares were initially distributed to more than 400,000 families of freed peasants, but the imposition of a very large land tax quickly led to the consolidation of the land into large properties. The switch from the feudal land ownership to large agro-businesses led to substantial increases in productivity and, by the first half of the 20th century, Romania had become one of the largest European agricultural producers. Furthermore, Romania was the first country to extract oil commercially (two years before the United States) and it was an important oil producer until the mid-20th century when the oil reserves were depleted. Growth rates were about three percent until WWI (see Figure 1 and Table 1).

**Figure 1.** Romania’s real GDP per capita, pre–WWII

![Graph showing Romania’s real GDP per capita, pre–WWII](image)

*Source:* Maddison Project.

**TABLE 1. Average yearly real-income growth rates in Romania**

<table>
<thead>
<tr>
<th>Period</th>
<th>Years</th>
<th>Income (2011 U.S.$)</th>
<th>Growth (yearly average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>pre-WWI</td>
<td>1875–1910</td>
<td>min = 427, max = 784</td>
<td>2.9%</td>
</tr>
<tr>
<td>inter-war</td>
<td>1920–1944</td>
<td>min = 504, max = 746</td>
<td>1.1%</td>
</tr>
<tr>
<td>communism</td>
<td>1950–1990</td>
<td>min = 824, max = 6400</td>
<td>4.8%</td>
</tr>
<tr>
<td>transition</td>
<td>1990–2000</td>
<td>min = 4818, max = 6613</td>
<td>1.3%</td>
</tr>
<tr>
<td>capitalism</td>
<td>2000–2018</td>
<td>min = 7089, max = 20126</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

*Source:* Maddison Project, authors’ calculations. *Note:* Data for the communist period must be interpreted with caution, as GDP is not a very meaningful measure under non-market systems.
The unification of Wallachia and Moldova was far from uneventful as many Moldovan elites resented their loss of influence and power. Prior to unification, the key intellectual centers of Romanian life were in Moldova, in cities like Iasi, still the second largest city in Romania. The success of Alexander Ioan Cuza (1820–1873 and holding political power 1859–1866) as the key Romanian liberal reformer and modernizer is undoubtedly partly due to his ruthlessness as a politician. To consolidate the newly unified state, Cuza co-opted Wallachian elites to undermine the Moldovan elites (although he was originally an 1848 revolutionary in Moldova), and his regime brutally quashed any opposition to unification. To this day Moldova has not regained its former cultural prominence and remains the poorest part of Romania.

Romanian 19th-century liberalization can be seen as an example of revolutionary economic and political change achieved by undermining and displacing old elites by a combination of bribery and violence. Importantly, the intellectual battle for individual liberty was also different in Moldova and Wallachia (and later Romania) compared to Transylvania. Because inter-ethnic problems were smaller, the new Romanian state was perceived less as an enemy and more of a tool to be used to accelerate modernization.

The Romanian constitution of 1866 was closely inspired by the Belgian constitution of 1831, which was one of the most liberal constitutions of the time. It guaranteed freedom of conscience, expression, press and assembly. The censitary (or property-qualified) vote was changed to a universal and equal vote for men in 1919 and extended to women in 1938 (Focșăneanu 1991; Carp et al. 2002).

The drive to modernize Romania and re-orient it toward the West also involved an anti-Orthodox element. Following the fall of Constantinople in 1453, the center of Eastern Christianity moved to Russia. The occupation of Greece by the Ottoman Empire further consolidated the position of the Russian Orthodox Church as the center of Orthodoxy worldwide. The Orthodox Church in the Romanian states has had, and continues to have, a natural connection to the Russian Orthodox Church and, as such, its interests have often been contrary to Westernization. As already mentioned, Cuza’s reforms had a strong anti-clerical flavor. In recent years, the Romanian Orthodox Church has opposed various social liberties, like gay rights, and it has attempted to undermine religious freedom and consolidate a privileged relation between the state and the Orthodox Church. This being said, we shouldn’t exaggerate the pro-Russian bias of the Orthodox Church. For example, in the ongoing war between Ukraine and Russia, the Romanian Orthodox Church has been strongly in favor of Ukraine, which is also a primarily Orthodox country.

For many centuries, all civil law in Moldova and Wallachia was governed by the Orthodox Church. Indeed, most of the information we now have about the
life of regular people up to the 19th century is due to the extensive records kept by the Church about marriages, divorces, and various disputes. Furthermore, unlike Austria and Hungary, which established universities early on, all intellectual life in Moldova and Wallachia had been essentially confined to Orthodox monasteries.

Among the other revolutionary changes enacted by the Cuza regime was the adoption of a new Criminal Code and Civil Code in 1865, based on the Napoleonic code, and the creation of new universities in Iasi (1860) and Bucharest (1864). This code is one of the few institutions to survive almost unchanged even during communism. It was replaced by a new code in 2011, with changes inspired by Swiss, Italian, Dutch, and Quebecois rules, and for the purpose of better ‘harmonization’ with the European Union.

Wallachian elites kicked Cuza out in 1866, when they thought he was amassing too much power and becoming something of a dictator. Another reason was that he was initially elected for a limited term of seven years. In 1866 a German prince, Karl von Hohenzollern, was brought in instead, establishing Romania as a constitutional monarchy. This was a way to establish the country’s legitimacy and facilitate recognition in Europe. Under the name of Carol I, he further westernized Bucharest, erasing most of the leftovers of the cultural influence of the Ottoman Empire. All this was made possible thanks to an almost half century of continuity: Carol I had the longest reign in all Romanian history, from 1866 to 1914.

Some of the most influential early intellectual figures of Romanian national liberalism were from Transylvania. Their models for intellectual life were the European universities and they desired to reorient Romanian culture toward the West, particularly France. One of the most important tenets of the new movement, controversial at the time, was the claim that the Romanian language was a Latin language, and the movement successfully advocated in favor of the switch from the Cyrillic to the Latin alphabet and the integration of Romania into the Francophone universe. Magyar, Szeklers, and Saxon students in theology, philology, and law also played an important part in spreading liberal ideas to Transylvania, bringing ideas like natural rights from Protestant universities in Germany or Holland and from Catholic universities in Austria. Last but not least, private clubs and even casinos also promoted bourgeois values as places where new, fashionable ideas could be spread in informal ways (Turczinski 2000/1985).

Romanian reformists were aware of the lag in development of economic and political freedom and they supported importing ideas and institutions from

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4. The Romanian language is very similar to Italian, but it has a large body of Slavic, Turkish, and Hungarian influences. For example, it makes ample use of the Slavic soft ă, which has no representation in the Latin script but does in Cyrillic.

5. We are grateful to Cristinel Trandafir for this reference.
Western Europe (mostly from France). Jean-Baptiste Say’s *Treatise on Political Economy* was the most influential economic text. Beside him, we can mention Montesquieu, Frédéric Bastiat, and François Guizot, read directly in French by the Romanian educated elite. An important conservative counter-reaction to these changes, led by Titu Maiorescu (politician and literary critic) and Mihai Eminescu (Romania’s most well-known poet), claimed that these changes were mostly ‘forms without substance.’ Among their key targets were the newly formed universities, which, they claimed, lacked competent personnel. However, even these conservatives claimed to be favorable to modernization, but were worried about importing foreign institutions that did not mesh well with traditional Romanian culture.

For historical reasons, Moldova and Wallachia’s foreign trade was, up to 1878, under the control of the Ottoman Empire, with variable degrees of enforcement. Foreign free trade was an objective shared by most of political leaders of the 1848 Revolution, which was present in the Adrianopole (1829) and Paris (1856) Treaties concerning Romanian provinces, but the support for free trade was fading, as opposition to imports and foreign direct investments grew along with a development of the local industry. A major turning point was the Trade Convention with Austria-Hungary in 1875. This ten-year ‘free-trade’ agreement was defended on classical-liberal economic grounds by some Romanian economists, but the major argument was political: it represented an open challenge to the Ottoman suzerainty, two years before the official proclamation of independence and three years before its formal international recognition. The public perception was that Austria-Hungary took advantage of the agreement and applied it in bad faith. For example, Romanian cattle exports were blocked for sanitary reasons. Romanian historiography was focused more on the losers from the new patterns of specialization and trade and underestimated the benefits. The Convention was not prolonged by Romanian authorities and a ‘trade war’ followed, with significant disturbances in Romania and in Transylvania (part of the Austria-Hungary empire at that time). Following 1880, Romania saw growing economic connections with Prussia, including growing capital investments. This might also explain the growing intellectual interest among the Romanian elites for German culture, and the gradual retreat from Franco-British classical liberal ideas.

The adoption of Western European institutions was the shortcut of choice in the fields of money and banking as well. In Transylvania, along with some ‘free cities,’ the princes used their right of coinage. Transylvania was fully integrated in Hungarian and Austrian monetary systems until 1918.

With the increase of Ottoman dominance, Wallachia and Moldova lost their right of coinage during medieval times. Since then, a wide variety of coins were

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6. The evolution of financial and monetary institutions would require probably at least a full article.
in circulation. In order to reduce transaction costs and to cope with monetary instability, one specific coin was used as unit of account: the “Leeuwen Thaler” (“Lion Taler”), a silver coin from the Netherlands that kept its weight and purity for a long time and circulated in the Romanian provinces from the 16th to 18th centuries. All prices and exchange rates were denominated in this currency, named “leu”—lion in Romanian (Kiricișecu 1982, 201). This practice continued even after the Leeuwen Thaler disappeared from circulation, and the name persisted through centuries. The creation of a national currency and a national bank were aims of the 1848 Revolution. Because of opposition, mostly from the Ottoman and Austrian empires, the national currency was established only in 1867 and the National Bank of Romania in 1880 (Băicoianu 1932, 3–95). The Bank was created as a stock company, with one-third of the capital subscribed by the Romanian state and two-thirds by the public. Its creation was a long-term and collective effort but two individuals deserve a special mention: Ion C. Brătianu, the leader of the National Liberal Party, and Eugen Carada, a person who disliked publicity so much that had to be asked repeatedly by the shareholders to become the director of the bank. However, after he accepted, his commitment lasted a quarter of century (BNR 2013, 8–23; Murgescu 1987, 170–176).

The national monetary and a banking system was modeled after the French system. The monetary system that was instituted was identical to the bimetallist French franc and the system persisted until WWI. However, they were not able to impose the name “romanat” because “leu” was too deeply rooted in economic practice and common language (Zane 1980, 48–51, 231–265, 275). The oldest Romanian bank still in existence was founded in 1864 under the same name as its French model: Casa de Depuneri și Consenmațiuni (Caisse de Dépôts et Consignations).

According to Costin Murgescu (1987), the most active defenders of classical-liberal ideas in the 19th century were Nicolae Sufu, Constantin Alexandru Rosetti, Enrich Winterhalder, Ion Ghica, and Ion C. Brătianu. We must add Ion Strat to this heterogeneous list. Their reform proposals were rather selective as well as variable through time. For example, some, usually landowners interested in free export of agricultural products and import of manufactured consumption and capital goods, actively defended free trade. Others were more interested in individual rights and entrepreneurship without barriers—but not necessarily without government subsidies and protection. For these reasons, Eugen Demetrescu (2005/1935) provides a more restrictive list of Romanian classical

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7. This is a very informative book on economic ideas and policies on Romanian territories, with surprisingly few (explicit) Marxist influences, considering when it was initially published. However, the tone is openly favorable to interventionist and protectionist authors, arguments, and policies.
liberals, which excludes Rosetti and Brătianu but includes A. D. Moruzi.

**Alexandru Dumitru Moruzi** (1815–1878) was the grandson of a Prince of Moldova Alexandru D. Moruzi (also spelled Moruzzi or Mourousi). His family supplied many princes of Moldova and Wallachia. He was, however, actively involved in the 1848 revolution in Moldova. Following the defeat of the movement, he was condemned to exile. The Treaty of Paris in 1856 represented a chance for liberalization in Romanian provinces and he returned and contributed to this process, and to their political union in 1859. As a member of the commission for harmonizing Moldovan and Wallachian legislation he defended the principle of free trade between the two provinces. He published, in French, some of the earliest economic papers and books for the local educated public.

**Nicolae Suțu** (1798–1871) was the son of the last Phanariote prince of Wallachia, and there were two other princes among his ancestors. The Phanariotes were foreign administrators, Greeks originally from the Phanar quarter in Istanbul, brought in by the Ottoman Empire. They were often Western educated merchants. Suțu became Romanian by choice and dedicated his life to modernizing Moldova and, after 1859, Romania. He was the first Romanian economist who promoted the classical liberal ideas of Adam Smith, David Ricardo, and Jean-Baptiste Say—his favorite—to the Romanian public (Murgescu 1987, 182). Suțu also published five editions of the first comprehensive statistical studies of Moldova (*Notions statistiques sur la Moldavie*, 1832, 1840, 1849, 1850, 1852). Furthermore, he had a career of three decades as a civil servant, being member of parliament, minister, and serving in various administrative and judiciary functions. He was arguably the least revolutionary among the aforementioned reformists. He considered that evolution, even stimulated by ‘imported’ institutions, is preferable to radical changes. He was a member of the commission that elaborated the Organic Regulation, a quasi-constitution of Western influence, imposed by the Russian Empire on Moldova and Wallachia between 1831 and 1854. He also worked on the committee tasked to harmonize Wallachian and Moldavian laws and regulations between 1859 and 1862.
After a brief military career, Constantin Alexandru Rosetti (1816–1885) oscillated between high-rank civil service and revolutionary activities. He organized several conspiracies against the prince or government he had previously supported; each time he saw them as abandoning ideals of freedom and democracy. As a journalist and entrepreneur, he used his publishing house and journal to promote his ideas. He even initiated a tax strike, with financial consequences for himself. In his private journal, he appears more concerned with political freedoms and action (Rosetti 1974/1902). He defended the idea of redistribution of land towards former serfs, but not by force and not without compensation. According to Murgescu (1987, 160, our translation), “Rosseti’s ideological platform, promoted by his newspaper The Romanian, has always been the promotion of freedom and property. The freedom of citizens all the way to anarchy, freedom of the press as far as instigating popular revolt, respect for property, including that of boyars.”

Austrian by birth, Enrich Winterhalder (1808–1899) joined the Wallachian army in 1829 but abandoned it for a cultural career four years later. He associated with Rosetti to promote classical-liberal ideas to the public through a publishing house and journal (Slăvescu 2002). According to Murgescu (1987, 169, our translation), “Winterhalder’s solutions are the same as those of all the other laissez-faire liberals from that time, but maybe no one expressed them with more clarity and precision, and no one fought protectionists with more style and elegance.”

George Barițiu (1818–1893) was the Transylvanian equivalent of C. A. Rosetti. A journalist who founded at least five publications, he defended all his life the freedom of the press in times of censorship—and defended himself, successfully, in three trials. Barițiu was also an entrepreneur who founded a printing press and a paper factory. Barițiu was ideologically involved in revolutionary activities in 1848–1849. He agreed with the liberal ideals of the Hungarian revolutionaries and promoted the cooperation of Romanians with them until he realized that the former did not share his ideal of universal equal rights, even for ethnic minorities. He progressively abandoned his early pacifism to the
point of recommending his co-nationals join the regular army or learn how to use weapons for self-defense. In all his writings, Barițiu made a clear distinction between Hungarian people and their leaders, always warning against the dangers of xenophobia, as well as between the church and the state. His tone was openly anti-clerical, contesting the claims of the Orthodox and Greek-Catholic churches to be spiritual and political leaders of Romanians in Transylvania.

In the first part of Barițiu’s career, he was a partisan of free trade, but around 1876 he became a defender of protectionist policies. The economic themes of the publications he managed included practical advice on personal finance and business management and advocacy of economic policies, typically in favor of industry, commerce, banking, and the adoption of modern technologies, especially the railways, as early as the 1840s (Barițiu 1847). His intellectual activities including contributions to history and linguistics ensured him a place among the founders of the Romanian Academy, and later one as its president. His political positions made him one of the most respected members of his community, which he represented in local and Imperial parliaments and as the president of the Romanian National Party.

Ion Ghica (1816–1897) had a complicated life that we cannot possibly hope to do justice here. He was a participant in the 1848 Revolution in Wallachia, which was defeated by the Ottoman Empire. Later he was a governor of Samos Island on behalf of the same empire, which rewarded him with the title of Prince (Bey) for defeating the pirates in the region. He was prime minister five times, member of Parliament, diplomatic envoy under all political regimes, a respected writer and member of the Romanian Academy, etc. He was also—in both his writings and, with a few exceptions, in his political actions—one of the strongest supporters of classical liberal ideas: respect of property rights, abolition of slavery and serfdom, free competition, and free trade (Ghica 2017). He freed serfs and slaves inherited from his father. In 1841, after four years as a student in France, he returned to Moldova and promoted the idea of a custom union between Moldova and Wallachia as an economic step preceding a political union. His 1843 lecture On the Importance of Political Economy at Academia Mihăileană in Iasi, Moldova, is considered the beginning of official economics teaching in Romanian principalities.
After his graduation with a Ph.D. from the University of Berlin, Ion Strat (1836–1879) was appointed as the first professor of political economy at Iasi University. He authored a *Complete Treatise of Political Economy*, heavily inspired by the work of Jean-Baptiste Say and Frédéric Bastiat (Strat 1870). He maintained his views as minister of finance and diplomat, and he negotiated and defended the unpopular quasi-free trade agreement with Austria-Hungary between 1875 and 1886.

While 19th-century Romanian liberals were enthusiastic supporters of importing foreign ideas, they were less willing to accept foreign competition in the economic field. With few exceptions, liberals and conservatives were progressively seduced by the arguments developed by Friedrich List, opposing free trade and the competition of foreign investors. This trend was already dominant in 1875, when the National Liberal Party was created. Since its founding president, Ion C. Brătianu, the party supported a mix of protectionist policies, which expanded during the interwar period.

### The interwar period: Freedom losing ground in Greater Romania

Despite being ruled by a family of German origins, Romania remained neutral at the beginning of WWI and had no qualms in joining a war against Germany in August 1916 as an opportunity to expand into Transylvania. Historically, Transylvania had always had a large ethnic Romanian population, mostly peasant serfs, while the ruling aristocracy was primarily Hungarian. Using the rationale of the nation-state, a case could thus be made that Transylvania should be unified with Romania. This was achieved under the reign from 1914 to 1927 of the new king, Ferdinand I, following the defeat of Hungary in WWI. Initially, Romania’s attempt to conquer Transylvania badly backfired. When Russia retreated from the war as a result of the Bolshevik Revolution, Romania ended up almost entirely occupied by the Central Powers forces. When, in turn, the Central Powers were defeated from the west, the Trianon Treaty forced Hungary to accept the loss of Transylvania. The Russian Revolution also led to part of what is now the Republic of Moldova taking the opportunity to join Romania. This move was short
lived, as the USSR soon took the land back, as a consequence of the Hitler-Stalin Pact of 1939. Recapturing this land was a key rationale for Romania allying with Nazi Germany in 1940.

The situation of Romanians in Transylvania had long been difficult. The Unio Trium Natiorum pact of 1438 was an agreement between the three privileged ‘nations’ of Transylvania, which represented also the estates of Transylvania: aristocracy (mostly Hungarians), the bourgeois of the free cities (Saxons, i.e., Germans), and free people with military obligations (mostly Szeklers settled in the eastern regions). It was signed under the name of Fraterna Unia, after the defeat of an insurrection of serfs. According to this document, Romanians were a “tolerated nation” and they were maintained officially under this statute until Emperor Joseph II abolished serfdom in 1781.

In 1568, the Edict of Torda granted freedom for some religions in Transylvania, three decades before the Edict of Nantes did the same for France and eight decades before the Peace of Westphalia achieved it at the European level. The striking exception was the Orthodox Church, the confession adopted by most Romanians. In search of religious and civil emancipation, the Metropolitan of Orthodox Church entered into full communion with the See of Rome in 1698. This resulted in the emergence of the Greek-Catholic confession in Transylvania. Habsburg Emperor Leopold I granted this confession the same status as the other four privileged religions. His obvious intention was to counter the Protestant confession by attracting Romanians to Catholicism. Some Romanians accepted the “Act of Union” but others remained Orthodox.

The 1848 Revolution in Transylvania started with a solid classical-liberal program, like in the other provinces of the Habsburg Empire, but was undermined by inter-ethnic conflicts. Each ethnic group fought for its own political and economic freedoms, but which would not necessarily be extended to all communities. The result was a ferocious civil war between Hungarians, who

8. See point 3 of the Secret Supplementary Protocols of the Molotov-Ribbentrop Non-Aggression Pact, 1939, archived at the Wilson Center (link).
9. The Republic of Moldova has the same name as a region of Romania. From medieval times (fourteenth century) the two places were one state, until 1812 when Russia occupied half of it. The language of the Republic of Moldova is a slightly older form of Romanian with regional particularities. Today, for all the regions of Romania, there are regional particularities but the language is easily understood across all speakers. During the communist regime, USSR rulers put in place an iron curtain between Romania and Soviet Socialist Republic of Moldova as part of an explicit policy of cutting cultural and physical ties between them. For decades, the official USSR policy was that Moldovans are a different nation than Romanians and spoke a different language. This idea continued to be promoted by the nostalgia of the USSR and by the Russian state. The official position of the Academy of Sciences of Republic of Moldova is that the Moldavian language is identical with the Romanian language. Romania was the first state to recognize the Republic of Moldova after it proclaimed its independence from the USSR. These two so-called ‘sister countries’ have no territorial claims on each other.
wanted Transylvania to be included in Hungary, and Romanians, who wanted autonomy and equal rights. The reciprocal concessions of their leaders Lajos Kossuth and Avram Iancu came too late to prevent the Habsburg Empire from taking back control of the province in 1849. Habsburg’s policy changed after their military defeats from France in 1859 and Prussia in 1866. At first, Romanians obtained formally equal rights and political representation in a quasi-autonomous Transylvania, but only until 1867, when the province was integrated in Hungary, along with Croatia and Slovakia.

Over the next several decades various liberal moderates proposed Switzerland as a model for solving nationalistic conflicts. Wesselényi Miklós (1843), a Hungarian born in Transylvania, was among the first to propose the federalization of the empire. Moreover, he defended the idea of equal rights for all citizens and minorities and he even liberated his serfs and gave them property rights on land (Benedek 2018). Similarly, George Barițiu in 1846 argued for a Transylvanian federation of four nations with equal rights. These were early examples of what is now called “panarchy” (Tucker and de Bellis 2016), i.e., of multiple governments overlapping on the same territory, analogous to how different churches operate. Aurel Popovici (1906), a Romanian from Banat, a region to the southwest of Transylvania, managed to reach the heir of the imperial throne with a similar proposal for a “United States of Greater Austria,” but Archduke Franz Ferdinand was soon killed and WWI started. Some have speculated that the Archduke might have moved the Habsburg Empire in such a liberal direction. Oszkár Jászi (1924), a Hungarian Jew born in Transylvania who became Hungary’s Minister of Nationalities during the liberal Károlyi government, proposed a Danube Confederation with ethnic autonomy for all nationalities (Bene 2012). But this was in 1919, a couple of decades too late or many more too early, and soon before the takeover by Béla Kun’s communist government.

Obviously, not everyone shared such ideals. Soon after the Second Balkan War ended in 1913, in which the rest of the Balkans gained independence from the Ottoman Empire, Romania’s King Carol I decided to conquer a small part of Bulgaria under the pretext of the ethnically Romanian population present there. This led to the abolition of all Romanian language schools throughout the Balkans, which had previously thrived under Ottoman rule. To the present day, minority rights in the Balkans, particularly in Greece, remain severely curtailed, partly as a result of the pervasive ill will created by such expansionist moves in the name of nationalism, and of the long history of inter-ethnic conflicts. Romanian minorities throughout the Balkans have been greatly reduced in numbers and continue to lack access to Romanian language schools.

Romania doubled in geographic size from 1914 to 1920 and the interwar period saw the country become a regional power, both economically and politically.
Bulgaria was not the only country that got invaded. Following the creation of the first communist regime in Hungary in 1919 and after four months of ‘Red Terror,’ Romania successfully invaded and occupied Hungary, deposing the communist leader Béla Kun. In coordination with Lenin and Trotsky, Kun previously tried to re-occupy Transylvania. Red Army advances from the North were stopped by Ukrainian forces and Romanian army pushed back Hungarian troops in the West. Romanian authorities installed into power Admiral Miklós Horthy, elected regent of Hungary by the Hungarian Parliament. Ironically, he immediately started a nationalist and revisionist policy, becoming a fascist dictator and a close ally of National-Socialist Germany, which helped him to reoccupy in 1940 the northern part of Transylvania. Retrospectively, the episode could be interpreted as an early example of the Cold War logic in which an anti-communist power, here Romania, supported and installed an anti-communist dictatorship in an effort to stem the advance of communism.

The formation of the unified Greater Romania naturally led to a debate concerning the degree of autonomy for the three historical provinces. This debate was won by National Liberal Party which favored centralization, following the idea that the state should be used as a tool for modernization. Despite its name, the National Liberal Party was mostly a mercantilist/corporatist party rather than a classically liberal party. It favored not only centralization but also protectionism. The other political force (the National Peasants’ Party, considered to be center-left) was more favorable to free trade but took power during the Great Depression. The most respected and renowned Romanian economists, Virgil Madgearu and Mihail Manoilescu, were close to this party and they tended to favor free markets, but they also ended up developing arguments in favor of protectionism and state intervention in the economy.

The weak position of classical liberalism in the interwar period is illustrated by two other major intellectuals: Eugen Lovinescu and Ștefan Zeletin. If we extend the list to include less famous classical liberal authors it will still be rather short. One of those intellectuals was Dumitru Drăghicescu, a national-liberal sociologist and a strong critic, alongside Lovinescu, of the ‘forms without substance’ conservative position.

Emanuel Neuman (1911–1995) was another classical liberal of the interwar period, with a rather limited impact on the public debate in Romania. However, his 1937 Ph.D. thesis in constitutional law, *The Limits of State Power*, represents a coherent argumentation for limited government. He was the mentor of Nicolae Steinhardt, a future opponent of fascist and communist dictatorships.

defends the principles of classical liberalism.\textsuperscript{10} In a work co-authored with Emanuel Neuman published in French the following year, they conclude that “the Jewish problem cannot exist in a normal economic regime,” but only in one dominated by the tyranny of the state (Steinhardt and Neuman 1937; see also Bădiliţă 2002). Steinhardt was later deemed an ‘enemy of the people’ during communism and was imprisoned from 1960 to 1964 after refusing to bear witness against his friend Constantin Noica. He was baptised as Christian Orthodox in prison in 1960 and became a monk after 1980. He continued to write after his release from prison in 1964. His most well-known work is *The Diary of Happiness*, a journal about how to preserve one’s personal strength in the face of extraordinary oppression, and it is regarded as a major anti-communist work. The communist authorities confiscated the first version of the book in 1972 and the second version in 1983. (We give more details about Steinhardt below.)

Eugen Lovinescu (1881–1943) was a writer and literary critic. In his *History of Modern Romanian Civilization* and *History of Contemporary Romanian Literature*, he argued in favor of the “synchronism” of Romanian culture with Western culture. He was a strong critic of the dominant conservative view in intellectual circles at that time and argued instead that liberal ideas and institutions should not be considered foreign imports unlikely to fit local culture, but rather the normal methods for catching up with more advanced countries. In this approach, he was against extreme right-wing traditionalists and, implicitly, against the communist visions on this topic. He died in 1943, hence escaping communist persecution. However, his library was burned, his wife arrested, and his house confiscated and given to the General Attorney, who used it for decades. The house was returned to the family only in 2001.

\textsuperscript{10} We are indebted to Vladimir Topan for comments and references concerning the work of both Neuman and Steinhardt. His working paper (Topan 2014) is a useful overview of Neuman, who is unjustly neglected, and it includes a list of Neuman’s publications.
Ștefan Zeletin (1882–1934) was a philosopher, sociologist and economist. Although he was not a member of the National Liberal Party (but of a competing party), he is often considered one of the main national-liberal thinkers of the interwar period. He argued that capitalist institutions had a natural, even deterministic evolution in Romania, especially after the Adrianopole Treaty of 1829. He argued that the “foreign bourgeoisie” began the process of capital accumulation, followed by the development of a “national bourgeoisie” which in his view was meant to assimilate the foreign one (Zeletin 1925). While admitting its limits and failures, he considered the bourgeoisie to be the only progressive class and as such it had the right or even the obligation to organize the rules of the game in its own favor. In his view this justified the nationalization of the oil and mineral rights, the protection of the national bourgeoisie against foreign capital, and the forms of state interventionism dubbed neoliberalism (Zeletin 1927). However, he conceded that at that time the need for capital could not be fulfilled exclusively by the “national bourgeoisie.”

In the inter-war period, economic crisis, poverty and corruption scandals fueled extremist political parties. The Communist Party of Romania remained marginal, with only a couple hundred members, and was outlawed in 1924 because of its ties to the USSR. The Iron Guard was more successful, presenting itself as a new, young, pure political force, with a platform combining ultranationalism, Christian-orthodox fundamentalism, and antisemitism. All the political agitation came to an end in 1938 when King Carol II created a new single party: the Front of National Rebirth. Royal dictatorship ended when the king was deposed in 1940, just to be followed by a military dictatorship between 1940 and 1944. King Carol II’s formal successor was his 19-year-old son Michael I, but he had no formal role or real power. However, on August, 23, 1944, as commander in chief, he arrested the head of the government Marshall Antonescu, ordered the Romanian army to cease fire against the USSR, and asked the German Army to leave the country.

Romania was one of the last countries in central and eastern Europe to adopt full-blown fascism. But once fascism came to power in Romania, it was among the most brutal regimes in Europe. Between 1937 and 1944 the Romanian government killed between 280,000 and 380,000 Jews and about 11,000 Roma. According to

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11. The Iron Guard was founded as the Archangel Michael Legion and, because it was outlawed, changed its name first to Everything for the Country and later to the Iron Guard.
R. J. Rummel (1997, Table 1.3), Romanian fascism was the 12th deadliest regime in the 20th century in per capita terms—more lethal than North Korea, and more lethal than the Romanian communist regime that followed it. The fascist regime killed almost half a million people in total out of a population of 16 million.

Romanian fascism also differed from the other European fascist movements in that it was an explicitly theocratic movement. We can see Romanian fascism as a reaction both to capitalism and to the anti-clerical nature of the Cuza-style liberal revolution, and as an attempt to bring back the influence of the Orthodox Church, including erasing the separation between church and state. Some of the key and most influential intellectual figures of Romanian fascism, like Nae Ionescu, argued that one cannot be ethnically Romanian without also being Orthodox.

By 1920 the political success of Romanian nationalism was beyond all expectations but, economically, the gains were captured only by a small elite. Most of the population remained near subsistence level at about $2 per day (see Figure 1). The inter-war period also saw meager growth after the recovery from the WWI destruction, partly due to the Great Depression (Figure 1 and Table 1). The National Liberal Party had always been only halfheartedly pro-liberty, generally supporting protectionism and crony capitalism, and its adhesion to democracy was also not particularly reliable. This was a fertile ground for the growth of a traditionalist, pro-rural, and anti-liberal movement. The main competition for the National Liberal Party was the National Peasants’ Party, but both parties were eventually sidelined by the fascist movement, partly thanks to the machinations of the increasingly authoritarian King Carol II. Many of the most prominent intellectuals also joined the fascist movement, while the few classical liberals had little impact on policy.

As in other cultures, Romanian literature is not particularly free-market oriented or pro-capitalism. In a preliminary search, we identified only two minor works that could fit without reserves in this category (Nechita 2018). However, more authors and some of their publications could be considered as favourable to individual rights and to economic development or at least not openly hostile to them.

How did Romanian intellectuals react to totalitarian ideas and dictatorships? Many failed, being seduced by the nationalist, xenophobic message of the Iron Guard. Some of the most prominent Romanian expats, like Emil Cioran and Mircea Eliade, had been fully on board with the fascist movement. Cioran later regretted his choices and when his works were reprinted in Romania after 1990 he removed the most blatantly antisemitic passages. Eliade, by contrast, never backed down and even in his journals published in the 1980s he expressed pride in having written a fawning biography of Portuguese dictator António de Oliveira Salazar. According to Eliade’s later assessment, fascism or communism were widely
perceived as the only choices available in the inter-war period, as the Great Depression had shown the failure of liberal capitalism. On the other side of the political spectrum, Tristan Tzara continued his support for the Stalinist USSR even after the invasion of Hungary, which was a watershed moment for most other socialists in the surrealist movement. The most prominent Romanian expats who were never either communist or fascist were Eugen Ionesco and Constantin Brancusi. Ionesco caused a huge stir before leaving Romania with a book of literary criticism titled No, published in 1934, in which he ridiculed virtually all the main figures of Romanian culture, including many of his contemporaries.

**Communism: Political, social and economic transformation at any costs**

When communists took power, following the defeat of Romania by the Soviet Union in WWII, the United States recognized only Iuliu Maniu, the leader of the National Peasants’ Party, as a principled defender of democracy. Communist authorities imprisoned and killed almost the entire Romanian intellectual class, with the notable exception of the few who escaped to Western Europe or the United States. Some of these exiled intellectuals exerted some influence once Radio Free Europe was established and later after the fall of communism. For example, Ion Rațiu, the first leader of the post-1990 Christian Democrat National Peasants’ Party, and Radu Cămpeanu, the first leader of the post-1990 National Liberal Party, were both among the returned exiles (Cămpeanu had also been leader of the National Liberal student organization in the inter-war period). The Communist Party, backed by the Red Army, forced King Michael to abdicate at the end of 1947. The People’s Republic of Romania was proclaimed next year, followed by nationalization of industry, the financial sector, and of commerce in general. Agriculture collectivization started in 1949 but was not finished until 1962 because of peasants’ staunch opposition. Following land reforms by Cuza (1864), Ferdinand (1921), and Michael (1946), farmers had developed a very strong affective attachment to the idea of private property, a subject for several classic Romanian novels from early 20th century and which took decades of communism to destroy.

12. The initial name of their organization was the Communist Party in Romania—and it was a source of jokes—“in Romania,” but not Romanian—because of the Party’s total subordination to USSR. Indeed, since its foundation in 1921, it was a Cominform subsidiary. It was renamed to Romanian Workers’ Party in 1948, after the absorption of the Romanian Social-Democrat Party. In 1965, after the change in leadership, it adopted the name Romanian Communist Party.
Tens of autonomous groups with various political affiliations, along with former military personnel, organized and carried on an armed resistance, ‘waiting for the Americans.’ The regime was not able to eliminate most of them until 1958. Some individual members managed to hide until the 1970s. After the failure of the Hungarian uprising in 1956, it became obvious that internal anti-communist resistance was on its own. This was confirmed again in 1968 when the free world had no significant reaction when Czechoslovakia’s liberalization attempts were brutally stopped by the Soviet invasion.

The magnitude and the violence of the communist repression in Romania was so wide and effective that the USSR decided to withdraw the Red Army from Romania in 1958. In its most brutal and obvious forms, the repression consisted in killing the members of the anti-communist resistance, executions with or without ‘trials,’ and life or decades-long sentences to forced labor in extermination camps for any opposition or non-cooperative attitude. Conservative estimates covering the period 1948–1989 are that 150,000 to 200,000 were killed. Further, an estimated 30,000 peasants were killed because they resisted collectivization. Estimates of the total population with political condemnations—prison, deportations, and forced domicile—are between 1.5 million and 3 million. A specific category is represented by the expropriations (of farms, land, animals, equipment) without compensation and deportations of the chiaburi (a Romanian equivalent of kulak, any farmer with more than 5 hectares of land) and moșieri (rich landlords, already expropriated in 1945 for all land held above 50 hectares). In just one night, June 18, 1951, 45,000 persons were dispossessed from their properties with only the belongings they could take with themselves and were made to disembark 600 kilometers away, in the middle of empty fields, where they had to build shelters basically with their bare hands (Tismăneanu 2007, 157–160, 197–224).

In 1964, feeling strong enough and looking for internal and external respectability, communist leadership under Gheorghe Gheorghiu-Dej changed strategy. The leadership proclaimed a general amnesty for political crimes, started a more and more nationalistic discourse and liberalized slightly some political, social and economic aspects of common people’s lives. Nicolae Ceaușescu captured all the benefits of the new trend when he took power in 1965. He attained the pinnacle of his popularity in August 1968, when he publicly condemned and refused to take part in the invasion of Czechoslovakia by Warsaw Pact troops.

**Economic, health, and educational developments**

As mentioned, communism nationalized all land, leading to poor agricultural productivity, and created massive misallocations of capital and labor, which in turn led to significant problems during the post-communist transition period (Tarko
Cereal yield stagnated to around 3000 kg/ha from 1975 to 2012 (by comparison, cereal yield in France was about 4000 kg/ha in late 1970s and over 7000 kg/ha in 2010). Modern agriculture came to Romania only after 2010, when productivity doubled to about 6000 kg/ha, while agricultural land actually diminished. Similarly, the communist regime decided to make massive investments in coal production, despite Romania not having quality coal reserves, which led to significant social problems after 1990.

This being said, compared to the inter-war period, the life of the average person improved in many important ways during the communist period, especially in terms of healthcare and education. The real GDP per capita data shows marked improvement (Figure 2, Table 1), although accurately measuring GDP in a communist state is a very dubious matter (Higgs 1992; 1999). Nonetheless, various indicators are consistent with the account of an economy that grew, at least up until the 1980s. For example, infant mortality (deaths under 1 years old) declined from about 1 in 5 births in 1930s, to less than 1 in 20 by 1965, and to about 3 percent in 1988 (Figure 3). In the mid-1960s the communist regime decided to ban abortion, which led to a temporary spike in infant mortality (Figure 3). It fell to about 1 percent by 2010, and to about 0.5 percent today (which is still one of the highest levels in Europe). Primary school enrollment also increased during communism, as did literacy.

**Figure 2.** Romania’s real GDP per capita, post-WWII

![Graph showing Romania’s real GDP per capita, post-WWII](Source: Maddison Project.)
Figure 3. Infant mortality in Romania


Figure 4. Newborns in Romania (and the decline of young motherhood)


Communism also normalized women working. While the slogans of communism are egalitarian, we should not overestimate how this has actually worked in practice. One proxy for women’s independence is the prevalence of older over younger mothers. We see little changes in the structure of motherhood during communism (Figure 4). The number of young mothers (15–24 years old) starts declining only after the fall of communism, accompanied by the rise in the number of mothers between 25 and 34. Only after 2000 do 20–24-year-old mothers become less prevalent than the 25–29 year olds, and the 30–34 year olds more
prevalent than the 15–19 year olds.

The amount of money that people spent on food also improved up until 1980, according to data from the official Romanian statistics, adjusted after 1990 in an attempt to account for communist-era fake data. In 1960, people in rural areas spent about 75 percent of their income on food, a percentage that declined to about 60 percent by 1980. Urban wage earners spent about 55 percent of their income of food in 1960 and only about 45 percent in 1980. This situation deteriorated, however, during the 1980s, and improved again only after 2000, the rough moment when we could say the post-communist transition ended, and Romania entered on a high-growth path.

Ceaușescu’s visit to North Korea in 1971 marked the end and the reversal of the liberalization process. The final destination was the national-communist-autarchic model of the 1980s, which ended in a material poverty so deep that it affected even the privileged of the regime. In 1989, some of the high-ranked communists were able to take advantage of popular discontent and eliminate Ceaușescu.

**Political opposition under Ceaușescu’s regime**

Repression during the second part of communist regime was less open, bloody, and violent. It didn’t need to be as harsh anymore after two decades of terror, physical or economic liquidation of the most resolute opponents, and the systematic destruction of social trust through one of the most extended networks of informants. A significant contribution was the fact that after the 1956 and 1968 moments, everybody finally understood that the ‘free world’ would not risk a nuclear war to liberate Eastern European countries and not even help them to liberate themselves. Despite this, the regime had to deal with a strike of miners in Valea Jiului in 1977, an uprising of other industrial workers in Brașov in 1987, and also with peaceful individual protests, most of them inspired by the Czechoslovak movement Charter 77.

Any organization beyond the direct control of the authorities was a target for the repressive apparatus. This included Sindicatul Liber al Oamenilor Muncii din România (Free Trade Union of Workers from Romania), the first independent trade union created under communist regime. It was founded in 1979, in accordance with communist legislation of that time, by Dr. Ionel Cană. The initiative was announced to Romanians in the only possible way, by a letter to Radio Free Europe. The twenty initial members were joined by over 2,000 brave adherents. Its leaders were arrested almost immediately and sentenced to five years of prison. Because of international pressures, they were liberated one year later and allowed to leave the country (Cană 2015).
In other cases, the consequences were less fortunate. **Gheorghe Ursu** (1926–1985) was a reputed engineer who specialized in anti-seismic protection, and who was also a writer and poet. His life itself could be a novel (Fundăția Gheorghe Ursu 1995). A member of the communist party in his youth, he was excluded very rapidly because of his lack of obedience and his free spirit. He criticized the regime only privately, in his circle of friends and in a thousand-page-long journal. Authorities’ reaction to the earthquake of 1977 pushed his opposition to a higher level. Ceaușescu himself decided to stop any significant reconstruction of the buildings damaged by the earthquake and recommended only minor repair projects. Ursu refused to agree with any of those projects and criticized authorities’ intentions, via a letter read at Radio Free Europe. The Securitate pressed him to denounce his accomplices and to sign self-incriminating confessions. He was eventually arrested in 1985, repeatedly beaten by at least two officers and by an instrumentalized cellmate who had been convicted for violent crimes. He died in the hospital less than a month after his incarceration and interrogation. The fact that there was no Red Army on Romanian territory helped the propaganda to present the regime as a warranty for the country’s independence and any dissident as an agent of a foreign power—any power, from the Anglo-American imperialism, to Soviet ‘limited sovereignty’ doctrine, to Hungarian irredentism.

The dissidence inside the communist party was rather limited and stamped out rapidly. Lucrețiu Pătrâșcanu, a founding member of the Communist Party of Romania, was arrested by his comrades in 1948 and executed in prison six years later because he was not radical enough and too nationalistic. Another founding member and leader of the party, Ștefan Foriș (or Fóris István, in Hungarian, his maternal language) was killed in 1946 with an iron bar by an NKVD agent, the future founder and head of Securitate (Tismăneanu 2007, 43). Ion Gheorghe Maurer, a member of the communist party since 1937, a key factor in Ceaușescu’s accession to power and the prime minister from 1961 to 1974, was only marginalized. This happened because of personal conflicts with the ‘beloved leader,’ not because of any doctrinal issues. He kept all the privileges of the nomenklatura in exchange for a total disconnection with the circles of effective power.

During the mid-1970s the regime was already strong enough to only marginalize, as opposed to execute, dissidents, like Ion Iliescu (the future president), slowly downgraded from head of communist youth to director of a publishing house. It is not clear if his dissidence came before his marginalization or after it. The most spectacular public dissent happened in 1979, in a perfectly staged ‘strong unity’ theatre, at the XII Congress of the Romanian Communist Party. Constantin Pirvuulescu, one of its founding members, criticized Ceaușescu for poor leadership and subordination of the Party and country to his personal
interests. He unsuccessfully called for a vote against the re-election of Ceaușescu, who responded by accusing him of treason. The critic lost all his privileges and spent ten years under house arrest. With five other comrades, he signed an open letter in 1989, condemning again Ceaușescu’s personal dictatorship but without any reformist proposal (A. Șerban 2008).

The dissidence from the Moscow official line started before Ceaușescu’s accession to power and was used by Ceaușescu and the Romanian Communist Party as a way to consolidate power. An important signal of this divergence was the neutrality in the conflict between the USSR and the People's Republic of China. However, the discontent of Romanian authorities concerned economic rather than ideological aspects. One major frustration was related to the war reparations and other resources extracted by the USSR, which reached eventually a level five or six times higher than the amount stipulated after WWII. This rent extraction was achieved by the USSR through the SOVROMs, joint ventures in which the occupant had total control. The only solution to stop this process was to buy out the Soviet participation after 1956 (Banu 2004). However, this discontent was not public at that time. A major turning point was the official reaction to the so-called Valev plan of 1964, which was perceived by Romanian authorities as representing the USSR's intention to limit Romania’s economic development, especially industrialization. The central idea was to institute a supranational central planning body, which was supposed to control over 40 percent of Romania’s territory, along with smaller parts of other COMECON countries in the lower Danube basin. The Romanian Communist Party publicly condemned this initiative at the highest political and economic levels—the Central Committee of the Party and the Institute for Economic Research (Murgescu 1964).

In its early years, the communist regime required total allegiance from all of society, with a special attention to the political, economic, military, and intellectual elite. It imprisoned, persecuted, or censored all those considered hostile, which included but were not limited to writers close to the Iron Guard. In 1990, Revista Memoria (The Memory Review) made a first attempt to identify intellectuals, mostly writers, arrested between 1945 and 1989 (Revista Memoria 1990). Building on this first list and other different sources, Ion Lazu collected 367 names of writers imprisoned by the communist regime (Lazu 2008). After the general amnesty of political prisoners in 1964, the communist regime tried to integrate the survivors in its more and more nationalist propaganda. Therefore, the evaluation of all Romanian writers and their literature as to their compatibility with classical liberal principles requires work beyond the scope of this paper.

However, among writers who passed the ‘anti-totalitarian test,’ we can mention beside Eugen Lovinescu during the inter-war period Nicolae Steinhardt, Vasile Voiculescu, and Paul Goma. A special category includes the generation of
writers who were initially accepted by the communist regime, but later become critics and even opponents, such as Marin Preda, Ana Blandiana, and Mircea Dinescu, to name a few.

Probably one of the most impressive cases is **Nicolae Steinhardt** (1912–1989). His life might make one think of Virgil Gheorghiu’s novel *The Twenty-Fifth Hour* (1949); the book inspired the 1967 movie of the same title starring Anthony Quinn (which we recommend!). Steinhardt was a Romanian Jew, a wounded and decorated WWI hero, a writer and literature critic, with a Ph.D. in law. In 1939, he became editor at *Revista Fundațiilor Regale* (*Royal Foundations Review*), but one year later he is sacked because of the Iron Guard government’s ‘racial purity’ laws. He was re-installed in the same function in 1944 just to be fired again in 1947, this time by the communist regime. After that, he was allowed to take only unqualified jobs until he was arrested in 1959 and forced to make a choice: to testify against Constantin Noica and other writers accused of fascist sympathies or join them in prison. In 1960 he was sentenced to 12 years of forced labor, but he was liberated after four years with the general amnesty of all political prisoners. He spent his life under strict surveillance by the Securitate and joined Rohia Monastery as a monk in 1980. While in prison, Steinhardt converted to Christianity, an experience which would originate his “literary testament,” *Jurnalul Fericirii* (*The Diary of Happiness*). The manuscript was confiscated by the authorities in 1972 and recovered and expanded by the author in 1975. A samizdat copy was eventually read by Monica Lovinescu and Virgil Ierunca at Radio Free Europe during 1988–1989, making it the most popular of his works (Andronescu 2020; Ardeleanu 2009).

**Vasile Voiculescu** (1883–1963) was licensed in medicine, practicing it in a small village and as a military physician during WWI, and he was talented in literature; he published his first volume of poems in 1916 and won the National Prize for Poetry in 1941. He managed to avoid censorship and to publish a volume of poems and essays in 1948, the last one during his life. In one of the stories, “Prefrontal Lobocoagulation” (Voiculescu 1986/1948), the writer uses his medical background and imagines a dystopic world in which all the trouble in life and society is eliminated thanks to the “Perfect Permanent Presidium of Peoples of the Peace.” The total control necessary for such a perfect society required the surgical suppression of the nervous centers of anxiety and instigation to freedom.\(^\text{13}\)

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\(^{13}\) This idea could remind some readers of Kurt Vonnegut’s short story “Harrison Bergeron” (1968).
His attraction to religious, mystical, and fantastic themes made him suspicious to communist authorities. Along with other writers with similar views, he was sentenced to prison from 1958 to 1962.

According to the literary critic Alex Ștefănescu (2020), **Paul Goma** (1935–2020) was the first writer to openly challenge the communist regime. Born in Orhei, Republic of Moldova, which was part of Romania at that time, he was confronted with difficulties very early in his life. In 1941, after the region was annexed by the USSR, his father was deported by the occupiers. His family eventually escaped into Romania, but after 1944, with the Red Army on Romanian soil, they had to hide and forge documents to avoid being deported to the USSR. As a literature student, he publicly read an essay about a disappointed communist who quit the Communist Party in protest against the repression of the 1956 Hungarian uprising. The sanction came immediately: two years of prison, followed by five years of deportation to Bărăgan, a sparsely populated agricultural region in Romania. The ‘Alight’ liberalization of the communist regime allowed him to restart his literature studies. In 1968, when Socialist Romania did not participate in Czechoslovakia’s invasion, he joined the Communist Party. However, in 1971, when he understood that his novel would not be published, he sent the manuscript to Germany and France, where it appeared simultaneously. Protected partially by his international fame, he dared to send and publish abroad another manuscript in 1972. When he announced—via Radio Free Europe—his support for the Czechoslovak movement Charter 77, not even international fame could protect him against the brutal reaction of the communist authorities. They finally decided to provide him and his family a tourist passport to visit France, where he asked for political asylum. His opposition to the communist regime continued until its fall. After 1989, despite an aura of undeniable resistance, Goma failed to capitalize on it in a politically effective way. Gradually, he lost his admirers and friends and, during his last years, he adopted positions that could hardly be considered classical liberal.

Overall, the leaders of the Romanian Communist Party achieved very effective control over the population, combining all of the anti-liberal techniques used by other communist parties from the Eastern Bloc and pushing them to their limits. They killed or imprisoned opponents and deviationists, deported tens of thousands, systematically destroyed social trust by recruiting informants, cut ties with the outside world and especially with Romanian exiles, and enforced a total censorship of mass media and culture. Traveling abroad was increasingly more difficult, even to other Eastern European countries. Members of German and Jewish minorities were allowed to leave the country only after paying a ransom, presented by the regime as a compensation for their state-provided education. The education process, the textbooks, the literature, the music, the movies, all had to be in accordance with the official narrative. The regime was presented as
the legitimate heir of all the previous good leaders of the country, the achiever of Romanians’ “multi-millennial dream” of national unity, sovereignty, independence, and social justice. In the end, the president of the Socialist Republic of Romania had a presidential scepter and was welcomed across the country by comrades dressed as Romanian princes.

One consequence of this very effective information blockade was extremely limited knowledge of classical liberal authors. Smith and Ricardo aside, the names of “bourgeois economists” were absent from high school textbooks and completely unknown to the general public. Adam Smith’s *Wealth of Nations* was translated into Romanian in 1962, but only 1,900 copies were printed. John Maynard Keynes’s *General Theory*, meanwhile, was translated in 1970. But before 1989 there were no translations of the classical liberals Say, Bastiat, Carl Menger, Ludwig von Mises, Milton Friedman, or Friedrich Hayek. Their books were extremely rare and accessible only to some political economy professors and researchers.

Another consequence of the propaganda was the lack of any hope that the communist system would ever end. People just waited for Ceaușescu’s death and hoped that his successor would start a glasnost and perestroika process, something that would bring a ‘Gulyás socialism’ like in Hungary. In the 1980s any Eastern European country looked more prosperous to Romanians. Unlike Poland, Czechoslovakia, or Yugoslavia, Romania had almost no civil society left. Only a few isolated opponents such as Doina Cornea, some former political prisoners under a strict surveillance such as Corneliu Coposu, and dissidents (former high-ranking communists marginalized by Ceaușescu) remained. For classical liberal thought, everything had to start from scratch in 1990.

**The road from serfdom**

Despite the violent end of Ceaușescu’s regime, the transition toward democracy and a market economy was less drastic and significantly slower than in other Eastern European countries. Former Romanian apparatchiks regrouped rapidly around the National Salvation Front and maintained their control over the economy and mass media. Pre-war political parties were re-founded by their surviving members, along with dozens of new ones; eighty political parties participated in the first post-communist elections on May 20, 1990 (Preda 2013). Freedom of expression and freedom to start a business was virtually unlimited. However, the privatization process was hesitant, and price controls and hyperinflation hit a population largely unprepared for the significant efforts required to adapt to new and fluctuating rules.

The first elections were won by the political force formed by the second
echelon of the pre-1990 Communist Party, who wanted the transition to go as slowly as possible. For example, the first democratically elected president, Ion Iliescu, had been a prominent communist who disagreed with Ceausescu about whether North Korea would be a good model for Romania to follow and got sidelined because of it. Reformists finally won the 1996 elections with a very narrow margin. However, internal divisions, incoherent strategies, and corruption resulted in disappointment among the population. Economic growth started in 2000 but it came too late to help the reformers win the elections at the end of the year. This being said, the political environment changed so much that even the heirs of the communist party, rebranded as the Social Democratic Party (SDP), continued privatizations as well as negotiations in 2004 to join NATO and in 2007 the EU. The SDP continued to be the biggest political party, governing in coalition with other political forces in 2001–2004, 2008–2009, 2012–2015, and since 2017, but it has not won presidential elections since 2000. The early painful part of economic transition was followed by a period of steady growth, interrupted for a couple of years by the economic crisis of 2008.

Over the last three decades, Romania has made significant progress both in terms of political and civil liberties and in terms of economic freedom.

**The Timișoara Proclamation**

As a reaction to the obvious success of former communists in retaining political and economic power, the representatives of revolutionaries from Timișoara, led by George Șerban, published a thirteen-point Proclamation on 11 March 1990 to highlight the ideals behind the uprising and to propose some guidelines for the transition.

The authors insisted that the revolt was anti-communist (and not only against Ceaușescu) and involved people from all social categories and ethnic groups (Points 1–4 and 13). As a blueprint for a transition towards a free society, the Proclamation had very clear requirements: free elections and pluralism, “economic and administrative decentralization,” privatizations, free markets, the right to use foreign currencies in all transactions, warnings against inflation risks, and the need to attract foreign capital, including the human capital of Romanian émigrés.

The most controversial Point 8 required a step-back by any former Securitate and Communist Party officials (but not for common members), by an interdiction against their being a candidate for the forthcoming three legislatures.

The ‘new’ authorities regrouped in the National Salvation Front did not underestimate the importance of the document and unleashed a massive propaganda war against it. The authors were accused of separatism (assimilated to high treason), of ‘witch hunting’ against the three million common former
members of the Communist Party, and of the intention to sell the Romanian economy to foreigners and to the rich who had exploited Romanians before the war. The defamation campaign was successful thanks to the control of almost all television news programs but also because of half a century of indoctrination. The so-called ‘lustration,’ led by Șerban, came too late. In this aspect, Point 6 was prescient:

After four decades of exclusively communist education and propaganda, prejudices engendered by this ideology still haunt all Romanians’ consciences. The existence of such prejudices is not the bearer’s guilt. Nevertheless, their manipulation by groups interested in resuscitating communism and bringing it back to power is a counter revolutionary act. … It is of utmost necessity to draw up immediately a short, but correct history of the 1944–50 period, and give it mass circulation. (G. Șerban 1990)

Political and civil rights

Despite the most violent regime change, despite some early inter-ethnic violent fights (March 1990), despite the miners’ six marches on Bucharest (dubbed “Mineriads”), which led to extreme violence (January, February, and March 1990, September 1991, January and February 1999), Romania avoided open civil war. Even more, the civic spirit has gradually come back to life, leading to huge popular manifestations against corruption in January–February 2017 and August 2018.

Since 1992, political power has changed hands four times, with losers of the election recognizing the results. Furthermore, since 2002, unlike the case of Hungary or Poland, no party or coalition has ever been able to have anything more than a marginal victory in Romania. Consequently, the winners never gained enough political power to be able to rewrite the constitutional rules in their favor. Even before the EU required (as an institutional precondition for EU accession) that judges become politically independent, none of the winning parties dared to seriously use the justice system against their opponents, primarily out of fear of repercussions once they would lose elections themselves. In other words, all of the different political forces in Romania have remained sufficiently weak to be forced to keep an eye toward keeping the political structure competitive, so as not to run the risk of being on the side that gets structurally excluded.

Probably the most obvious and undeniable gain since 1992 has been freedom of expression. Of course, as everywhere in the world, it is under a permanent threat, from politicians, other initiators of coercion, or from a taboo-laden public opinion. For better or worse, anything can be published or aired in Romania. Nonetheless, according to Freedom House (link), “although the media environment is relatively free and pluralistic, key outlets remain controlled by businessmen with political
interests, and their coverage is highly distorted by the priorities of the owners.”

Another impressive development is that the rights of ethnic minorities are today generally respected. Each of the 18 officially recognized minorities has a representative in the lower chamber of Parliament. The Hungarian minority does not need this special treatment and is able to have representatives through the regular electoral process. Usually, the Democratic Union of the Magyars of Romania (UDMR) gets 5–8 percent of the votes and 5–10 percent of the MPs. It has been a member of the governing coalition in 1996–2000 and 2004–2012. By contrast, xenophobic and openly anti-Semitic and anti-Hungarian parties of the 1990s no longer have parliamentary representation. They are falling into political irrelevance, in contrast to what is happening in some other European countries.

Romania is in many ways a model of how to solve ethnic problems by political means. As mentioned, inter-ethnic tensions were extremely high in 1990. Furthermore, ethnic Hungarians had virtually no minority rights, i.e., no right to Hungarian schools, no right to speak Hungarian in courts of law, and not even the right to have street signs in Hungarian in towns and villages where they had overwhelming majorities.

How did Romania reach its present situation, where such issues have diminished considerably, and minority rights are now granted, while other more well-established democracies have had separatist or ethnic violence for many more decades—Britain in Northern Ireland, France with the Basque and the Corsicans, and Spain with the Basque and the Catalans?

The answer has to do with Romania’s proportional electoral system, which makes it very rare for a single party to be able to form the government alone. Consequently, UDMR has been able to be a coalition partner to parties across the political spectrum, in return for those parties agreeing to pass various minority rights reforms. Slowly but surely, Romania has thus become more liberal and equitable. The one ethnic group that remains significantly marginalized and discriminated against is the Roma, who are about 3–4 percent of the population. 14

In terms of gender and sexual rights, Romanian society is considered to be rather socially conservative. For example, at the referendum of October 2018, 91.56 percent of the votes cast supported a more restrictive definition of the family to be included in the Constitution, a definition supposed to exclude same-sex marriages. However, the liberal opposition campaigned to boycott the vote so as to invalidate the referendum, and, despite the vote being extended over two days, only 21.10 percent of the electors participated, which invalidated the referendum. In other words, only about 19 percent of the population cared enough about the

14. To give just one anecdote, in 2002, the Romanian authorities lobbied to change Romania’s ISO code from ROM to ROU in order to “avoid confusion” between Romanians and Roma.
traditional definition of marriage to show up at the referendum. Homosexuality was first criminalized in 1937 by the fascist government and penalties were increased during communism. It was legalized in 1996, but same-sex marriages or civil unions remain unrecognized.

Economic freedom

Economic freedom in Romania has increased significantly, according to estimates by Fraser’s Economic Freedom of the World index (Figures 5 and 6) and the World Bank’s Doing Business reports (Figure 7).

Figure 5. Growth of economic freedom in Romania

Notes: Data comes from the Fraser Institute. A higher score for Size of Government means smaller government.

Romania took part in the so-called flat tax revolution. Subverting ideological expectations, the Finance Minister of the Social Democratic Party proposed it in 2003, along with the first Fiscal Code that launched the same year. The idea was abandoned after president Ion Iliescu condemned it publicly, only for it to become one of the main points of electoral platform of the center-right Justice and Truth coalition the next year. The 16 percent flat rate on personal and corporate income has been effective since 2005. It has miraculously survived economic crises, recurrent left-wing criticism, and all imaginable combinations of government...
coalitions. Even more, in 2018, it was reduced to 10 percent by the left-wing coalition led by the Social Democratic Party.

**Figure 6.** Economic freedom rankings of Romania within Europe and Eastern Europe

![Economic freedom rankings](image)

*Source:* Fraser Institute. Authors’ calculation.

**Figure 7.** Romania’s cost of starting a business, as percent of GNI per capita

![Cost of starting a business](image)

Until 2018, a significant part of the current system of employment taxation in Romania was unknown to Romanian employees. As in many other countries, employment contributions are split between employers and employees. Employers are concerned with the total employment cost (gross salary plus employers’ labor contributions). Employees are concerned mostly by their net salary (gross salary minus withheld employees’ contributions and personal income tax). Their pay slip or salary statement does not mention employers’ contributions, which remain hidden to them. Until 2017, they represented 22.75 percent of the gross salary for normal working conditions. Since 2018, employers’ contributions are only 2.25 percent.

This apparently significant change was not an actual tax cut, but a shifting of almost all contributions from employers to employees. At the same time, tax rates were modified in order to make this operation as neutral as possible for employees and employers: net salaries and the total labor cost to the employer remained roughly unchanged (for a brief presentation of the reforms’ details, government motivations and impact assessment, see European Commission 2020). A consequence of the reform—perhaps unintended—is higher fiscal transparency. Romanian employees are now more aware of their fiscal burden.

Another interesting feature of the Romanian tax system is that most small and medium enterprises can choose between the general rule—a corporate income tax on profits (16 percent)—and a specific tax on turnover (1 percent). Since 2023, the option is possible if the turnover is less than 500,000 Euros, and it must be reported to the authorities before the beginning of the fiscal year. The distributed dividends are submitted to a personal income tax of 8 percent and, if their total is superior to 12 minimum wages, a health insurance tax, capped at 10 percent of 12
minimum wages.

In 2003, Romania introduced an unusual policy attempting to help civil society. A key difficulty for civil society organizations in Romania is the lack of private giving to charities and nonprofits. As such, they tend to depend on state or EU grants. In the attempt to improve the situation, Romania allowed individuals to redirect 2 percent (later increased to 3.5 percent) of their taxes to a non-governmental organization of their choice, and 20 percent of firm’s taxes on profit. The hope among the liberal supporters of this policy was to be able to gradually increase the percentage, moving the tax system closer to a system in which civil organizations compete to solve various social issues (and attract financial support from taxpayers). In other words, this policy was conceived as a way of decentralizing funding decisions. One of the biggest beneficiaries has been the Orthodox Church.

To understand the prevalence of such apparently bizarre moves, at odds with purported ideologies, one needs to account for several factors. First, Romanian parties both on the left and on the right are often only nominally or weakly ideological. Corruption can often push politicians in quasi-pro-market directions instead of toward full socialism. For example, opportunities for corruption can favor privatizations. Similarly, attempts to sway voters using policies with false allure before elections are very common, on the left as well as right. Second, financial constraints operate much more strongly in a country that has experienced large inflation (see Figures 5 and 8) and which has relatively few opportunities for low-interest borrowing. As such, parties regardless of political affiliation have found themselves impelled to adopt various austerity measures. Third, austerity measures are easier to implement for left-wing parties that control the unions. Romanian center-right governing coalitions have often faced substantial union protests even when attempting relatively small changes. By contrast, the Social Democratic Party’s control of the unions has enabled it to enact larger policy changes.

In the mid-1990s, Romania started its road to economic freedom among the most repressed Central and Eastern European countries. A quarter of century later, all these countries advanced on this road and the differences between them have shrunk. Some of them broke the curse of path dependence like Estonia, Georgia, and Lithuania, former USSR republics which have now the highest economic freedom in the region. Arguably, Romania has done the same, although in a less spectacular way. The progress was significant, but with hesitations. For example, after rapid improvements, economic freedom, still below the world average, decreased in 1999, oscillating for a couple of years (Figures 5, 6, and 7). It surpassed its previous maximum level only in 2006 and the world average one year later. Romania’s economic freedom is now similar to that of Poland, Bulgaria, Slovakia, and Latvia.
A prominent characteristic of Romanian economic development, which it shares with other Eastern European countries, is extreme geographical inequality (Figure 9). By 2020 Bucharest and its surrounding area had achieved higher GDP per capita than most German cities and higher than any Italian or Spanish region (Eurostat link). For comparison, in 2020 the GDP per capita in Bucharest was €49,200, while in Stuttgart was €47,000, Koln €39,000, Dusseldorf €37,700, Helsinki €43,500, and Lombardia €36,800. Richer regions in Europe include Ile-de-France (€52,700), Oberbayern (€52,500), Noord-Holland (€51,200), Utrecht (€50,100), and Prague (€60,400). And, yet, other regions in Romania remain among the poorest in Europe, e.g., North-East Moldova at €13,600 and even Transylvania at only €20,000. About a third of all taxes in Romania are paid by people in Bucharest despite having less than 10 percent of the entire population.

The aforementioned strange non-ideological nature of reforms notwithstanding, we do not want to imply that ideology plays zero role in Romanian politics. A relatively clear example involves policies related to the welfare state. Figure 10 shows a measure of dependency on government funding. This is calculated by dividing government consumption expenditure to the total final consumption expenditure. We see that the early center-right ‘shock therapy’ reforms indeed involved a decline in dependency. The center-left government that followed the 2000 election continued economic liberalization and it actually accelerated...
deregulation, privatization, and free trade (Figure 5). Nonetheless, it did this while also re-amplifying the dependency of the population on government funding. Dependency declined a bit in the aftermath of the financial crisis, but recently it has ramped up to unprecedented levels despite there being a nominally liberal, center-right government. This corresponds to the public perception that the National Liberal Party is no longer a real liberal party, in that it does not, here, seem to be leaning against the governmentalization of social affairs but rather seems to be leaning toward governmentalization.

**Figure 10.** Romania’s percent of government consumption expenditure out of total final consumption expenditure

![Figure 10](image)

*Source:* World Bank.

Figure 11 maps different parties on a left-right axis. It shows the distribution of parties over time, based on parliamentary elections to the Chamber of Deputies. Because Romania has a (roughly) proportional electoral system, there are usually multiple parties in each category, i.e., with similar political orientation. The figure shows oscillation over time, usually in response to perceived political failures of the parties that had political power. The figure also reinforces the point about the limited importance of the nominal ideologies—as we compare Figure 11 to policies from Figure 5 or, alternatively, to the chronology of various adopted policies discussed earlier.
**Supporters of liberalism**

In the long history told here, the battle of ideas was of crucial importance. Decades of propaganda thorough state-controlled education, ideologically charged literature, carefully supervised entertainment, and so on, left the population vulnerable to manipulations in favor of different forms of collectivism. The ideas of individual freedom and responsibility had yet to be rediscovered, studied, understood, and defended.

**Publishing houses**

At the fall of the communist regime, Romania had virtually no classical liberal literature, neither translated nor smuggled in from abroad. The situation changed rather quickly thanks to some Romanian publishing houses, which financed the translation and the publication of major works in a very hostile economic environment featuring limited and state-controlled supply of paper along with two-to-three digit inflation.
The pioneer was Humanitas (previously Editura Politică, Romanian Communist Party’s publishing house, a symbolic and ironic change), which started collections like Totalitarianism and the East’s Literature, Civil Society, and Memoirs/Journals, dedicated to the lost or unknown works promoting individual freedom. Before the mid-1990s, it brought to Romanian readers authors like Raymond Aron, Isaiah Berlin, François Furet, Friedrich Hayek, John Stuart Mill, Robert Nozick, Mancur Olson, Karl Popper, and Yevgeny Zamyatin. Humanitas has been run by philosopher Gabriel Liiceanu, a major figure in Romanian intellectual life over the past three decades.

All-Beck publishing house, founded in 1991, published such authors as Gary Becker, Milton Friedman, Henry Hazlitt, Albert Hirschman, Israel Kirzner, and Karl Popper.

After the mid-1990s, Nemira publishing house added its own contribution to this effort, especially through the collection Political Society, coordinated by political scientist Cristian Preda. It published works by Raymond Aron, Benjamin Constant, Wilhelm von Humboldt, John Locke, Ludwig von Mises, Karl Popper, Alexis de Tocqueville, and others.

Libertas, a small publishing house founded by Iulian Tănase, took the risky decision to specialize in classical liberal and libertarian authors like Walter Block, Henry Hazlitt, Murray Rothbard, Johan Norberg, Ludwig von Mises, and Ken Schoolland. It is now closed but the books are still here, as well as the ideas.

The publishing house of Alexandru Ioan Cuza University from Iași started a collection called Free Economy and Society. It is the result of work by professors Vasile Șcan and Gabriel Mursa. It currently offers about three dozen books by such authors as Philip Bagus, Frédéric Bastiat, Peter Boettke, Jörg Guido Hülsmann, Jesus Huerta de Soto, Israel Kirzner, Ludwig von Mises, and Pascal Salin.

It is also worth mentioning the translations of Paul Heyne’s Economic Way of Thinking in 1991 (Editura Didactică și Pedagogică) and of its revised edition by Peter Boettke and Prychitko in 2012 (Bizzkit, Junior Achievement Romania).

Major classical liberal works are now available to the public, sometimes even in two alternative translations or editions—for example, Hayek’s Road to Serfdom (two translations at Humanitas) and Mises’s Human Action (Institute Ludwig von Mises Romania and Alexandru Ioan Cuza University).
Romanian organizations and people defending liberal ideas

During the early stages of transition, the priority of civil society was to resist the power grab by former communists regrouped in the National Salvation Front (which later split into two social democratic parties). In this process of the rebirth of civil society, we have to mention Grupul pentru Dialog Social (the Group for Social Dialogue), founded on 31 December 1989 and still active today. On 22 January 1990, it began publishing its weekly magazine *Revista 22* (the communist regime effectively fell on 22 December 1989, hence the name of the magazine). This has been a focal point for intellectuals favorable to democracy, open society, and individual liberty. The first issue published Gabriel Liiceanu's famous “Apel către lichele” (“A Plea to Bastards”), a plea to the former supporters of the communist regime to step back and allow reform (Liiceanu 1992/1989).

About one year later (ironically, on 7 November), a group of intellectuals founded Alianța Civică (Civic Alliance), a similar organization but with a wider membership and audience. Despite their explicit reluctance towards political involvement, they have had a real influence in the transition process, not only through ideas but also via political involvement of some of their members. This organization is credited with the chief role in initiating the coalition that, after a failed attempt in 1992, achieved the first democratic change of power in 1996.

Societatea Academică din România (SAR; Romanian Academic Society) was founded in 1996 as an ambitious reformist alternative to the official Romanian Academy. The official Romanian Academy was under strict ideological control by the communist party; it did not expel any member who collaborated actively with the regime; it acted more like an anti-reformist body. The alternative, SAR, under the leadership of Alina Mungiu-Pippidi, provides information on public-sector activities, the transparency of public information, of political platforms, anti-corruption legislation, taxation simplification including the introduction of the flat tax, and more. SAR was among the most effective organizations in terms of policy changes. A more recent addition to this list of organizations is Expert Forum, a think tank very active in the areas like good governance and transparency in public spending.

Two academic institutions that have had an impact on liberal intellectual development are the Philosophy Department at University of Bucharest, thanks especially to Professor Radu Solcan, and the National School of Political and Administrative Studies, thanks especially to Professor Adrian Miroiu. Solcan promotes classical liberalism, Austrian economics, public choice, and institutional economics. Solcan has also been an important institution builder, with several younger political philosophers including former students following him. They have recently established a Philosophy, Politics and Economics program. Miroiu
promotes institutional economics, both as an influential professor and as the author of a widely used textbook.

All these organizations claim to be non-ideological and apolitical. The same claim of ideological neutrality can be found in the professional associations of economists, among economics professors in universities. However, a statist bias can be identified in the textbooks and handbooks used, most of them drawing heavily on Paul Samuelson and William Nordhaus, for example. There are some more free-market and government-skeptical centers, like the Department of International Relations, Academy of Economic Studies, Bucharest, with professors Costea Munteanu and Cristian Păun, the Rothbard Center of the Romanian-American University, Bucharest, with professor Bogdan Glăvan, Applied Economics and Business Administration at the University of Iași, with professors Vasile Ișan and Gabriel Mursa, and the European Studies Department at Babeș-Bolyai University.  

Among the few organisations and think tanks that openly claim a classical-liberal character are the Mises Institute Romania, CADI, and Solib.

Mises Institute Romania was founded in 2001 as a more wide and formal organization of the private Mises Seminar set up by Cristian Comănescu in the early 1990s. The Institute has published numerous books, online translations of Austrian-school economists, as well as various Romanian authors. It continues its work in private education in economics and other related topics such as philosophy, history, and religion. Its most active members are Vladimir Topan and Tudor Smirna, from the Academy of Economic Studies, Bucharest. The Mises Institute Romania is rather unique among the Romanian liberal and classical liberal organizations in that they are trying to create a blend of libertarianism and Christian Orthodoxy, while the others are secular. This blend is also highly unusual within the context of Romanian Christian Orthodoxy in that the Mises members advocate a radical separation of church and state, while most others who focus on the importance of Christian Orthodoxy want greater collusion between state and church.

15. The last two are using as the main economics textbook the Romanian translation of Heyne, Boettke, and Prychitko. More detail on intellectual affiliations and connections is provided by Aligică and Evans (2009, 55, 66).
One of the most prominent public intellectuals associated with the Mises Institute Romania, but who has achieved much wider recognition, is Horia Patapievici. Since the 1990s, he has published a number of widely read and widely discussed books, advocating economic freedom and freedom more broadly. He is also a strong defender of the Enlightenment and a staunch critic of postmodernism, which has encountered serious opposition in an intellectual climate dominated by continental philosophers and postmodernist poets.

The Center for Institutional Analysis and Development (CADI) was founded in 2006. Its activity consists in publications (books and journal articles), workshops, and conferences. Its September School of Philosophy, Economics and Politics, started in 2010, represents one of the most important gatherings of Romanian classical liberals. Several of its members have connections to Radu Solcan and Adrian Miroiu.

Several of the people involved in CADI had earlier been actively involved in building the coalition of right-wing political parties that achieved victory in 2004 and introduced the flat tax in 2005. Also, they worked on introducing the possibility of redirecting a percentage of income taxes to NGOs. Horia Terpe is the leader of the team that keeps running one of the most important nodes of the Romanian classical liberal network. The organization benefits formally and informally from the intellectual and social capital of emigrated Romanians that are integrated in the U.S. academic world, like Vladimir Tismăneanu and Dragoș Paul Aligică. Some of the high-profile conferences organized by CADI have included speakers like Jose Pinera, which had an important impact on the debate about private pensions in Romania.

Romanian Society for Individual Liberty (Solib) was founded in 2010. One of its main programs is Open Budget, a website which presents intuitively the structure of the government’s income and expenditures. Solib also organizes weekly informal meetings named Freedom Cafe and is a regular partner of seminars and summer schools promoting individual freedom. Its members are defending individual freedom mostly in economic terms but also in its moral and cultural aspects. Their activity is diverse, from entrepreneurs highly active on social media such as Ovidiu Neacșu to private sector professionals who have crossed the political Rubicon such as Claudiu Năsui, MP from the USR political party.
Recovering historical truths

Aside from such organizations, we should also mention a loose group of historians who have played an important role in trying to dismantle the communist-era nationalist propaganda. These historians wrote primarily for the general public, attempting to counter the excesses of the ‘official’ history still being taught in public schools and which still feeds anti-liberal political attitudes.

Especially starting in the 1980s, as a result of the economic stagnation (Figure 2), the communist regime tried to rebuild its political legitimacy by adopting ultranationalist, even xenophobic, aspects from the inter-war national mythology. After the collapse of communism, a large part of the electorate remains sensitive to these themes, and it is a danger not to be underestimated: ethnic conflicts at Târgu Mureș in 1990, the presence of far-right figure Corneliu Vadim Tudor (who also was the poet of the Ceaușescu family!) in the second round of presidential elections in 2000, and the electoral success of another far-right party, Alliance for the Unity of Romanians, in 2020.

Humanitas published in 1992 one of the first history books written during the dictatorship not contaminated by the national-communist ideology: The History of Romanians from Their Origins to the Present Days. Its author, Vlad Georgescu, was a historian and former director of Radio Free Europe’s Romanian Department. He was probably irradiated by the Securitate as a retaliation for his decision to air Red Horizons, the book of the defector Ion Mihai Pacepa.

Lucian Boia (1995; 1997) and Florin Constantiniu (1997) were among the first to offer the general public a critical analysis of the ‘founding myths’ of Romanian history and a historical discourse free of propagandistic exaggerations.

Neagu Djuvara (1999), beside his specialized works, targeted explicitly younger generations, often in attractive and commercially successful ways such as illustrated versions of history books, done in cooperation with Radu Oltean. He later published a dozen illustrated history books which depict various topics neglected by history textbooks, like the contribution of minorities such as Magyars and Germans in Romanian history and military architecture (Oltean 2019; 2021). Djuvara’s centenary life (1916–2018) is a history in itself: he first studied literature and law in France, and later received a second Ph.D. in philosophy of history under the direction of Raymond Aron. He was a war hero wounded near Odessa, an employee of the Minister of External Affairs in the Cipher Department, involved in negotiations with USSR concerning the exit of Romania from the alliance with Germany, a close collaborator with U.S. intelligence who wanted to parachute agents into already communist Romania, a leader of Romanian exiles, and a diplomatic and legal consultant. He returned to Romania in 1991 as Associate Professor at the University of Bucharest.
Last but not least, we should mention Bogdan Murgescu’s in-depth work of economic history *Romania and Europe: The Accumulation of Economic Gaps* (2010). Despite being an academic work, the book was a minor sensation. To many this was the first time they had seen history told with quantitative data, and a history focused primarily on the living standards of the average person rather than on various political and military events.

The importance of such private initiatives can be better understood in contrast with the fate of two high school history textbooks, conceived by their authors (Lucia Copoeru, Ovidiu Pecican, Sorin Mitu, Virgil Țirău, Liviu Țirău) as alternatives to the traditional approach, which still gravitates around the idea that that the creation of a ‘national and unitary state’ was Romanians’ dream as early as 1600, even before the existence of such a concept. The textbooks were initially approved by the Ministry of National Education in 1999, just to be banned for use in Romanian schools by Social-Democrat Minister Ecaterina Andronescu in 2001.

**Romanians abroad**

Vladimir Tismăneanu, a professor of political science at the University of Maryland and formerly at the University of Pennsylvania, is one of the most important analysts and critics of totalitarianism. His personal background explains in part his rejection of totalitarian regimes of any orientation. He is still involved in Romanian intellectual and political life. In 2006, he was appointed president of the Presidential Commission for Analysis of the Communist Dictatorship. The report represents an official condemnation of the communist regime as an “illegitimate and criminal” one.

Aurelian Craiuțu, a professor of political science at Indiana University, has continued to publish in Romanian magazines. Some of his books have also been translated in Romanian. *Faces of Moderation* (2017) is a notable recent example, in which he argues about the importance of avoiding extremism, highlighting the example of intellectuals like Raymond Aron, Isaiah Berlin, Norberto Bobbio, Michael Oakeshott, and Adam Michnik.

The Mercatus Center of George Mason University is a hub for Romanian friends of liberty that are interested in a U.S. academic career. Among them is Dragoș Paul Aligică who, beside his research and teaching abroad, is still active in the battle of ideas in his country of origin. He has also recently become KPMG Professor of Governance at the University of Bucharest, a position designed to build a stronger connection between Western academia and Romanian universities.

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16. Tismăneanu was of Jewish origin and his parents were members of the first circle of power in early stages of the communist dictatorship. Later they became dissidents, critics and opponents of that regime.
thanks to his dual affiliation.

The ‘French connection’ is represented by Bogdan Călinescu, Director at Institut de Recherches en Economiques et Fiscales (Institute of Economic and Fiscal Research) and author of a dozen books under the pen name Nicolas Lecaussin. One book co-edited with Jean-Philippe Deslol, _Anti-Piketty: Vive le capital au XXIe siècle!_, was also translated and published in Romania.

Virgil Nemoianu was one of the voices that contributed to the transition towards a more open and liberal society. He is now a professor of literature and philosophy at the Catholic University of America in Washington, D.C., and seems to regret his interest in Romania’s political life right after the fall of communism. He considers, maybe too modestly, that those 10 years are lost, and gives two reasons: the small impact of his advice and the high opportunity cost, namely a book that will never be written (Nemoianu 2000; 2001). Actually, the interest for his works persists, as suggested by the re-edition of some of his books.

**Foreign friends of freedom**

More than two thousand students, mostly from Eastern Europe, with hundreds from Romania, attended the seminars, summer universities and conferences organized by the Institute for Economic Studies–Europe (IES-Europe).\(^{17}\) For most of them it was their first contact with a structured intellectual presentation and defense of classical liberal ideas. Some of these former students are now involved in the same battle of ideas.

Countless books were donated by these organizations to Romanian libraries and students, many of them were translated or published thanks to their generous donations.

Beyond the financial contributions of these organizations were the moral support, advice, and intellectual edification provided, since 1990, at the personal level by people like Tom Palmer of the Atlas Network and Cato Institute, Jacques and Pierre Garello, Jean-Pierre Centi, and Bertrand Lemennicier of IES-Europe.

Other significant actors include Freedom House, the Konrad Adenauer Foundation, and the Friedrich Naumann Foundation, who have supported projects and think tanks favorable to the core values of a civilized society. For a long time, the Soros Foundation for an Open Society was a major foreign supporter of the nascent civil society in Romania, with efforts generally aligned with classical liberal sensibilities. However, the foundation ceased its operations in Romania in 2017, as George Soros became increasingly opposed to free markets and liberal values.

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\(^{17}\) IES-Europe has previously been IHS-Europe, a subsidiary of the Institute for Human Studies.
The press and mass media

In the short run, books and academic works have a limited impact on public opinion without mass media. In the early 1990s, the newspapers were easy to divide along ideological lines: for or against a fast (or faster) transition toward a market economy through privatizations, price liberalization, restitution of property confiscated by the communist regime, and other reforms.

Beside journals published by reformist political parties—journals which faced extreme difficulties, like access to paper and to distribution channels—one of the most important pro-market voices was at that time România Liberă (Free Romania).\(^{18}\) This journal founded in 1877 became openly anti-communist and pro-market, right after Ceaușescu’s fall, thanks to the new director appointed on 22 December: Petre Mihai Băcanu. He had been a journalist at the same publication until arrested in 1988 for his attempt to print a clandestine newspaper.

In 1992, România Liberă was joined in its fight against the not-so-reformist government by Evenimentul zilei (Event of the Day), a daily newspaper founded by three journalists, Mihai Cârciog, Ion Cristoiu, and Corneliu Nistorescu. The newspaper was a huge market success, with copies sold in unprecedented numbers in the entire history of the Romanian press.

Since 1992, another vector of pro-market ideas and economic education was the weekly newspaper Capital (Ringier Group, until 2010). The first members of the team, including Cornel Rudnițchi, Andreea Roșca, and Ionuț Popescu, were joined later by a young generation of free-market oriented economic journalists including Oana Osman, Valentin Vioreanu, and Ciprian Mailat. It was also open to free-market opinion articles by occasional contributors. Ionuț Popescu was the Minister of Finance when the flat tax was introduced in 2005.

After 2005, Capital had a strong competitor in Săptămâna Financiară (Financial Weekly). Until 2011, it was a member of the Intact Media Group, owned by the family of Dan Voiculescu, a controversial Romanian businessman with documented links to the Securitate. The editorial policy did not prevent the publication of free-market oriented articles by Florin Rusu, Ionuț Bălan, Adrian Moșoiu, and others. Ionuț Bălan also interviewed Tom Palmer, Johan Norberg, Florin Aftalion, and others.

Private TV and radio stations started in 1991 but they had a limited involvement and impact in terms of countering the government-controlled former monopoly. Although they were rather oriented towards entertainment, their

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\(^{18}\) The editorial policies of some publications and the opinions of some journalists mentioned in this paragraph changed over time. Therefore, their characterization as reformists, free-market promoters, or classical liberals should be understood as time-specific.
editorial policy was more balanced. Televised debates had a large impact on elections, allowing center-right parties to win in the mid-1990s as well as later in the mid-2000s.

**Conclusion**

There is a general and overwhelming consensus in Romania, transcending political lines, in favor of ‘Western civilization.’ In institutional terms that means support for the European Union and NATO. The ideas of property rights, the four freedoms (goods, services, capital and, especially, persons), democracy, and freedom of speech are not serious political issues, even if all political parties try to take advantage of some discontents. According to a 2022 INSCOP poll (link), 77 percent of Romanians choose “the West” and only 10.4 percent choose “the East” meaning Russia and China. Support for the United States is also very high. Former President Traian Basescu has actually argued that Eastern Europe is better off allying itself, economically and politically, with the United States than with Western Europe.

This victory in the battle of ideas is not without risks: all the gains in terms of individual freedom and prosperity are now taken for granted. An economic or a political crisis could generate a political realignment that would squeeze the core classical liberal electorate and even split it along the new alignment identified in developed countries, that being national (religious) identity vs. internationalism. Some signs can already be identified in the internal tensions of the National Liberal Party, which became more conservative on social issues, and in the progressive Save Romania Union, which is more liberal on social issues and, for now and for some of its leaders, still strongly attached to a free-market economy.

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About the Authors

Radu Nechita is associate professor at Babeş-Bolyai University, Cluj-Napoca, Romania (Department of European Studies). His interests include development economics, regulation, and monetary and fiscal policy. He is active in public discourse. Since 2003, he has organized the Friedrich Hayek Seminar, a weekly series of interactive workshops. His email address is radunechita@gmail.com.

Vlad Tarko is associate professor of political economy in the Department of Political Economy and Moral Science at University of Arizona. He has published papers in American Political Science Review, Governance, Business & Politics, Kyklos, Public Choice, Journal of Institutional Economics, Review of Austrian Economics, and others. He is co-author of Public Governance and the Classical Liberal Perspective (co-authored with Paul Aligica and Peter Boettke) (Oxford University Press, 2019), author of Elinor Ostrom: An Intellectual Biography (Rowman & Littlefield, 2017), and co-author of Capitalist Alternatives (with Paul Aligica) (Routledge, 2014). His email address is vladtarko@gmail.com.