

## Landmarks in A. C. Cuza’s Economic Thinking

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### Abstract

*Alexandru C. Cuza (Iași, November 8, 1857 – Sibiu, November 3, 1947) was a Romanian politician, a university professor and an anti-Semitic scholar. He was the founder of the Romanian national and Christian doctrine. The purpose of this paper is to analyse Cuza’s main directions of economic thinking and his contribution to shaping a Romanian national economic doctrine.*

**Key words:** anti-Semitism, nationalism, population, political economy, cuzism

**J.E.L. classification:** B31

### 1. Introduction

Known especially for his anti-Semitic ideology and for his political activity, Alexandru Constantin Cuza was born in a family of Moldavian boyars in Iași. His father was ruler Alexandru Ioan Cuza’s cousin. He graduated the boarding school whose headmaster was the German pedagogue Anton Frey and then he continued his studies in Dresden and Paris, where he studied law. He had his PhDs in political and administrative sciences, and later in law. He returned to the country, in Iași, and in 1901 he became a professor of political economy at the Faculty of Law and then Dean of the Faculty. He taught this course for more than 20 years, until 1925. After 1944 he moved to Sibiu and lived there until his death, three years later.

Even though A. C. Cuza carried on the ideas of the Romanian nationalistic economists of the 19<sup>th</sup> century (D. P. Marțian, P. S. Aurelian, B. P. Hașdeu, A. D. Xenopol) who had often had anti-Jews ideas, he is considered to be the greatest representative of the Romanian anti-Semitism. Founder of the of the *National-Christian Defense League* (LANC), Cuza was Corneliu Zelea Codreanu’s mentor. Though initially he supported A. C. Cuza, Zeleanu Codrea created his own movement in 1927, known as the *Legion of Archangel Michael* (the *Legionary Movement* or the *Legion*), and later on, in 1930, its paramilitary branch, the Iron Guard.

A. C. Cuza had a political career spanning for more than half a century, plus an intensive involvement in the social life of those times. He was the founder of the *Romanian League against Alcoholism*, the *Romanian University Society* in Iași, and the *Universal Anti-Semitic League*. He was one of the most prominent and active personalities of his time. He had an encyclopaedic mind and remarkable literary talent, and thus had a rich publishing activity which included even poems and epigrams.

As a professor of political economy, he understood well the significant role and the importance of this science. Analysing the agrarian literature in Romania, Gheorghe Ionescu-Sisești considered A. C. Cuza to be “the country’s greatest economist” (Ionescu-Sisești, 1913, p. 13).

Among A. C. Cuza’s numerous writings, we mention a few: *Generația de la 48 și Era Nouă* (The 1948 Generation and The New Era) (1889); *Meseriașul român* (The Romanian Craftsman) (1890); *Țăranii și clasele dirigente* (The Peasants and the Ruling Classes) (1895); *Monopolul alcoolului* (The Monopoly of Alcohol) (1895); *Lupta împotriva alcoolismului în România* (The Fight Against Alcoholism in Romania) (1897); *Comerț liber sau monopol?* (Free Trade or Monopoly?) (1897); *Despre poporație. Statistica, teoria și politica ei* (On Population. Its Statistics, Theory and Policy) (1897); *Cei doi Spenceri și alte descoperiri ale d-lui N. Basilescu* (The Two Spencers and Other Discoveries of Mr N. Basilescu’s) (1900); *Plagiatul populației. O calomnie “more iudaico”* (Plagiarism on Population. A “more iudaico” Slander) (1911); *Naționalitatea în*

*artă* (Nationality in Art) (1905) *Însemnări de viață și documente omenеști* (Notes about Life and Human Documents) (2011).

## 2. Theoretical background

A. C. Cuza was a controversial political character. He was often ignored or contested from the scientific point of view. The studies on his writings were way too numerous. Among the most relevant ones we can mention the following: Dimitrie Pascu – *A. C. Cuza economist și doctrinar al naționalismului* (A. C. Cuza – Economist and Doctrinarian of Nationalism) (1937); Pamfil Șeicaru *Un junimist antisemit: A. C. Cuza* (An anti-Semitic Representative of Junimea: A. C. Cuza) (1956). Among the more recent papers the most important ones are those written by Gabriel Asandului – *A. C. Cuza. Politică și cultură* (A. C. Cuza. Politics and Culture) (2007) (the same author also wrote a vast and well documented introductory study to the volume titled *A. C. Cuza Alte scrieri* (A. C. Cuza. Other Writings) (2012) and Horia Bozdoghină *Antisemitismul lui A. C. Cuza în politica românească* (A. C. Cuza’s Anti-Semitism in the Romanian Politics) (2012). Two meaningful portrayals of Cuza’s personality belong to Alexandru Topliceanu (*Portrete – Portraits*), (1935) and Petre I. Gheață (*Oameni și fapte – Men and Deeds*) (1938).

Among the papers that challenge the originality of Cuza’s writings and harshly criticize his anti-Semitism, we have to mention *O rușine universitară. Plagiatul domnului A. C. Cuza* (A Disgrace for the University. Mr A. C. Cuza’s Plagiarism) (Emanuel Socor, 1923) and the chapter titled *A. C. Cuza, evreii și lupta împotriva lui Satan* (A. C. Cuza, the Jews and the Fight against Satan) from the book titled *Elita culturală și discursul antisemit interbelic* (The Cultural Elite and the Inter-War anti-Semitic Discourse) (Alexandru Florian, Ana Bărbulescu - 2022).

## 3. Research methodology

Before writing this paper, we have carried out extensive reading of specialized bibliographical resources pertaining to the author in question. We have closely observed how different writers presented and interpreted the essential aspects he dealt with in his writings. Using the method of descriptive research, we have focused our attention on Cuza’s main economic ideas. We confronted them with the economic realities that generated them and compared them to other existing theories, thus finding out what makes them different.

## 4. Findings

### 4.1. The Epistemological Issue: the Definition and the Object of the Economic Science

A. C. Cuza pointed out the importance of studying political economy based on the principle *Non scholae sed vitae discimus* (We do not learn for school only, but also for life). (Cuza, 1929, p. 690), the final aim being to use the acquired knowledge to solve “the issues of the Romanian people’s development” (Cuza, 1930, p. 581). Nevertheless, he was well aware of the fact that it can take centuries to educate a people since education is given within the family and increases with every generation, just like its wealth” (Cuza, 1939, p. 229)

In his 1901 study titled *Obiectul economiei politice* (The Object of Political Economy) (which was actually the introductory part of his political economy course), A. C. Cuza dealt with the definition of political economy and with setting the object of study of this science. Recalling Hugo Eisenhart’s opinion that political economy is “an enigmatic and a sinister science”, Cuza considered the economic science to be “a complex of doctrines of different economic schools” and not “a system of truths that apply to everybody” (Cuza, 1930, p. 624)

The study is divided into five parts and each starts with a significant quote from a renowned author: Charles Gide, Etienne Bonnot de Condillac, Arthur Schopenhauer, Francis Bacon, and Ioan Strat. Given the lack of a precise definition of political economy – which had been pointed out by prestigious authors such as Carl Menger or Leon Walras, Cuza noticed that there were many approaches to formulating its object of study (at least 14 in his opinion), that he enumerated in the second part of his study: wealth (Jean-Baptiste Say); the laws that govern national development and

the economic life of nations (Wilhem Roscher); national economy as a complex of economic phenomena (Adolph Wagner); the power of the peoples' economy, the directions it follows, the laws of action and the conditions for their success (Hans von Mangoldt); the manifestation of the economic principle within the human society (Albert Eberhard, Fridrich Schaffe); the laws that govern the conditioning of the human population through its sustenance means (Karl Umpfenbach); the general laws that determine the human efforts to produce and use goods (Paul-Leroy Beaulieu); the laws of utility applied to social work (Paul Cauwes); the natural laws that govern the phenomena regarding wealth (Edmond Villey); the religious, moral, political, civic, and commercial laws that favour more labour productivity (Emile de Laveyle); human activity analysed from the perspective of the general wellbeing (Luigi Cossa); the laws that govern the relations of the natural agents used by individuals who are freelancers (Yves Guyot); value (John Ramsay McCulloch); the social relations between individuals which tend to insure the needs and to enhance the skills (Charles Gide).

This complex panorama of different angles to approach the object of study of the economic science shows that Cuza understood the differences regarding the philosophy that is the basis of interpreting the object of study, the differences in opinion regarding the purpose of the economic science.

Further on, in the third part of the study, Cuza established the conditions that a rigorous definition of the economic science had to meet:

- to precisely state the object of study, respectively “the phenomena which are tied together by a common feature”;
- to use clear concepts (“known terms” that do not require definitions for themselves);
- to delimitate political economy from other sciences (“drawing boundaries”).

In his paper *Despre populație* (On Population), Cuza stated that life was a “process of taking in and putting out matter” (op. cit., p. 602). Organic losses are shaped as needs in the individuals' conscience, which are satisfied through “means of existence”. Given the “self-preserving instinct”, their acquisition represents the “supreme concern of all human beings and first and foremost determines their entire activity” (op. cit., p. 603). But satisfying needs does not depend solely on each individual's activity and “benevolence”, but also on the state of the other “social classes”: “the state of the individual is conditioned by the state of the population within which the individual lives” (op. cit., p. 607).

Thus, Cuza concluded and gave his own definition of political economy: “it is the science that determines the laws and factors that rule the human population in relation with its means of existence” (op. cit., p. 608-609). Being limited by its means of existence, the population constantly seeks to perfect its features and its institutions “adopting new theories and fighting the rival populations”. (Cuza, 2012, p. 99)

Cuza believed that the year 1803 was a turning point for the debates on the definition of the object of study of political economy. It was the year when the paradigm changed: up till then the emphasis had been on *population* (Giovanni Botero, Antoine de Montcretien, Johann Joachim Becher, Richard Cantillon, Marquise of Mirabeau, Francois Quesnay, Jacques Steuart, Adam Smith). Once Jean-Baptiste Say's *Treaty of Political Economy* was published that year, there was a major change (a catastrophic error in Cuza's view) since the focus shifted on *wealth*. Later on, Say revised his stand, and, in 1828, he defined political economy as “social economy” since “it was the economy of the society. Political societies that are called nations are living entities just like the human body. They live only through the parts they are made of [...]” (Cuza, 1929, p. 671-672).

In Romania, this epistemological error translated into a systematization of political economy (production, distribution, trade, consumption), even though the importance of the population issue had already been emphasised by authors such as Dimitrie Cantemir, Nicolae Șuțu, Ion Ghica, Dionisie Pop Marțian or Ioan Strat.

In the last part of the study, Cuza looked into Romania's economic downfall (in comparison to Belgium or Bavaria) and identified “the degradation of the Romanian people” as its cause: in the countryside the population lived in poor conditions, “governed by an always improvised administration that changed according to ever changing politics, and by ruthless landholders, and by greedy pub owners”, eaten by illnesses and epidemics; in towns, trade and industry were dominated by foreigners, while the middle class de-nationalised itself as the economic and political

supremacy was taken over by “non-assimilable foreigners” (Cuza, 1930, p. 623).

Ioan Strat also spoke about the “splendid results” of studying and applying the principles of political economy upon “our culture and our national strengthening”. Political economy satisfies personal interests through the general ones, it studies human relations from a social perspective and therefore develops the sense of solidarity, added Cuza. (Cuza, 1939, p. 283)

#### 4.2. The Population Issue

Cuza’s theoretical attempt to place the population issue at the core of his economic analysis started from a practical consideration, that is from explaining the decrease in the Romanian population and from establishing some measures to reverse it. Based on the idea that “it is more important to understand than to know” (op. cit., 1939, p. 229), A. C. Cuza carried out vast statistical research and discovered an alarming tendency, especially in Moldavia: the decrease of the Romanian population and the increase of the Jewish population; thus, the author became convinced that the Romanian people was threatened by extinction (Cuza, 2012, p. 25). His analysis based on statistical data is backed by an analysis of the theories on population which Cuza divided into three categories: those of Malthus’s predecessors, those of his followers’ and those of his opponents’.

In chapter XVII suggestively titled *Critical analysis of his capital work On Population*, Cuza wrote that Malthus had made three fundamental errors (op. cit., p. 91):

- He had expressed a content of correct ideas in the wrong form;
- He had enunciated an economic theory which contradicted reality;
- He had come up with some wrong practical conclusions (solutions).

Cuza challenged Malthus’s famous statement – population increased in a geometrical progression, while food resources only increased in an arithmetic progression – saying that on the one hand, the new discoveries together with the scientific and technical progress could augment the quantity of the available means of subsistence by intensively exploiting the land, and, on the other hand, that new pieces of land could be used for farming (Cuza, 1929, p. 378).

Cuza rejected Malthus’s solution as well (practicing moral restraint, so that families would only have children when they were able to properly take care of them), based on an ethical and social equity argument (it is unfair that moral restraint be only for the working class), as well as on some practical arguments: the variations of the economic activity, which made it impossible to correctly anticipate the standard of living that would allow the number of children in a family to increase; the labourers’ migration from one area to another or from one country to another; the generalization of mechanism; the increase of the capital accumulation which compensated the lower number of workers (just as Karl Marx had noticed) (op. cit., p. 382-383).

Basically, Cuza’s theory on population is like a theoretical puzzle that logically combines Malthus’s theory on population, Darwin’s theory of the survival of the fittest (“applied to social groups, not to individuals”), Georg Hansen’s theory on the evolution of the population, and Marx’s theory of class struggle. In short, the fight for survival among social classes results in the victory of the landowners and of the townspeople (who get rich) and the loss of the rural and working classes (who get poor) (Cuza, 2012, p. 101)

In time, it is only the rural class that maintained its vigour (because it was only the fields that generated an excess of food that made it possible for natality to increase), but a part of it would migrate to town and there they would work for little money in fields of activity that required minimum training. Those who were successful advanced towards the middle class (traders, industrialists) and then, their third generation advanced towards the class of freelancers (who had complete studies), and only a few of them were to join the ruling class.

At the same time, the ruling class “could not support themselves on their own”, given the excessive specialization, the unilateral development of the intellectual characteristics and overpopulation, so that the downfall of the noble families was doubled by the rising of the “nouveau rich”. (Cuza, 1929, p. 447)

As far as practical solutions were concerned, Cuza was adamant: first of all, any demographic policy was supposed to be aimed at “widening the development limits” of the population and not at increasing it through direct measures. This statement defines the author as a liberal theoretician

since he pleaded for not intervening in the natural course of things: population “cannot be stopped from migrating and settling new territories” (Cuza, 2012, p. 107-108)

In the field of political philosophy, as an active politician for several centuries, Cuza regarded democracy just as a stage (equal fighting conditions for individuals) towards “aristocracy”, seen as the most suitable form of governing since “the best would govern” (Cuza, 1939, p. 264)

Secondly, the factors that determine the quality of the means of subsistence available at a certain point are to be identified. Then, the economic policies must be directed to stimulate those that favour the quantity and quality of these means of subsistence and to mitigate and correct the factors that slow down the development of the population. Thus, Cuza identified eight such factors: characteristics of the population; land productivity and the land-owning system; climate; size of the territory; physical and moral health of the population; the way public interests are administered (governing); social organization; relationships among different populations.

Thirdly, any population has to be stimulated to assert its own identity. Nationality in Cuza’s view was the “genius of the peoples” (op. cit., p. 257) and religious identity. Also, any nation had to be stimulated to assert its “warrior spirit” when fighting other populations. The real process of becoming a civilized nation for a people involves “inner transformation and not borrowing foreign forms” (op. cit., p. 255). The progress of a people means first of all perfecting its characteristics, and then its institutions.

Fourthly, “each population has to keep its territory for itself, and firmly exclude foreigners, who will not be assimilated”. So, Cuza said that the nationalist policy was the only natural policy. Nationality means that the territory is the material basis of its culture, and this can only exclusively belong to one nation since “territory is limited as size, and culture is limited as right and as tendency to breed” (op. cit., p. 260).

Cuza’s anti-Semitism has a nationalistic and economic basis: in his opinion the Jews had seized the economic positions, had destroyed the middle class and had corrupted the institutions of the state (the politics, the administration and the justice of the country). The very essence of the Romanian people was therefore threatened. The author considered it was logical that “who rules the economy of the country will also rule its politics”, and in Romania of his times the Jews ruled the economy without having political rights, while Romanians decided in politics without dominating the economy. (Cuza, 2012, p. 91) For this very reason (the existence of an illogical state of facts that would generate imminent danger) the Jewish issue was in Cuza’s view “just an economic issue” (op. cit., p. XV) which could be solved by applying the *numerus clausus* principle (limited or closed number) – a phrase that refers to the discriminatory limiting of the number of Jewish students / the limiting of the access of a category of people to a position, a rank or a profession, by virtue of a law or of a regulation (\*\*\*, 2000, p. 1693) - or even by excluding the Jews from the Romanian territory (Cuza considered them to be a “degenerated” race whose activities were destructive for the nations amid which they lived).

For Cuza, the rural class was the basis and the reason to be for the other classes and it gave “a people the right to be” (Cuza, 2012, p. 110). The state is meant to support the rural class to “eliminate” the foreign elements that infiltrate “a people of ploughmen” as intermediaries, “parasites that speculate positive labour, seize the positions of the middle class, get rich and aim to go higher and be part of the ruling class” (op. cit. p. 111).

The doctrinarian connotations of his writing *Despre poporatie* (On Population) make the author consider it not only a study on population, but also an introductory study to the science of economics, which has as its axis the shift from wealth to population as the central point of the economic analysis. (op. cit., p. 32). Moreover, Cuza admitted that his intention was to “help spreading the knowledge of political economy, which were so outdated in our country”. (op. cit., p. 33)

The importance of his writing consists in the clarity and quality of his theoretical approach:

- He clarified Malthus’s theory;
- He established sound principles of political economy;
- He enunciated a new definition of the economic science which is the ground for the new systematization;
- He was the author of the first original monography of economic theory of the Romanian scientific literature. (op. cit., p. 56).

## 5. Conclusions

As he stated in the foreword of the second edition of his *Despre populație* (On Population) there were two major interconnected aims he had in his lifelong theoretical research: to enunciate a new law of the population and to find a new definition of political economy.

Population has the constant tendency to go beyond “the ultimate limit of its possible development”, always in relation to the quantity of the means of subsistence that it can procure and that it is used to live on.

Political economy is the science of the laws and factors that determine the human population in relation to the means of subsistence and aims at “knowing and wisely ruling the economy of the nations” (Cuza, 1929, p. VIII). Based on this definition, there are three groups of disciplines that make up the system of the economic sciences: general political economy, national political economy, and international political economy, and each group can be theoretically, historically and practically analysed (political economy).

In key with the ideas of the Italian corporatism and those of the German nationalist socialism, Cuza’s doctrine is a significant essential economic component for the Romanian economic thinking, both through its theoretical originality and through the clarity of the political economy solutions it offered.

Cuza had the “supreme” merit of having enunciated a “rigorous nationalist doctrine”, in Ion Petrovici’s view. (Petrovici, 1943, p. 91)

Even though he appreciated the arguments of Cuza’s analysis on the negative influence of the Jews on the Romanian economic and social environment of those times, A. D. Xenopol was less straightforward about the solution he proposed for solving this delicate situation: individual naturalization of the Jews that would eventually lead to them being completely assimilated. (Xenopol, 1999, p. 287-288 and p. 303)

Cuza’s anti-Semitism had nothing to do with the German racism. (Șeicaru, 1956, p. 17). Being well aware of the fact that he was considered a representative personality among the politicians with strong anti-Semitic ideas, A. C. Cuza ironically and rhetorically asked: “Are there thorough-bred animals and are there thorough-bred people as well?”

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