

The Main Particularities of A. D. Xenopol’s Economic Thought

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Abstract

Alexandru Dimitrie Xenopol (1847-1920) was a historian, a economist, a sociologist and a philosopher with a vast scientific and publishing activity in the field of economics. Interested in the analysis of the Romanian economic situation in his times, he came up with a series of economic policy recommendations meant to accelerate progress. He believed that the main cause of the lesser development of the country was the mainly agricultural character of its economy, and that the solution was to firstly develop the manufacturing industry that processed agricultural raw materials through an internal protectionism (incentives from the government). The purpose of this paper is to identify the specific features of Xenopol’s thought in the context of the debates of his time, as well as his major economic ideas that place him amongst the most renowned Romanian economists.

Key words: nationalism, protectionism, agrarian issue

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1. Introduction

Alexandru Dimitrie Xenopol was born and studied in Iași. He attended the *Academic Institute* where Titu Maiorescu, Grigore Cobălcescu, Petru Poloni taught. After his Baccalaureate, he got a scholarship and went to study at university in Germany, where he got his PhD in philosophy in Gissen and in law in Berlin, where he was the student of the German socialist philosopher and economist E. K. Düring. (Răducanu, 2001, p. 51) Upon returning to the country, he became a prosecutor, then a lawyer. In 1883 he became a Romanian history professor at the University of Iași. He was the Rector of this university for four years, between 1898 and 1901. Ten years later, he was elected as a member of the Romanian Academy.

Author of the first major synthesis of national history, A. D. Xenopol was “the only great historian to fundament his analyses on the determinist theory the necessary link and of the causal conditioning, governed by laws, of the social events and phenomena”. (Murgescu, 1994, p. 221)

Apart from history, A. D. Xenopol was also interested in the analysis of the economic problems for almost half a century (1868-1915). He used instruments of economic analysis (historic documentation, statistics information, direct observation) and stated solutions. In his work *Istoria românilor* / The History of Romanians he constantly related historic aspects to the level of economic development. He looked into the economic phenomenon, as a component of the social one, after the independence of 1877, when people such as Dionisie Pop Marțian, Mihail Kogălniceanu or Bogdan Petriceicu-Hașdeu had already asserted the need to create a national industry.

2. Theoretical background

A. D. Xenopol’s work was vast and diverse and led to the publishing of numerous books, studies, and articles that are dedicated to him. Amongst those that especially emphasize the economic area, by far the most important is Alexandru Zub’s 1973 work titled *A. D. Xenopol. Bibliografie* / A. D. Xenopol. Bibliography. In 1965 N. Gogoneață and Z. Ornea published the book *A. D. Xenopol. Concepția social și filozofică* / A. D. Xenopol. Social and Philosophical View,

which present Xenopol’s socio-economic views, his development theory, as well as his view on the history of society. The two authors also wrote a complex and complete introductory study for the 1967 volume *A. D. Xenopol – Scrieri sociale și filozofice* / A. D. Xenopol – Social and Philosophical Writings. The Academy of the Socialist Republic of Romania published the volume *A. D. Xenopol. Studii privitoare la viața și opera sa* / A. D. Xenopol, studies on His Life and Work in 1972. The volume was coordinated by L. Boicu and Al. Zub and it was a collection of 39 various studies that covered all the issues that A. D. Xenopol was interested in.

Other significant studies were signed by I. Veverca and V. Ioța. The former was published at the beginning of the 1967 volume *A. D. Xenopol. Opere economice* / A. D. Xenopol. Economic works, while the latter was published in the 1968 work titled *Din gândirea economică progresistă românească* / From the Romanian Progressist Economic Thought, coordinated by N. Ivanciu.

After publishing her PhD thesis titled *Gândirea economică a lui A. D. Xenopol* / A. D. Xenopol’s Economic Thought, Florica Ștefănescu wrote the introductory study for the 2004 *A. D. Xenopol. Publicistică economică* / A. D. Xenopol. Economic Articles, which includes a group of thematically selected economic studies written by the Romanian economist.

In 1972 G. Zane published a research paper at the R.S.R. Academy titled *A. D. Xenopol și ideile sale economice* / A. D. Xenopol and His Economic Ideas. Economist Ion Ghica made a review of the most prominent of A. D. Xenopol’s works and published *Studii economice* / Economic Studies in 1879.

3. Research methodology

In writing this paper we had a repertoire of the specialized literature regarding A. D. Xenopol’s economic work as well as numerous bio-bibliographical sources. We used the comparative method to emphasize on the one hand the originality of Xenopol’s views, and on the other hand the filiation of his economic ideas.

4. Findings

4.1. Nation and Nationalism

In the foreword of the 1880 work *Războaiele dintre ruși și turci* / The Wars between the Russian and the Turks, A. D. Xenopol pointed out the importance of the foreign factor in our country: “Ever since the beginning of our country we have been exposed to the actions of the neighbouring countries, much more powerful and much larger than us. Our life has not been ours, but the result of what has been going on between the powers that surrounded us”. (Boicu (coord.), Zub (coord.), 1972, p. 108) Romania’s relation to the European countries is yet one-to-one: “Romanians have especially protected the western civilization against the Turkish conquest, and this is their great significance in the history of Europe”. (Boicu (coord.), Zub (coord.), 1972, p. 109) In the same study A. D. Xenopol shows his patriotism once more and warns about the fact that “Western Europe must not forget that it partly owes its comfort and its cathedrals to the heroic fight fought in the Carpathians and the Danube region over the centuries”. (Boicu (coord.), Zub (coord.), 1972, p. 439)

A. D. Xenopol marked the transition from the Junimist paradigm to the cultural-national one. He used the concept of national culture, which is at the border between psychology (as a constant element) and history (as a dynamic element). The particularities of a people’s national culture are determined by three elements: the natural element (geographical setting, climate), the individual’s physical constitution (race), and the way the “soul” of a people shapes the outside world. (Xenopol, 1967, p. 81)

Critically analyzing Gustave Le Bon’s book *The Psychology of the Masses*, A. D. Xenopol drew a series of conclusions: race represents a constant factor which conditions evolution; the historical character, the effect of repetitive events, is a dynamic factor that conditions different stages of development; moral norms can favour or hinder development; evolution is merely influenced by race, historical character or morals, it is in fact determined by “the movement of the spirit”; race and national character condition one another. (Xenopol, 1999, p. 13-14)

When he referred to nation, the author meant a political community which has its roots in a certain territory: climatic and geographic factors define national physiology, alongside the historic character (based on ethnic mixture) and the geopolitical vector. Situated at the meeting point of civilizations, the Romanian nation is perceived and analyzed by A. D. Xenopol as an ethno-psychological concept, especially since the author was keen on history and the psychology of peoples.

4.2. The Agrarian Issue

Alongside C. Stere, C. A. Rosetti, and Constantin Georgescu, A. D. Xenopol was a principal collaborator to the magazine *Viața românească* / Romanian Life (1906-1916) in which aspects concerning the agrarian issue were debated at large: the unfair distribution of the land, the misery of the peasantry, the deficiencies in activity of large land ownership, the solutions for the agrarian issue (expropriation, land allocation).

Within the history of economics, A. D. Xenopol considered that the analysis of the agrarian issue deserved the central spot. Small ownership, the way it came into being and worked, was the fundamental institution of the Romanian people. Supporter of N. Bălcescu’s ideas, A. D. Xenopol believed that large ownership (which was born through the ruin of the small ownership, which the author perceived as true “economic gangrene that fundamentally vitiated the process) came into being in several ways: loss of the right of property through a relation of social subjection to the nobility, selling the land to avoid going to war on their own expense, selling to the boyars or the monasteries.

The author concluded that “large ownership is the result of progressive and repetitive swallowing of small plots of land owned ab antique by yeomen or resulted from the successive division of properties; this swallowing disguised in lack of coercion and pressure, always hid a forced renouncement”. (Xenopol, p. 473)

In this context, there were two major transformations going on: a large part of the boyars became state officials and got rich, while most of the peasants became serfs and went into serfdom.

4.3. Industrialism and Modernization

A. D. Xenopol also got involved in a major ideological debate in his times, that regarding the causes of the lesser development of the country. The poverty of the people was generated both by the poor remuneration of the brute labor and by the fact that foreigners collected most of the profit from the brute labor of the Romanian people. (Xenopol, 2004, p. 68) Moreover, there was the lack of the spirit of saving (“parents saved and children spent”) and the tendency towards unproductive jobs. (Xenopol, 2004, p. 70-71)

As a result of the one-sided economy, exclusively based on a still backward agriculture, the general level of development was very low in comparison with the foreign countries. The solution was for the state to protect the manufacturing industry which processed domestic raw materials, especially agricultural ones, through tax facilities and government orders. (Xenopol, 2004, p. 115) In his opinion, Romania had neither enough mineral resources nor the appropriate technology to process them, so that those industrial branches had no perspective in our country.

A. D. Xenopol was one of the representatives of the current that favored industrialization, alongside D. P. Marțian, B. P. Hașdeu, M. Kogălniceanu, P. S. Aurelian. In his major economic paper titled *Studii economice* / Economic Studies, published in 1879, Xenopol analyzed the shortcomings (or the “perils” as he called them) that a country based solely on agriculture faced:

1. Its balance of trade will be negative because the country will sell cheap and buy expensive objects that are necessary for living, because of the transport expenses that are deducted from the price of exported goods and are added to the price of the imported manufactured goods;

2. The emergence of office workers due to the diminished social solidarity, as it is always based upon the existence of a variety of jobs. Once again Xenopol proved to be a subtle observer when he stated that the final outcome will be the “falsifying of democracy”;
3. The population decline due to the low living standard and the extension of celibacy (his analysis is highly Malthusian).

The conclusion he reached 16 years later regarding the long term effects of Romania’s focus on agriculture was as it follows: “Amidst European peoples, Romanians will carry out the manual, brute labor which is poorly paid and little sought after, as it can be carried out by anyone; and the reward for this hard intense labor will be the crumbs that fall off the table of the civilized countries”. (Xenopol (2), 1967, p. 247)

He was among the first to state a theory according to which industrialized countries exploited agricultural countries through foreign trade. The correctly identified cause by Xenopol was the difference in productivity between agricultural labor and industrial labor: “The labor of the farmer, who produces raw produces, is brute and can be done by anyone with a little practice and no studying. Industrial labor, being intelligent, requires studying, it is more difficult, more accurate, and therefore better paid. (Xenopol (2), 1967, p. 85)

Xenopol was against free trade which favored industrial powers and works against less developed countries: “England and France’s political economy do not deserve the name of science; it is a theory which serves a practice, and since practice is profitable in those countries, the theory must come and support, based on some so-called principles, the purely material interest of those countries”. (Xenopol (2), 1967, p. 95)

A. D. Xenopol believed that the government should not adopt a protectionist customs policy in the Listian sense of the term (in order not to defy well developed countries), but rather a prudent policy to encourage the establishment of the domestic industrial market. In this respect, he put forward three measures:

- Reforming the educational system;
- Granting state loans to encourage the development of industrial businesses;
- Leasing certain industrial activities to Romanian entrepreneurs.

Referring to this view of Xenopol’s, Ion Ghica wrote at the end of his article dedicated to the publishing of the *Economic Studies*: “Let anyone be assured that it is impossible for a people that labors, produces and saves not to prosper, be it subjected to free trade, be it subjected to protectionism”. (Ghica, 1937, p. 140)

5. Conclusions

A. D. Xenopol excelled in all three directions of his research: historiography, philosophy of history, and economics. Deeply concerned with the modernization of his country, Xenopol tried to identify the particular features of the Romanian evolutionary process in order to point out the true sense of development. Be it that it “imported” the influence of the more advanced civilizations, be it that it developed its own civilization, Romania had to develop itself starting from its own needs. The economic factor insured the material resources for development and modernization. Solving the agrarian issue came first and foremost. Yet, the decisive role came to the education of the people.

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