

Traditional and Modern Aspects in Ion Ghica's Economic Writings

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Abstract

Ion Ghica (Bucharest, August 12, 1816 - Ghergani, May 7, 1897) was a Romanian engineer, writer and politician. He was among the first to try to adapt the ideas of the liberal economic school to the realities that existed in our country back then. He actively fought for the development of the national economy through increasing production in quantity and quality and through building railways. The purpose of this paper is to emphasize not only Ghica's contributions to adapting classical liberal economic ideas to the Romanian socio-economic conditions in those times but also the specific elements of his economic thinking.

Key words: labor, economic liberalism, economic development, associationism

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1. Introduction

Ion Ghica was a complex and complete Romanian personality of the 19th century. He was not an economist by profession, but rather a classical liberal scholar who was deeply committed to making the liberal economic ideas and principles popular and to putting them into practice, and also deeply involved in the Romanian public and governmental life.

He attended *Sf. Sava High School* between 1831 and 1834, and then he went to Paris and graduated from the *School of Mines* and received a bachelor degree as an engineer in 1840. He was appointed as a professor at the *Mihăileană Academy* in 1842 and there he taught geology, mineralogy and descriptive geometry, as well as a course of political economy, as a result of Nicolae Șuțu's suggestion in 1843. His introductory lecture *Despre importanța economiei politice* (On the Importance of Political Economy) was later on published in *Propășirea* magazine. Between 1846 and 1847 he went to Paris again and participated in setting up *Societatea studenților români* (The Society of the Romanian Students) and became its president. Among the members of this society were many of those who would later become the leaders of the 1848 revolutionary movement in the Principalities (I. Brătianu, D. Brătianu, C. A. Rosetti, M. Kogălniceanu, N. Bălcescu, V. Alecsandri, A. I. Cuza, etc). He took part in the Revolution as a member of *Frăția* (The Brotherhood), a secret society around which the Revolution was organized. Then he left for Constantinople, where he began his diplomatic career at the age of 32. After spending more than a decade in Turkey (during his stay he was named *bei* of Samos in 1865), he returned home and became a leading liberal after 1859 and prime minister in 1871. He served as a prime minister five times. In 1874 he was elected as a member of the *Romanian Academy* and was its president four times. He became a plenipotentiary minister and was sent to London as the representative of the revolutionary government in 1881 and he stayed there for ten years. Upon returning to Romania, he retired at his estate in Ghergani and there he passed away at the age of 81.

His articles and his studies in the field of economics build up his profile as a scholar of economic thinking and help us get a clear projection of the events of those times. As far as the current socio-economic realities were concerned, Ion Ghica researched them in a series of studies that he published in his main work, *Convorbiri economice* (Economic Discussions), a work that made him known to the contemporary economists and not only, who appreciated his analytical spirit and his thorough grasp on the ideas of those times. Far from being a dogmatic author, Ghica presented and analyzed the economic issues in a very accessible manner, often as a dialogue which

intertwined his literary talent as a story-teller and the presentation of economic ideas and knowledge which otherwise would have appeared dull and difficult to comprehend. His social and economic creed was perfectly summarized by the motto of his family *Labor omnia vincit improbus* (Work conquers all). (Ghica, 2017, p. LXXVIII)

Besides his scientific articles in *Propășirea* magazine, Ghica wrote practical textbooks for engineers, farmers, and tradesmen, as well as a series of economic brochures published as *Convorbiri economice* (Economic Discussions) (1879 and 1884) and other scientific papers, some representative ones being *Omul fizic și intelectual* (The Physical and Intellectual Human) (1866) and *Pământul și omul* (The Land and the Human) (1884). In the literary field he published *Scrisori către Vasile Alecsandri* (Letters to Vasile Alecsandri) (1884) and *Amintiri după pribegia după 1848* (Memories of the Wandering Times after 1848) (1889).

2. Theoretical background

There is a vast bibliography on Ion Ghica's life and works. The most important monographies are *Viața lui Ion Ghica* (Ion Ghica's Life) (1970) written by I. Roman, the one who also took care of the four volumes of Ion Ghica's *Works*; *Ion Ghica* (1965) by D. Păcurariu; *Pe urmele lui Ion Ghica* (Following in Ion Ghica's Footsteps) (1987) by Dan Bogdan. Both T. Vianu in *Arta pozatorilor români* (The Art of the Romanian Prose Writers) (1932) and G. Călinescu in *Istoria literaturii române* (The History of the Romanian Literature) (1941) wrote distinctive chapters on Ghica.

As far as his economic writings are concerned, the introductory study titled *Opera economică a lui Ion Ghica* (Ion Ghica's Economic Works) (1937), written by V. Slăvescu is essential. Also important are the following studies: *Despre Ion Ghica. Viața, faptele și contribuția economică* (On Ion Ghica. His Life, Actions and Economic Contributions) (I. Veverca, 1937); *Gândirea economică a lui Ion Ghica în contextul epocii sale și semnificația ei astăzi* (Ion Ghica's Economic Thinking in the Context of His Times and Its Relevance Today) (N. N. Constantinescu, 1997); *Ion Ghica* (V. Malinschi, 1990). A thorough and pertinent analysis on Ghica's economic ideas was made by Gh. Zane in his articles *Economia politică la Academia Mihăileană. La centenarul învățământului economic în România* (Political Economy at the Mihăileană Academy. Upon Celebrating 100 Years of Economic Education in Romania) (1943) and *Cursul de economie politică a lui Ion Ghica la Academia Mihăileană* (Ion Ghica's Course of Political Economy at the Mihăileană Academy) (1969).

Ion Ghica's recent republished works include studies that are very useful for discovering and understanding the author's ideas, such as the one signed by Ion Roman in *Ion Ghica. Opere* (Ion Ghica. Works, vol I) (2017) or the one by Cristinel Trandafir in *Ion Ghica. Scrieri liberale* (Ion Ghica. Liberal Writings) (2023).

3. Research methodology

In our study, as methods and research techniques, we used theoretical documentation, comparison and synthesis for presenting the main ideas of Ghica's economic thinking.

In order to highlight Ghica's own view on economic progress we used descriptive research. By reviewing the specialized literature we extracted several conclusions from analyzing Ghica's economic ideas and we identified original elements that set him aside from other economic thinker.

4. Findings

4.1. The Romanian nation: historical mission and economic development

Just as C. A. Rosetti pointed out, Ion Ghica had an extraordinary tenacity doubled by a fervent patriotism. For instance, just as his wife was delivering their baby, he was “taking care of his country”. (Rosetti, 1969, p. 85) Economic patriotism was a major coordinate in Ion Ghica's work. (Constantinescu, 1999, p. 170)

Ion Ghica delivered his first political economy lecture at the *Mihăileană Academy* in Iași in 1842. He considered the economic science to be a positive science at the beginning of its path that was still “discovering new rules and establishing itself on good speech” (op. cit., p.42) and had as its ultimate purpose “the peace and the enhancement of the human condition” from a double perspective: a material and a moral perspective.

Ghica analyzed the situation in well developed countries (Germany, England, France, the United States of America), filtered it and compared it to the situation in the Romanian Principalities. His synthetic conclusion was as follows: progress is a sure thing as long as reaching personal material interests within a nation does not contradict moral principles; he clearly exemplified that by referring to the greatest desire for profit of the tradesmen which represented the main obstacle for the development of that trade. (Xenopol, 1967, p. 299) The basis for progress is the development of the “industry”, seen as “the forerunner of freedom and independence”. “When I say industry, I mean agriculture, manufactures and trade [...], but also letters and fine arts” said Ghica.

He believed that the Romanian nation had a complex historical mission structured on three perspectives:

1. An economic one: the development of the agriculture (as an „agricultural nation” we have to focus on producing raw materials „that were the most sought after” and of the highest quality, to be sent to the English and the Germans, who ”by their nature used to make and manufacture things”; (Ghica, 1937, vol. III, p. 50-51)
2. A geographical one: the development of transports (given the fact that “nowadays civilization overcomes all barriers”), especially of railroads, which also had a moral role, “to plant one nation’s ideas into another nation’s mind”; (op.cit., p. 57) Ghica pointed out the necessity of building a Danube-Black Sea Canal from Cernavodă to Constanța in 1851;
3. A political one: the Romanians felt the influence of three empires (the Austrian, the Russian and the Turkish empires) and they had the moral duty to “transform the East and rebuild it on the basis of the holy principle of justice and equality among nations”; (op.cit., p. 6-7) given the times he lived in, Ghica considered that “the best way for the Principalities to catch up with the large countries of the West went through Constantinople”. (Zane, 1980, p. 383)

Reaching these goals depended upon the common action of three separate factors: “the character and the genius” of the nation, “the nature of the land it inhabited”, as well as “its geographical position and the century it lived in”. (Ghica, 1937, vol. III, p. 3) From a social point of view, the development of a people requires liberty, justice and order.

From a material point of view, economic development is based on the labor of the people (more precisely on the “love for work” as the author put it) and on the loan (seen as “the soul of the industry”). Ghica supported the importance of productive labor and, from a broader perspective he considered that labor was the fundamental source of social progress which in turn was based on the progress of rationalism.

Labor is an important issue, a very important one, the most important one, an issue that comes before everything else and that rules them all: things and people, countries and governments, rulers and emperors; it is an issue that contains the entire moral and political philosophy of modern societies”. (Ghica, 2023, p. 227) Satisfying primary and social needs is impossible without labor, “without labor, man is nothing in this world”. Labor is at the origin of production, while natural factors and capital are its instruments. The size of production depends on “the power of intelligence” meaning that each individual can manage satisfying their needs in their own manner. Thus, giving up “bad habits” and certain consumption generated by “improper education”, they can save part of their income: “saving is the most powerful source of wealth”. (op. cit., p. 275)

According to the pure tradition of classical Smithian economic liberalism, Ion Ghica underlined the role of saving in increasing capital as a factor of economic progress. Even though he praised labor, Ghica nuanced his stand when he claimed that, nevertheless, “we are people, not ants”; man has to constantly try to produce more, but with lesser effort (the principle of rationality).

In the fifth part of the same article titled *Munca* (The Labor), Ion Ghica stated two other fundamental ideas in the area of classical liberal economic thinking. The first one was about the decisive role of the generalization of technological progress and machinism in increasing the

standard of living of the masses (“it made the labor [of the worker] easier and gave them the means to satisfy more of their needs with the same effort”). The second one was the fight against egalitarianism and economic populism. Ghica as a liberal was convinced that “absolute equality was not possible” since it was “against human nature”, and the measures to “strike the rich have turned against the poor” as they prevented economic development (direct taxes on consumption, including luxury goods; progressive taxation; tax exemption for consumer goods; high taxes on property). Consumption stimulates economic activity (“industry” in Ghica’s words) and its rise has positive effects on both the rich and the poor. There is no conflict between these two social categories, but rather a close-knit relationship: the first represent the capital, the latter the labor.

At the end of his article, Ion Ghica admitted he was a follower of economic liberalism and showed how some rich countries (England, Germany, France) have developed “through free labor, competition, associations and credit institutions”. Moreover, the author proved to have had deep knowledge of the history of economic thought and concluded that both the Physiocrat School and the Mercantilist doctrine of the trade balance, as well as the economic ideology of the socialist and the communist were outdated. (op.cit., p. 302)

From a moral point of view, industry develops when “the mind subjects the matter”, when the moral principle governs the working of the society. Thus, even if the industry is developed, when there is no security for the ordinary people, they are concerned about the next day. Having reached this point in his analysis, Ghica recalled some reforming ideas of certain economic thinkers (Sismondi, Saint-Simon, Fourier, Blanc) that he deemed “eccentric” and ...unfit for the situation in the Principalities because “our industry is to be agricultural for centuries to come, it has got no such difficulties”. (Ghica, 1937, vol. III, p. 31) Therefore, a moderate liberal, as Gh. Zane depicted him, Ghica had a stern ideological stand and rejected the ideas related to collectivism. He was firmly convinced that utopian socialism had no viable solutions to offer for the Romanian economic problems of those times.

4.2. National education and economic progress

The development of education was one of the most important concerns of the progressist intellectuals. In an article published in 1844 in *Popășirea* magazine, Ion Ghica presented his view on the public education system of a country. He understood the role of the educational system for the development and progress of a country and considered that “knowing to read, write and calculate [...] is of the utmost importance” because these abilities decisively potentiate “man’s three radical faculties”: memory, judgment, and imagination [...] which provide us with history, philosophy and poetry”. (Cornea, Zamfir, 1968, p. 24, 43)

By knowing the laws, the Christian moral precepts (Ghica spoke of “balancing one’s actions”), as well as the basic concepts of the agricultural activity, an agricultural nation such as Romania could reach the level of development of well developed countries (such as Prussia). In his opinion, the Prussian success was based on the efficiency given by the combination between a well adapted public education system and the military organization of the country.

Practically, Ghica suggested increasing the number of schools in the countryside that were to be financed by taxes paid by landowners, as well as making education for children above the age of 5 mandatory. Being aware of the backward mentality and the poor material possibilities of the majority of the peasant families, for whom their children were nothing but labor force, Ghica was adamant in his beliefs when he said that, if parents refused to send their children to school, it could go as far as “taking the children from their care” and placing them under the care of a priest “who was to care for them and insure a proper education for them”.

4.3. Associationism and cooperative system

In two of his later pieces of writing, Ghica surprises us by suggesting an associationist solution as an alternative to applying the principles of the classical liberal economics to the Romanian economy and society of his times. In *Două călătorii în vis – Two Dream-Time Journeys* (1889), Ghica used the literary antithesis to depict his vision on the ideal economic and political organization. First, he visited an imaginary country which, although rich in natural resources had

high prices for consumer goods because the majority of those goods were imported from abroad because, politically speaking, public positions were “decided upon by political parties schemes, intrigues, and favoritism”. Ghica used his literary talent and he reminds us of Caragiale when he expressed his irony on the politicking in that poorly governed country by mentioning the names of certain papers such as *Retrogradul progresist* (The Progressist Retrograde), *Autoritarul liberal* (The Liberal Authoritarian), or *Cosmopolitul patriot* (The Patriot Cosmopolite).

Further on in his story, he reaches another country in which the workers share the profits of the factories because “labor must be emancipated under the tyranny of the capital” by establishing some cooperative workshops. (Ghica, 1937, vol. II, p. 269)

Ghica suggested the solution for choosing the direction Romania was to follow in its economic evolution: “the cooperative system, compared with the individual one, is just like the liberal system compared to the despotic one”. (op.cit., p. 271) In order for the ideal economic system (the cooperative one) to work in a country, there has to be a parliamentary system with generally two political parties: one to “preserve or even re-establish what has been” and another “to reform and enhance”. Through the balanced confrontation between conservatism and reformism, “the society evolves peacefully and smoothly”. (op.cit., p. 262)

The idea of cooperation, of “mixing the interest for labor with the interest for capital”, also appears in *Insula Prosta* (Prosta Island) (1885), in which Ghica stated that the workers can associate either with the owner or with the other workers. (op.cit. p. 295) In this piece of writing he showed his vast economic background and tackled a series of fundamental economic issues (cooperative banks for agriculture, the laws of the poor, protectionism, nationalization of the land) and mentioned the ideas of some economists such as J. S. Mill, H. Carey, F. Lasalle or K. Marx.

5. Conclusions

Ion Ghica was a remarkable representative of the 1848 movement. Nicolae Iorga depicted him as “one of the politicians [...] who do not do politics”. (Iorga, 1967, p. 268) In his speech upon becoming a member of the Romanian Academy, C. I. Istrati said that Ion Ghica was the second greatest Romanian encyclopedian after Gheorghe Asachi, a precursor of the 1848 generation, as he worked in many fields: political economy, pedagogy, history, literature, physics, chemistry, mathematics, geology, anthropology. (Malinschi, 1990, p. 40)

If we are to synthesize his views, there are two major ideas: the revolution and the unification were inevitable and the Organic Regulations had to be abolished (which meant dismissing the privileges of the boyars and the improvement of the peasants’ situation). Ghica was an opponent of the state’s regulating the relations between landowners and peasants and he considered that such an approach infringed upon the right of property.

Ion Ghica was a classical liberal intellectual and an engineer. As such, he carefully analyzed the changes within the Romanian society and anticipated that, for centuries to come, the Romanian nation would remain mainly an agricultural nation, and yet he supported the development of the Romanian national industry: “A nation without industry cannot be considered a civilized nation”. (Ghica, 2023, p. 309) He considered that industrialism, the spreading of the credit, as well as the modernization of the means of communication were essential elements in our country’s new economic path. As far as capitalism was concerned, the liberal Ion Ghica believed that the association between labor and capital was the solution for the contradictions that had appeared within the system, which was viable in its form and its essence.

Often, Ghica is acknowledged as the “first professor of political economy” in Romania. We cannot oversee Gh. Zane’s observation in this respect. After having analyzed the curriculum and the contents of Ghica’s course taught at the *Mihăileană Academy*, he claimed that the course should have rather been titled as a history of economic thinking course. (Zane, 1980, p. 98) Also, the article *Teodor Diamant* (1883) is one of the most relevant chapters in the history of the Romanian economic thought.

Even though he was not our first economist (Nicolae Șuțu had been the first), Ion Ghica was the first to teach a course of political economy in Romanian. He paved the way for others to come, such as Ion Ionescu de la Brad, A. D. Moruzzi and I. Strat.

Ghica was concerned with a better organization of the society and that makes him a precursor of the social liberalism. (Bădescu, 2004, p. 101) His idea was that “everyone should use the combined means of all those who live in the same conditions as them, in order to obtain goods that no one can obtain individually and that can be collectively and simultaneously used”. (Ghica, 1937, vol. III, p. 9)

When referring to schools, churches, “welfare institutions”, roads, etc, Ion Ghica gave us a stunning *avant la lettre* definition of public goods in the final part of his article *Misiunea românilor* (The Mission of the Romanians) (1862).

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