



National University of Political Studies and Public Administration

The Faculty of Political Sciences

Doctoral School

-Summary-

Cooperative institutional arrangements in socialist Romania

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General discussions

The continuous and in-depth study of the cooperative phenomenon during Romania's socialist period generates pertinent questions and even cognitive dissonance for the researcher. Probably this cognitive trap is also generated by the conceptual closure in the dominant paradigm that has accustomed us to look at the communist regimes of Europe in one way - as totalitarian, characterized by domination, repression, coercion, the cancellation of legal guarantees, one-party regime, the cult of personality, political monism. With the move of the analysis in the perspective of institutionalism, as I have shown, a different picture of this phenomenon begins to form.

The analysis of the cooperative, especially the production or craft cooperative, during Romania's socialist period, represented a challenge for institutional theoretical models. Throughout the work, the methodology was designed in such a way as to structure each segment of analysis, each aspect of cooperation by separating and methodically analyzing its components; the thesis set out to map and x-ray the craft cooperative body and how it behaved under the auspices of a hostile, volatile, authoritarian political climate.

From the perspective of gathering information and the thorough inspection of case studies, such an analysis of the internal functioning mechanisms and reporting to the exogenous political, economic environment of the craft cooperation, faces the limited existence of some public, systematized statistical data regarding the cooperation. Even more so if we refer to the subterfuges it uses as a corporate interest group to increase its profits and promote its interests. It must be recognized that the existing data at the national and county archives are also useful and could be explored more, but considering these inconsistencies that were not taken into account at the beginning of this endeavor, the most accurate solution to find out the truth was the call to interviews with former members of the bureaucratic elites of the craft cooperative from Romania's socialist period. These people were able to provide vital information for the thesis and through their testimonials we were able to break the rigid barrier of data, of typing. The discussions with the respondents gave the opportunity to open some related topics, not programmed a priori, which proved to bring an increment to the current knowledge - for example, the fact that the craftsmen were in a competition to be co-opted and to join the cooperation, an aspect not taken in the calculation until the moment of the interview.

During the study I tried to capture in depth the institutional mutations of the craft cooperative and the way it adapted, created institutional-evolutionary mechanisms through which

it acclimatized to a regime characterized by a strong state, preserving its organizational autonomy. The attention was focused on two epistemological levels of the way to look at cooperation, namely its corporatist facet and its ability to reconcile institutional and contractual aspects: selfishness, which characterizes individual behavior and social equity. The coexistence of these antagonistic phenomena, and the ability of an organization to bring them together under its dome, make the cooperative interesting for research and in-depth understanding, and this was the driving force behind this thesis.

Research context

The purpose of the research and the fundamental idea on the basis of which this paper was thought about refers to the change of optics regarding the way to look at the Romanian socialist state from the perspective of its organization. The conventional totalitarian paradigm, which overwhelmingly occupied the collective mind, perpetuated and validated individual assumptions, from researchers to individuals outside academia. Undeniably this popular school of thought in the post-war years has its well-deserved place and explains, describes and analyzes in depth the theses of totalitarian political regimes, starting with their ideological seeds. This vision had a major impact and was often used as an explanatory vehicle of the governments of the socialist bloc, or of the fascist regimes. But starting from the premises of the philosophy of science, which claims that any theoretical approach can be challenged and always improved, I opted to find another way to explain the ontology of the socialist state in Romania, especially the one that consists of economic institutional models that explained the functioning and the perishability of the Soviet Union, the typology of its institutions and the behaviors of state administration.

As political scientists we may have a moral and professional duty to seek explanations for the paradoxes actually observable in that political period. That is why an economic approach to the institutions of Romanian socialism could balance the thrill of searching for answers and could shorten the path to intelligible explanations. Because with the dissolution of the Eastern Communist bloc, there was a vertiginous academic search for the truth regarding the disruption of the system and an attempt to understand the effects that would be felt in the society affected by the political, economic and social earthquake.

The artisans of economic institutionalist approaches to socialism themselves argue that the elements that describe institutional order operate within the context of historical conditions. But the problem is that it is difficult to reach consensus on the interpretation of these historical conditions that led to the emergence of the communist phenomenon and the relationship between the communist east and the liberal west. Communist regimes tried, at least ideologically, to force the entire state gear towards radical social change in terms of increasing the complexity of institutional arrangements and technological change, by increasing labor productivity and glorifying the proletariat. On the contrary, the researchers' observations show that the eastern communist block was frequented by an institutional inertia which led to stagnation and inability to compete with the much more dynamic societies in the west. More applied, a generalized feature in the socialist east of Europe was the monopoly of economic institutions and their organizations by the party administration elite together with the repressive apparatus and the armed forces - pillar sectors for a state. What facilitates the extraction of resources and utility for one's own benefit, from the economic sectors of the state, are the mercantile associations between the political elites of the party and the representatives of interest groups in the socialist state. Each economic faction, interest group, knew its negotiation capacity, the power exercised vis-à-vis the state through its very functionality for it, and they instrumentalized them for the purpose of blackmail and obtaining political advantages that later generated private economic privileges.

Among these interest groups with their own autonomy, self-interested, the cooperative sector of the Romanian socialist society is also a part. In the common understanding, the first thought, when talking about cooperativeization, sends us to the classic agricultural cooperatives and the collectivization of agriculture. It is true that it represented a significant episode of Stalinist-type communism and became an emblem of it, but the cooperative phenomenon extends its prerogatives to almost all sectors of economic life and has a wider scope, even in that period. Following the seizure of political power by the Communist Party and the proletariat, the cooperatives gained a wide autonomy in the organization and conduct of economic activities. They were functional to the state, as national economic instruments, emptied of autonomy in the early phase.

Like the spokesmen of Marxist orthodoxy, the followers of cooperatives subjected to the era of Bolshevik communism saw socialist and cooperative organizations as a response to the promotion raised by the reduced welfare and disadvantages among some social categories. That is why these cooperative associative forms have always manifested the goal of raising the standard of living, culturally and morally. But the cooperative movement did not want the political struggle through violent means like the socialist one for the suppression of the existing socio-economic order, but adaptation within the same system that created it, through association to harmonize labor with capital and the interests of all social classes in an equitable way, increasing the living, social and cultural standards of the needy and facilitating their access to resources.

The discussions of the thesis will start from some theoretical aspects of the cooperative phenomenon from the socialist period of Romania. Attention will turn to a certain way of looking at cooperation, namely its corporate facet. It is not a new element, even the followers of cooperative thinking have introduced in their own, assumed taxonomy, cooperation with corporatist valences infused in a socialist regime.

Organization of research

In order to explore the aspects that contradict the conventional totalitarian paradigm, the paper proposes an incursion into the cooperative life specific to the socialist period in Romania, the practices of cooperation in relation to the state and economic dirigism. Of course, such a political order could have represented, at the declarative, ideological and de jure level, a favorable, even familial climate for cooperative because the official propaganda line itself supported the building of socialism through the revolutionary replacement of capitalism with socialism through the dominance of common property over the means of production. Interpreting the ideological assumptions of the communist political regime, it can be easily stated that a cooperative configuration of the socialist society, seen through the collectivization of work and the socialization of production, in any sector of production and compartment of life, represented the very institutional climate conducive to the life of cooperation, cooperatization and its development.

Once the keyword and its derivatives - cooperation/collectives/cooperativism/cooperation - have been identified, behavioral approaches from neoclassical economics and, of course, the

analysis of the dynamics of groups of people and collective action will be considered. When the goals of the group are analyzed in relation to the private goals of individuals, we can talk about collective action. Collective actors, taken as ways of aggregating members of the group, interact with each other, but also with other social systems of a collective type for the fulfillment of common goals, by which they mean tasks or actions aimed at satisfying the needs of all members seen collectively (prescribed by persons in a legitimate position of authority and giving directives), or which are consented to by all members. In our case we could thus look at cooperation with its cooperating members, and the external authority could be the state or the socialist party.

In this thesis I will try to achieve a complex approach to the cooperative phenomenon from the period of socialist Romania. The ontological aspects of the cooperative structures will be analyzed through the prism of the political imperatives of the time, this objective belonging to the first thesis of the paper regarding the demolition, reinterpretation and change of the optics of looking at the socialist state. Then the focus will fall on the same general features of the existence of the cooperative, but with priority towards the moral values and the universalist-humanistic institution of the cooperative with its socially oriented methodological tools and norms in symbiosis with a rigid climate, with totalitarian features, dominated by terror and control. I do not want to make a general analysis of the entire Romanian cooperation from the socialist period, due to the obvious consideration of the nature of the work, which wants to meet a certain level of epistemic maturity. Besides, space would not even allow me to carry out an exhaustive analysis, or at least according to the proposed methodology, of all cooperative forms, by levels and types of cooperatives - consumption, credit, (craft) production.

Following the preliminary research, the preamble of the actual documentation, the data collection, my attention was focused on a type of cooperation, namely the production or craft one. I chose the analysis of this type of cooperation due to the abundance of information identified in the area under research, the empirical sources identified, the availability of respondents and cooperators, their receptivity and their interest in collaborating in scientific interest, in conjunction with the existence of archival documents. In this sense, I approached an idiographic working method to identify the micro details of the cooperatives and build a general

picture of this specific type of cooperative. The idiographic method focuses on the specificity of a case and operates with qualitative research tools such as sociological observation, interview and focus group. Of course, the research did not exclude the possibility of its subsequent completion with a mixed scheme of nomothetic and idiographic approach, as well as quantitative and qualitative research methods. I took this aspect into account to allow a deep understanding of how the cooperative influenced the economic and social life of the communities, but also the socialist politics of the time.

The research methodology used in this study will focus on the use of institutionalist theoretical approaches, operationalizing theoretical concepts as a measurement tool, explaining empirical data with the help of models created based on theoretical assumptions extracted from the specialized literature. For the collection of factual data I used the method of the study of documents and secondary data, the case study (actually a choice of the type of study and not a methodological choice). Also, as the main method, the semi-structured interview method was used with members of the administrative elites of the craft cooperatives through which I will validate the data obtained from the analysis of the obtained documents and strengthen the accuracy of my arguments and evidence. I tried to get the contacts of some former or current members of craft cooperatives in leadership positions or directly involved in the administration of the cooperative, from higher tutelary forums, and through an interview grid I obtained vital information about the methodology of the operation and organization of craft cooperatives from the eastern part of Romania - the region of Moldova, in the counties of Neamț and Bacău. I have selected, based on our own theoretical models, generated based on the literature reviewed, global indicators with the role of theoretical conditions of the model, and at the end of the research I will observe if they are met. The global indicators used refer to the significance/functionality of the organization in the market game (or the economic system), the manner of integration in the institutional structure, the totality of associates/members of a cooperative on average, the institutional relationship with the state under the imperatives of the socialist era, the explanation/justification of the expansionist tendency of of a cooperative (taken individually), the political role of the cooperators, the involvement of the single party in the affairs of the cooperative and the forms of social solidarity existing in the institutional fabric of the organization of the craft cooperative. Also, exploring the specialized literature on cooperatives

and the social economy, we identified a similar set of global indicators of cooperation that can qualify a collectivist association/organization as an actor of the social economy (Petrescu 2013, p. 20. Borzaga and Defourny 2001). I considered these indicators to allow the analysis of empirical data.

I will use the comparative approach to research socialist politics and society related to craft cooperatives, considering divergent approaches: totalitarian and economic institutionalist, on the one hand; then normative and positive, on the other hand, in the second methodological section of the paper. The observed variations will facilitate theoretical observations, and through them I will argue if and in what way a phenomenon (dependent variable) is dependent on another (independent variable). The theoretical concepts will be analyzed by relating them to the theories they are part of, and each concept will be defined, delimited and represented by variables that will be extracted from the field research data, with the ultimate goal of formulating the necessary answers to the research questions. The variables of the selected concepts will represent the theoretical relationships in accordance with the thesis of the study and based on them the hypotheses will be formulated (based on units of analysis/observation).

Document analysis, as a research method, tries to solve the problem of obtaining data when other methods are not at hand or cannot be used (for example, interviews or questionnaires applied to people who know the researched phenomenon). Thus I will research the subject using the testimonies left by him (texts/documents/transcripts/archived documents that directly/indirectly reflect the subject). The method can also be used to verify and complete data obtained by other methods.

Research objectives and bibliographic bases

Reiterating the previous statements, in this paper I want to analyze the functioning of the craft cooperatives in the eastern part of Romania-Moldova, Neamț and Bacău counties, during the socialist period. I want to capture their way of organization, reporting to the prerogatives of the political regime, the interaction with it and the state and party bodies, also if by nature they fulfilled a social function for the community and its members. According to one of the theoretical models, I will discuss their quality as a corporation with a profit-maximizing role, both collectively and individually for their members.

In practice, in this thesis I start from contrasting theoretical approaches and try to show that there are mechanisms by which they can be viewed unitarily. More precisely, I will show how in a state organization, which has been interpreted so often as totalitarian, there can be autonomous corporatist organizational forms. What is interesting and arouses interest is how such a cooperative organization can harmonize dissonant institutional norms. I am referring here to the fact that the cooperative organization created an institutional climate in which it brought together moral norms materialized through rules of redistribution and material compensations to correct inequities, with market rules and behaviors to maximize the profit of the organization and the cooperators individually. The coexistence of these peculiarities, apparently theoretically dissonant, and the ability of an organization to bring them together under its dome, make cooperation interesting for research and in-depth understanding.

Fulfilling of objectives

I. As a first objective, I have shown why the totalitarian approach can also be replaced by another theoretical perspective, and I have proposed, based on a wide existing literature, the formulation of this parallel, competing approach. I started from the assumption that the way of looking at the Romanian socialist state from a totalitarian perspective is obsolete because the conventional totalitarian paradigm, which has so far occupied the discussions regarding the monist regimes of the 20th century, does not have the capacity to explain either the entire socialist period of the society, nor integral to its institutional fabric. Consequently, I have inventoried the theories of the framework of classical totalitarianisms that have made their explanatory monopoly felt over time and I have approached totalitarianism with emphasis on the models of Hannah Arendt (1973/2014) and Carl J. Friedrich & Zbigniew Brzezinski (1965). For the competing perspective to the conventional model of 20th century totalitarianisms, I used a different institutional perspective, not in the ideological proximity of the regime and formally incompatible with the socialist organization, namely the corporatist-mercantilist approach of the socialist state. First of all, I explored and inventoried the bibliographic sources regarding corporatism, namely the classic perspective of Mihail Manoilescu (1934) and the subsequent theoretical extensions, Schmitter (1974), Bunce (1983). On the theoretical framework of the corporatist doctrine we added those models of the mercantilist state and the economic institutionalism of the socialist regime. Thus I arrived at explanations of the institutional mode of

operation of the Soviet Union and the Romanian socialist state through the operationalization of corporatism on the data regarding the system of representing the interests of divided interest groups, professional categories and industrial sectors, each trying to increase their own well-being (Kornai 1992, Kaminski 1991, Kaminski 1992). Consistent with the same cooperative approach to the socialist society, I have included the discussion of the bureaucratic elite as a separate social class that throughout the exercise of the socialist social order (Chirot 1978/1980, Djilas 1957) has manifested individualistic behaviors, contrary to the ideology, with mercantilist, profit-maximizing goals. A brief explanation of the mercantilist state in the socialist era was also included (Boettke & Anderson, 1997. Castoriadis, 1973. Nove, 1975). We also extended the approach to the typology of bureaucratic organizations and its features of monopolizing resources or accessing superior negotiating positions. This includes bureaucratic corruption and the delimitation of economic and political monopoly rents (Krueger, 1974. Tullock, 2005) with specific reference to the typology of autocratic states strongly locked in such monopolies (Mbaku & Kimenyi, 1995. DiMaggio & Powell 1991/1983). I have referred here to bureaucratic models, behavioral typologies within bureaucratic structures, rationally instrumental behaviors to maximize utility and the tendency to secure some economic and political areas with the aim of extracting benefits. With the help of these models I explained how the socialist bureaucracy charged with the administration and management of goods, production and human resources within the economic sectors of the state behaved. The bureaucratic models by which bureaucrats tend to maximize their benefits and utility refer to the size and growth of government (Mueller, 2003. Holcombe, 2005), the tendency to oversize it against the background of the verticality of relations between the state and citizens, and the growth of the office budget (Niskanen, 1971 /2008).

II. In the second objective, I proposed the expansion of knowledge, seen through these institutional theoretical models, and to penetrate the depth of the cooperative phenomenon, indicating another way of organizing it, of understanding cooperatives. As I have shown since the introduction of the paper, I opted for the development of an interpretative and explanatory theoretical framework that can provide a comprehensive understanding of cooperatives, cooperatives as a type of social organization included in the social economy, starting from some normative models of justice social and positive from the welfare economy. I concluded that

cooperative forms function as institutional solutions for solving social dilemmas of collective action, having the ability to satisfy both private interest and social needs. I took into account the hypothesis according to which cooperative type organizations are hybrid socio-economic structures, since in their activity there are classical economic principles whereby profit is maximized for the individual benefit of each member, simultaneously with redistributive forms of social justice oriented towards the disadvantaged categories of the interior or exterior of the cooperation with the aim of correcting inequalities and social imbalances.

During the course of the thesis, I also wanted the explanatory model to be calibrated in such a way as to allow a coherent and deeper application to the phenomenon of cooperation, in particular to the production/craft one. This deductive theoretical model was operationalized and infused into the factual data collected from the field research, which can be found in chapter 4 of the thesis. And here I initially included general data about the cooperative system during the socialist period in Romania, based on the statistical data centralized by the National Institute of Statistics, then I appealed to a related work on the communist party corporation and its implications as a utility-maximizing economic actor. These preliminary steps had the role of preparing the specific discussion on the case studies regarding the craft cooperation in Neamț and Bacău counties, focused on UJCMs (county tutelary forums) and subordinate local cooperatives.

In conclusion, I have shown that the phenomenon of cooperation is more complex than it has been represented so far in the economic and political discourse. In the next section I will elaborate on this.

Assumptions and research questions

I opted, in the sequence of the introductory sections of the thesis, for it to be preceded by the objectives of the theme accompanied by a short inventory of the theory used precisely to fix the epistemic perimeter of the work, by mentioning the relevant bibliography, as well as to formulate the theoretical assumptions on the basis of which research questions will be formulated. Considering the increased interest in the topic of Romanian cooperation during the socialist period, the abundance of information, the ambiguities and contradictions generated by it, but also the fertility of the subject, the thesis will try to answer two central research questions

and test a series of hypotheses. The first question concerns the corporatist configuration of the craft cooperative, as distinct from the totalitarian organization of the socialist state, and how it co-existed symbiotically within this political structure. Therefore, the first question is: *Why did the craft cooperative operate on the basis of precepts, norms and organizational rules of a corporatist type, dissonant with the totalitarian ones, during the socialist regime in Romania?* In view of the coherence of the answer to this, derives a set of subsidiary questions that support the main one, also anchored in the research objectives:

- Can we consider craft cooperation as a physical expression of the institution of state corporatism during Romania's socialist period?
- To what extent can we replace the perception of the socialist totalitarian state in Romania with an alternative perspective of a mercantilist state?
- Did the Romanian communist state have the capacity to control any economic sector intrinsic to it? Does the ideological model of state socialism correspond to the actual practices and de facto organization of the socialist economy?
- To what extent can we affirm that the authorities and the bureaucratic elite functioned as an extractive institutional vehicle, a political-bureaucratic monolith, in an institutional climate favorable to corporatization and the securing of monopoly rents?
- Considering the general theoretical framework, can we affirm the fact that the socialist organization of Romania functioned under the imperatives of the subordinate corporatist organization? Can we say that the state and the party have met the function of a super-corporation?

The second central research question shifts the lens on craft cooperation toward a group-level behavioral symbiosis and social contract. The theoretical assumptions of the thesis lead to the prescription of a different and even atypical *modus vivendi* of cooperation, a chameleon model for any economic order of a state, an organizational model that reconciles two paradigms in ontological dispute. So: *Why do we look at the institutional arrangement of the craft cooperative as an atypical contractualist organizational model that harmonizes self-interest with social solidarity?* Maintaining the methodological line with the aim of obtaining accurate answers, and from here derives a set of secondary questions that support the main one:

- Is a contractualist model, which wants to harmonize two distinct behavioral modes, able to work in reality?
- To what extent can we consider the craft cooperative from Romania's socialist period an integral actor of the social economy?
- Did craft cooperatives resist the imperatives of the centralized state through their ability to adapt to the environment? Have they developed evolutionary institutional mechanisms, even considering the assumption of political compromise in order to survive?
- Despite the undemocratic practices specific to the socialist state, has the craft cooperative succeeded in manifesting democratic insularity through its very governing institutions?
- Contrary to the greed for resources and the efforts to maximize the economic potential of the bureaucratic elites, did the principles of orientation towards social equity at the group level function as informal, circumstantial institutions, or were they recognized as mandatory standard rules at the formal level?

The structure of thesis

In order to answer the proposed research questions, I will adopt a structure of the paper based on specific chapters to create a high conceptual transparency and progressively introduce the reader to the topic. Each section of the thesis, also of the chapters, will include, in a systematic manner, theoretical frameworks from which the theories arise and later the theoretical assumptions that will eventually crystallize in the proposed theoretical model, harmonized with the factual data collected in the field research. Each chapter and section will not deviate from the common denominator of the thesis, namely the x-ray of craft cooperation during the socialist regime in Romania.

Also, to answer the proposed research questions and test the hypotheses formulated throughout the thesis, I will use a deductive theoretical model derived from the general theoretical framework and applied to particular case studies. In the first chapter I developed a theoretical framework infused with fundamental concepts of the subject of socialism such as: the stakes of the project of collectivization of the means of production, the subject of collectivist/cooperative forms from the perspective of totalitarian political regimes, I will also

look at them from distinct theoretical perspectives. I proposed to open the discussion in a descriptive manner, therefore I will make an x-ray of the conceptual aspects that require clarification and delimitation. This is necessary because the entire theoretical conglomerate that refers to the corporatist approach is dissolvable and incorporates distinct conceptual approaches, even if they are tangential: corporation, cooperation, cooperative, collective. We discussed the basics of the cooperative and what it represents. The central stake of the chapter is to clarify the conceptual aspects to be discussed multidimensionally in the following sections of the thesis and to direct attention to the institutional approaches of socialist regimes from an economic perspective and those that dismantle the dominant totalitarian approach. In addition to these fundamental aspects, I will also mention the explanatory model of methodological collectivism with the aim of explaining the behaviors of individuals in a group.

The second chapter includes two essential sections of the thesis: I will analyze in depth two distinct, contrasting approaches - the totalitarian perspective and the corporatist-decentralized perspective of the socialist state. The totalitarian perspective (specific to the 1950s), entered into public acceptance and widely recognized, boils down to the description of a total state that has absolute control over all resources, in which all forms of private property are abolished, as well as any pluralistic form of ideas/ visions and gets involved in all compartments of society and citizens' life. The second economic perspective, of the institutional type of rational choice, aims at corporatism and decentralization in the socialist era, with an emphasis on the mercantilist state. I will consider the socialist period, the imperatives of its governance and how co-operative institutional arrangements were able to endure in the context of the socialist regime and whether it was institutionally articulated enough to maintain its imperatives of authority. One of the hypotheses consists in the fact that such a state issued derogations from authoritarian norms due to the inability to optimally administer the patrimony of national resources and public goods.

In the third chapter, I will focus on the formulation of an explanatory theoretical model to know in depth the cooperations and the behaviors that define them. I will begin the discussion with the theoretical roots of the rational choice paradigm and its basic assumptions. I thought about the formulation of a reconciling contractualist model of the institution of cooperation

because, exploring the descriptive literature of cooperation, it emerges that at the foundation of its operation lies the attribute of solidarity, mutual advantage, including redistribution and transfer of benefits to the disadvantaged.

For this I will appeal to a conceptual link between the theory of rational choice and the egalitarian theory of social justice proposed by John Rawls, respectively to the maximin strategy. This strategy explains behaviors focused on risk avoidance, and one of the effects is the generation of the model of justice as equity within an interaction situation between individuals. From here I will build the theoretical model by extracting Rawls's assumptions, from the theory of justice as equity regarding constitutional elections, the redistributive assumption of resources within that group and the principles of justice, especially that of difference. As a theoretical extension in formulating my own model, I will strengthen the assumptions by discussing the Kaldor-Hicks criterion (compensations, redistributions) as a related principle of J. Rawls from the economic perspective of rational choice.

In this chapter I will develop an interpretative and explanatory theoretical framework that can provide an effective understanding of cooperatives, cooperatives as a type of social organization included in this type of economy, starting from traditional normative models of social justice and positive models from the economic sphere. I will argue that cooperative forms function as institutional solutions for solving social dilemmas of collective action, having the capacity to satisfy both private interest and social needs.

The fourth chapter of the paper is fully dedicated to applied discussions and case studies. In this section, space is reserved for empirical data, factual information collected qualitatively, based on archival documents and the method of semi-structured interviews with members of the administrative elites of craft cooperatives. It will contain a first introductory, general section regarding global data and indicators at the country level regarding the cooperative system in the socialist regime and a parallel with the organizational system of the Romanian Communist Party as a corporation or special interest group.

Here I will introduce discussions regarding the de facto operation of craft cooperatives at the county and municipal level in the eastern part of Romania - Moldova region, particularly in Neamț and Bacău counties. The chapter will keep a simple, descriptive approach based on the data available from the archives and on the basis of in-depth interviews with the former

administrative elites of the cooperatives and county tutelary forums of that period. Obviously, it is constructed in such a way that it can serve to extract the information of interest for the research hypotheses and questions, i.e. according to the objectives of the thesis. Through this monograph of each cooperation, I intend to show, in the subsequent chapter, the explanatory capacity of the theoretical model built from a conceptual conglomerate, but also of the new approach in the field of research on the communist regime in Romania, especially on the craft cooperation.

In the fifth chapter, the last one, I will simplify and operationalize the theoretical models so that I can test the hypotheses and answer the research questions in the most concise manner, considering the multitude of theoretical approaches and the bibliographic volume. After creating the theoretical models, thus the methodological tools for working with the collected factual data, I will later interpret the raw information from the field research through the institutional perceptual lens.

The thesis ends with a chapter of conclusions in which the created theoretical models will be summarily evaluated and I will test the hypotheses. By combining the answers obtained to the individual research questions, I will be able to explain how the craft cooperative in Romania's socialist period worked, if and why it was organized on corporatist principles contrary to the totalitarian paradigm. I will also be able to answer why and through what type of symbiotic institution could provide the opportunity for the individual development of the cooperators, preserving the prerogatives of the social economy, correcting inequalities between members and increasing solidarity at the cooperative group level. We will include a short section dedicated to the main contributions of this research and its methodological limitations.

Findings and Research results

Starting from the indicators established as research guidelines, we highlighted in the data analysis the extent to which Romanian cooperatives respond to the hypotheses and research questions. I argued that the institution of the craft cooperative operated on the basis of precepts, norms and organizational rules of a corporatist type, dissonant with the totalitarian ones, during the socialist regime in Romania. The thesis tried to answer the question to what extent this claim can be empirically tested. As I concluded in subchapter 5.3, the organization of the craft

cooperative was autonomous and behaved in the market (however tenuous it was) as a private utility-maximizing firm. It was subordinated to a central body separate from the state apparatus - UCECOM - with a different and autonomous status and it had a certain freedom to trade freely on any market there was demand, and the budgets were subject to internal voting, without the involvement of the socialist state. Even if my argument could be attacked by referring to the thesis of political party control, it can be argued with empirical evidence that in the relationship with the state and the coordination of production planning, the UJCM had the possibility to modify the centralized plan and request derogations from it. Also, the cooperative had the freedom to develop autonomously, investing in real estate and production and trade infrastructure, competing with other economic sectors of the state. We can consider UCECOM, as the main physical form of craft cooperation, a corporation with vertical bureaucratic organization composed of a number of individuals, natural or legal, functional to the communist state, seen as a supercorporation with a mediating and coordinating role. It also represented an important actor for the national market of goods as it registered contracts with the state enterprises and stores to which it supplied goods.

It manifested autonomy, an expansionist and competitive spirit with the state sectors but also with the other cooperatives separated from UCECOM. It developed horizontally and created its own facilities in order to gain independence from the state and to meet every need of its own cooperators. At the county level, the entire craft cooperative showed enough competitive power with the sectors of state enterprises because it had its own capital, it had its own sales market, and this created a dependence of the state on the cooperative system, as well as the number of cooperatives compared to the employees in the sector of the state were similar.

If we refer to the authorities and the bureaucratic elite, they functioned according to the theoretical models of the bureaucratic elite maximizing benefits and monopoly rents. They represented extractive institutional vehicles, a political-bureaucratic monolith, aided by political instruments to create the institutional climate favorable to corporatization and the securing of economic areas of interest. It represented a type of important actor for the national goods market as it registered contracts with the state enterprises and stores to which it supplied goods. In order to maximize profit, the cooperation was divided, like similar structures in other counties and in relation to the configuration of UCECOM, into series production sections that dealt with the

honoring of large contracts entered into at the central, county level with internal or external clients. Where there is an increased demand for certain products, UJCM purchases from the state enterprises sector and sells them under its own management. Here we observe an economic monopoly rent with political support, as the top bureaucratic elite also held positions in the Romanian Communist Party.

In order to maximize profit, UJCM began to create its own network of stores and production sections for its own profit, separate from the subordinate cooperatives, even if, theoretically, it represented an administrative body with a role of coordination and control at the county level. All the goods needed for production were distributed from the UCECOM level, and if a president of a cooperative or a county union held a powerful political role, with negotiation capacity and visibility among the cooperative bureaucracy as well as the state, then more resources could be requested even unjustifiably. This, argued Kornai, we know was also the case with the leaders of state socialist enterprises. The power of negotiation, visibility, authority and entrepreneurial spirit in the sense of circumventing the rules, was once pronounced by the political position at the party level. Parallel hierarchies had been created for administrative staff and production communications at party political meetings. This aspect is vital to the analysis because a political position attracted privileges for those who fulfilled it, they were offered the power of negotiation and social networking necessary to maximize opportunities for personal and corporate development.

The craft cooperative operated under a subordinate corporatist organization during Romania's socialist period, in which the state itself and the party, as ubiquitous entities, met the function of a supra-corporation capable of building a clientelistic economic network. We observe this aspect in the correlation between leadership positions in the cooperative and those in the party - a higher position in the communist party correlated with a position in the bureaucratic elite of the cooperative. This did not necessarily mean a disadvantage for the cooperative organization, but on the contrary, politically involved people were able to escalate the respective hierarchy in order to be able to more effectively promote the collective interests of the cooperative, implicitly the personal ones.

On the other hand, the organization and operation of cooperatives was coordinated by political directives stemming from the party's economic policy. They negotiated their budgets

and resources necessary for survival and expansion in the informally capitalist economic market. In addition, cooperatives traded goods and traded with the socialist state, and at the height of their power, contracted clients individually for mass production without the consent and validation of higher tutelary fora.

Sometimes they produced more goods than they needed on the market and encountered the phenomenon of overproduction, and sometimes the presidents of the cooperatives took advantage of their political position to send more products to the bottom of the market and to the contracted customers precisely to dispense with the surplus of goods. We thus observe that through the political quality the crises of overproduction were also solved. When the stocks became visibly increased, without coverage on the already known market, it was resorted to force the customers through the political network in the country and thus the existing stocks were reduced. The vertical negotiation was carried out within the interactions of the bureaucrats with the political-economic center of the state, but also in the opposite direction, with the cooperators. Here we recall what was said previously, when the production plan could not be postponed, then it was reached to negotiate a larger amount of raw materials and employees that would have made it easier to carry out the plan. That is why the bureaucratic elite negotiated and demanded more resources from the center by virtue of their political position, according to the principle of the venality of positions.

We could frame the operation of cooperative in a socialist state as mercantilist. Governance was ensured by a single autocrat surrounded by an intimate circle of his power with monopolistic political representation, namely the Romanian Communist Party. The Romanian socialist state protected and sponsored monopolies on the market, in the sense of economic and political rents. The autocrat protected the economic cartels precisely in order to return a series of benefits to him, so as to ensure an increase in his utility by outsourcing the exploitation of these monopolistic interest groups. It behaves like a corporation, in an organization called by Manoilescu- subordinate corporatism (in relation to the single political formation), in an economic market, to a significant extent, free.

In order to provide an answer to the second central research question that is based on the thesis that we view the institutional arrangement of the craft cooperative as an atypical contractualist organizational model that harmonizes self-interest with social solidarity, I believe

that I have identified enough solid arguments to support it . First of all, we find factual evidence based on the norms of the operation of the cooperation, which proves that all the cooperations and structures involved in the field research adhered to socially just principles of a redistributive type according to which they functioned at an official, formal level. It is interesting that there was a system of compensations offered to the least productive and to the co-operators in mass production who encountered "production gaps". The status of a cooperator benefited from veiled social protection, in the sense that when he became unproductive for a variety of reasons, or when his level of professionalization did not allow him a high yield, then the surplus of the other fellow cooperators helped him survive in the collective of the cooperative and offered him the necessary support.

The social character and equity between the cooperatives is also proven by the distribution of the profit to various funds of the cooperative: the Fund for increasing own sources of financing - share capital, reserves, other funds, the Fund for increasing resources and for increasing own capital, the available fund to the president - the sums of this fund were discretionary and the president together with the board of directors decided how the money was spent. In the interviews it is confirmed that usually the funds were channeled towards social situations. The cooperative represented a place of refuge for the underprivileged/disadvantaged and even had wards specially intended for the disabled people. We observe in all the ontological spectrums, aspects related to the investment in the recovery of the socio-economic gaps between the members and the advancement of the community in which they operate. For example, if there were disadvantaged communities, neighborhoods of unemployed youth or unskilled people, then the craft cooperative invested in their professionalization, schooling and later absorption in the labor market. UCECOM, UJCM counties had their own vocational schools where all the cooperators and their children were trained.

If we look at the other side, the one oriented towards profit and opportunities to increase individual benefit, the cooperative offered the cooperative member meritocratic earning levers according to the skills and work performed. Productive cooperators interested in increasing personal benefit were remunerated on the basis of commission per service/good provided, regardless of the section in which they worked (services or series production), separately from the minimum tariff wage and no superior could impose a maximum threshold, provided there is

no danger of overproduction. But there was also the system of negative incentives through which action was taken to penalize them when the individual or collective production plan was not realized, or when the cooperator produced less than was predicted. The profit made on the production section was also distributed according to the criterion of professional competence and seniority, by grades and qualification.

In the end we can look at craft cooperation as a contractual institutional arrangement capable of harmonizing two distinct behavioral modes. This conclusion comes from the observation that within the cooperation both the obtaining of profit according to skills, talent and effort, for the individual benefit of the cooperator, and the collective accumulation of profit were promoted, maintaining the prerogative of redistributing the surplus in favor of the disadvantaged categories and the community . It is important to emphasize that these institutions did not operate in the "underground" of cooperation, informally, circumstantially, but were mutually recognized as standard rules of governance.

Adding its democratic insularity embedded in a monist, totalitarian and repressive political regime, a fact marked by pluralism, democratic organization and transparent, plebiscitary decision-making of cooperation, we can consider that it meets the conditions (see the end of analytical section 5.3) of a social enterprise as an active integral part in the social economy. Moreover, in relation to the political imperatives and the state social order, the cooperative managed to develop evolutionary mechanisms to adapt to the hostile environment, acclimatize and acquire the strength necessary for survival, for the acquisition of autonomy.

Research limits and Academic contribution

The work is one done in an institutional perspective continuing some studies of the authors who treated the eastern communist bloc in a similar manner and from which I took considerable concepts and theoretical theses. I could say that this study contributes to strengthening this way of looking at socialism, the socialist states surrounded by the Soviet Union, at least in the post-1970 period.

The research of course also has vulnerabilities; admit that some data have low consistency due to lack of validation by figures and archival documents. Also, being a work in the pioneering area regarding the documentation, analysis and explanation of Romania's socialist

period through theoretical models with a different perspective, it is expected that it will withstand questions regarding the robustness of the arguments and the data that reinforce them. Therefore, from here it can be considered an embryonic stage of the study from this perspective of the socialist period, a point from which other research directions can be opened and the effective continuation of the study in a longitudinal manner in the later period of the post-communist transition. However, in this sense I am aware that a doctoral research is not enough to epistemically, exhaustively, encompass the entire cooperative paradigm.

As I assumed, the robustness of the research depends overwhelmingly on the availability of information: archives, former cooperators, secondary data, statistics, unknown or uninvestigated bibliography. In addition to this, these aims and results of the research may not be statistically relevant since the study took place only in two counties of Romania, and a larger number of studied cases could possibly invalidate the hypotheses and perhaps not lead us when all the conditions of the theoretical model are met. But I believe that the theoretical approach used here has not been rejected by confronting the factual data, and we have at our disposal some epistemic resources from which to generate new horizons of scientific knowledge.

It should be noted and appreciated that those former cooperators who, in various periods of time, including the socialist period, were part of the bureaucratic elite of the cooperative, who had direct contact with all administrative coordinates, are still available and respond with solicitude of cooperation in those periods and can practically substitute an entire archive of documents. That is why I believe that the method of interviews with bureaucratic elites was an opportune tool to gather vital data and functioned as a surrogate where archival documents were not available - currently under the administration of private companies subcontracted by the state through the county archives organizations.

So, as the empirical base I used is limited, I cannot say that so far concepts like cooperative corporation, subordinate corporatism, are useful tools in social research. The reduced limits and the finite time allocated to a doctoral thesis cannot cover such a theme which is essential, I think, for the knowledge of the socialist period of Romania. As far as I am concerned, I could not inventory all the aspects and peculiarities of each cooperative organization in order to obtain a clearer and more complete picture.

Moreover, in the collective mind cooperative is still reminiscent of communism: "*then [the socialist period] we were seen as privileged capitalists, now you are seen as the communists*

of capitalism" and therefore this PhD thesis may represent an incremental increase in knowledge academic but also the common one, a marginal contribution brought to the understanding of the period of the communist regime in Romania, with another argumentative flavour and with the promotion of a new facet of the respective reality.

The relevance for the academic environment is obvious because, to my knowledge, such a study carried out on concrete examples of craft cooperatives has not been carried out before, at least from these theoretical perspectives, and it can be considered a work that can pave the way for new studies, foreshadowing future analyzes of cooperative after 1990 and what institutional turn this type of organization underwent.

If we were to refer to its practical utility, then the work can serve as a substantiation note in the modification of some legislative projects that refer to the current cooperative system in Romania and can shape new public policies or institutional systems of cooperative that integrate principles of social justice, equity, redistribution, infused into an independent, profit-oriented economic organization honorable to society as a whole. We clearly see that all these can be brought together under the same institution, and we indisputably have factual evidence of the existence of such self-governing organizations, we could call them. Even the possible new political directions can be evaluated *ex-ante* through the prism of the purposes of this study and in a utilitarian sense can be seen as generators of predictions, moral, economic and institutional prescriptions. A review of the way to establish contractual organizations is needed to provide for the satisfaction of the common interest while preserving the prerogatives of the qualitative provision of the collective good and the correction of socio-economic inequalities.