

Romania:

# Goulash Communism or Capitalist Austerity

The crisis in the Eastern bloc is perhaps nowhere more acute than in Romania. In the last few years the ruling Romanian Communist Party has imposed austerity measures which have not been seen in Europe since the Second World War. These include extensive rationing, drastic reduction of energy consumption, severe labour discipline, and numerous repressive measures to enforce these and other steps.

There is of course no simple one-to-one correspondence between economic crisis and political revolt. Yet the depth and tenacity of the crisis in Romania is without doubt building up pressure which is straining the social fabric of the country and dramatically altering the comportment of rulers and ruled alike. It is a situation which the Western imperialists, eager to seize on whatever openings in the East bloc they can, as they showed in Poland, are eyeing seriously; it is also a development which genuine Marxist-Leninists need to follow as well, though for completely different purposes.

In one incident not long ago, when Nicolae Ceausescu, who has headed Romania for over twenty years now, attempted to negotiate a conclusion to a revolt in the mining region against some recently impos-

ed austerity measures, the striking workers pelted him with rocks and bricks. Ceausescu fled for his life. Such an episode would be humiliating for any chief of state, and much more so for the head of a party which still proclaims itself the communist vanguard of the proletariat.

**The Original Land of the Vampires**  
 Romania has for years been the subject of a seemingly quasi-schizophrenic assessment on the part of the Western bloc. It has, on the one hand, been portrayed as the *patria* of Nadia Comaneci and her gymnast cohorts, whose countrymen are said to be engaged in a one-sided but courageous struggle for independence from the heavy-handed Soviets. Romania was, for example, widely hailed in the West when it became the sole East bloc member to break the Russian boycott of the 1984 Olympics in Los Angeles. Often depicted as quaint, the country was for a while a stopping-off point for the idle Western rich in their endless search for new, exotic thrills. During the 1970s, for instance, planeloads of American tourists disembarked in Bucharest to visit an ancient castle in Transylvania where they were regaled over a night-time campfire with the

legends that were the source of Bram Stoker's *Dracula* vampire novel. During those same years, other ties developed as well: the U.S. Congress granted Romania Most Favoured Nation trade status, entitling it to significant trade tariff reductions.

Yet on the other hand Romania has throughout this same period been attacked as the most "Stalinist" country in the bloc, ruled by unrepentant totalitarians, with a "cult of personality." Some Western commentators have even attacked Ceausescu for supposedly resurrecting elements of the Cultural Revolution in China(?!). Furthermore, especially in the last few years, the acute economic difficulties of the country have been held up as yet further proof of the failure of socialism, particularly of the more "orthodox" variety.

This two-pronged propaganda reflects U.S. imperialism's stated policy of "differentiation," which is based on maximizing U.S. influence within the Soviet bloc by dividing bloc members into "good" and "bad," without forgetting that they are still members of the enemy camp. In fact, Romania conforms as little to the fairyland image of vampires as it does to the genuine socialism that existed under Stalin in the USSR or to Mao's Cultural

Revolution. Like the rest of the East bloc, Romania is capitalist. Its present situation, including the economic crisis, is the product of years of development as part of the Soviet imperialist system, ruled over by the new revisionist bourgeoisie. One does not have to follow the tourists to Transylvanian castles to find true-to-life vampires in the East bloc.

### Gaullism, East-bloc Style

The "maverick" stance that is typically attributed to Ceausescu and the Romanian Communist Party is a reflection of his continuing attempts to advance Romania's own national interests within the Soviet imperialist network, as a sort of East bloc de Gaulle. This policy has roots which go back even before Ceausescu himself.

It was at the time when Mao Tsetung and the Chinese Communist Party launched their attack on the Soviet revisionists in the late 1950s that Romania, then headed by Gheorghe-Gheorghiu Dej, began to mount its own opposition to the Soviets. However the terms of dispute raised by Gheorgiu-Dej — and, after 1965, by Ceausescu — had little in common with Mao Tsetung's revolutionary battle. The latter inaugurated his critique of the Soviets on the international situation, exposing Khruschev's theory of "peaceful coexistence" as a justification for the revisionist collusion with imperialism. Mao later developed his famous analysis of the restoration of capitalism in the USSR, succinctly summarized by his statement that "the rise to power of revisionism is the rise to power of the bourgeoisie," and developed the thesis of the need for continuing the revolution under the dictatorship of the proletariat to prevent such restoration and advance towards communism. As for Gheorghiu-Dej, Ceausescu and the RCP, as one Western historian put it, "at no time was there any discussion of the fundamental issues confronting the socialist camp — Stalinism, revisionism, dogmatism, liberalization and the like."

The point that interested the RCP leaders was "the separate path to socialism," by which was meant the

right of each country to follow its own "national path to socialism". The Romanians raised this particularly in opposition to the Soviet revisionists' demand for an "international division of labour" of Comecon (the economic organisation of the Soviet bloc, at that time including only the USSR and Eastern Europe), whereby each member was to specialize in doing what they already do best. Romania, the least developed European country in the bloc, pointed out that this would reduce the country to the status of a provider of raw materials and foodstuffs (Bulgaria has gone on to become the self-proclaimed "gardener of Comecon," a jolly little nickname for its own similar subordinate functioning).

What Ceausescu and the RCP fought for was not at all to join Mao Tsetung and the Chinese party in exposing the capitalist character of the Soviet revisionists or to launch a revolutionary initiative to retake the socialist road in Romania or in the bloc as a whole; instead they were content to take advantage of the manoeuvring room opened up by Mao's attack on the Soviet revisionists in order to advance the national interests of Romania *within* the Soviet bloc. Accordingly, Gheorghiu-Dej and Ceausescu both endorsed the Soviet revisionists' attacks on Stalin and subsequently sought to project the RCP as a "neutral arbiter" between Mao and the CPSU, between revolution and counter-revolution.

This independent stance has included opening up to an unusual extent to Western economic and especially political relations. Romania is, for instance, the sole East bloc country with diplomatic relations with Israel, which it refused to condemn in the Six Day War in 1967. It also maintains privileged relations with Iran (under the Ayatollah as under the Shah), and has relatively developed ties with the U.S., W. Germany and France (in the last two years both U.S. Vice President Bush and Secretary of State Schultz have visited Bucharest). In order to further polish his image as a global arbiter, Ceausescu has also mobilised large demonstrations for disarmament,

including demands for the withdrawal of the nuclear missiles of both blocs, and has advocated schemes for a "nuclear-free Balkans." For a while Ceausescu even went so far as to implicitly endorse Reagan's "zero option," calling for the removal of the Soviets' SS-20s already in place in return for which the U.S. would refrain from introducing its own cruise and Pershing missiles.

In general, the U.S. and the West have tried to use openings like these throughout East Europe in order to consolidate their own positions of influence for the moment, in order to advance more dramatically when an opportunity presents itself. But it is not as if the Soviets are fundamentally opposed to this sort of manoeuvring by the East European countries, or even to Romania's more maverick stance overall. Indeed, Romania's connections in places where other bloc members have none occasionally serves the Soviet bourgeoisie well. For example, Romania has recently played a pivotal role in smoothing the path for initial steps towards normalization of Soviet relations with China, and it has also proved useful in maintaining rapport with the Ayatollah Khomeini regime. In some ways, Romania plays a sort of mirror-image role to that of France, using its occasional blusterings against the bloc leader in order to extend its own influence and, in so doing, the influence of the bloc overall.

In addition, the Soviets recognise the role of Ceausescu's demagogic nationalism in maintaining internal stability in Romania. Ceausescu has for years touted his own success in averting any kind of Soviet occupation and has fed the idea that Romanians enjoy a relatively privileged position vis-a-vis their neighbors because they alone have not a single Soviet soldier on their soil. In 1968, when he announced before throngs of Romanians his refusal to allow Warsaw Pact troops to cross through Romania in order to invade Czechoslovakia, he was indeed fervently supported. But the bottom line of his message is that the sole way that Romania can maintain this relatively "privileged" status is, as he drums in repeatedly, for the peo-

ple to stay in line. In 1977, during a strike by 50-90,000 miners, Ceausescu, a former miner, intervened personally in the negotiations and was finally successful in bringing the strike to a halt with his appeal that, if the strike continued to rage out of control he could not ensure against "external intervention." And everyone knew what that meant. In fact, with this line of Romania's "relatively privileged position," Ceausescu is dangling a carrot before the masses, in part to get them to passively accept the way things are, including relatively high doses of repression, in the interests of protecting their supposed privileges. The real content of Ceausescu's concern about external intervention was displayed prominently during the Polish events of 1980-81 when Ceausescu was more vociferous than any other bloc leader in calling for a crackdown on Solidarity, which he denounced as "an emanation of reaction and imperialism" and which he compared to "those cliques" in Poland before WW2 who, according to Ceausescu, destabilized that country and so brought on the world war.

To the extent that this nationalist reasoning has taken root in Romania it has promoted an outlook that is not only bourgeois and conducive to passivity, but largely illusory as well. Romania is solidly in the Soviet bloc. True, Soviet soldiers are not stationed on its soil, but it does take part in such Warsaw Pact manoeuvres as the recent Soyuz exercises, in which Romanian officers participated as advisors in Romania itself and took part at the level of coordinating command, control and communications. Furthermore, Ceausescu made clear the bottom line when he proclaimed that, whatever the state of the Warsaw Pact relations, 'should imperialism unleash war, Romania, a socialist state, would fight alongside other socialist states.' \*

Economically, Romania's objections to Comecon have always been couched in terms of opposing any "supra-national" authority — it has no objections to overall bloc economic policy, and it is fully integrated economically into the bloc

behind the Soviet lead. The majority of Romania's trade, for instance, is with other Comecon members, with the USSR by far its largest single trading partner.

### Economic Crisis

Recent economic developments have given rise to serious cracks in the consensus that Ceausescu has at least maintained certain advantages for Romania, that "things could always be worse." The development of this crisis can only be sketched briefly. Its more recent roots stem from the late '60s. At that time Romania, like most of the other East European countries, adopted a series of economic reforms in the wake of the so-called Lieberman reforms in the USSR, which restructured planning more thoroughly along capitalist lines and established profit as the leading indicator in the planning process. While Romania's economy (and East Europe's generally) was at that time growing faster than those of the West, the *rate of growth* has since then begun a serious decline. In the '70s, Romania undertook a series of adjustments which relied on heavy imports of Western technology, paid for through loans floated from Western banks, with plans to significantly upgrade their export capability to the West, thus enabling them to compete economically and improve their technological base for strategic purposes. In particular, Romania planned to gear for exporting petrochemical products. In 1972, as this growth strategy began to take shape, Romania was even admitted into the International Monetary Fund and the World Bank. The country's debt to Western banks climbed rapidly, from \$1,000 million in 1971 to \$10,000 million in 1981 — it was a rate of growth in the debt which, relative to GNP, was matched only by Poland.

These moves did lead to a brief period of high growth in trade with the West bloc, which in Romania's particular case continued longer than most other Comecon members. The effects of this on Romania's economy, however, were not exactly those anticipated. Romania's reliance on expanding exports was

severely hurt by the recession which hit the West in the mid-1970s, in general and also because as marginal exporters they were often the first cut by Western importers. Then too there was a serious rise in the price of petrol, which had to be imported in increasing quantities in order to fuel the export sector. This became particularly acute after the fall of the Shah of Iran, who was Romania's leading petrol supplier. At the same time interest on the debt mounted.

Thus Romania found itself in a situation where it had to export to pay its debt while at the same time it had to borrow ever more heavily to import increasing quantities of petrol in order to produce for export. This situation was exacerbated for Romania relative to the rest of the Soviet bloc first, because it had for decades been energy self-sufficient with the rich Ploesti oil fields and had a high level of energy consumption per unit of output; and secondly, because it got almost none of its oil from the Soviets, who had provided natural gas and petrol to other COMECON members at cheaper than world market prices as a means of consolidating intra-bloc unity and maintaining a grip on the jugular vein of the Eastern European economies. Thus Romania was hit especially hard by the rise in world market prices. In addition, historical difficulties with agricultural production were aggravated, including by the diversion from that sector of energy-consumptive products (eg. fertilizer).

In the late 1970s initial measures were taken to cut imports, especially by tightening up energy consumption, and to seek other domestic sources of energy, such as low-yield coal. These were deemed insufficient however and in late 1981, taking advantage of the wave of demoralization which was felt throughout the East bloc with the clampdown in Poland on Solidarity, Ceausescu announced a series of unprecedented austerity measures, which had been generally recommended by the IMF.

These included:

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\* Cited in *Romania: Politics, Economics and Society* by Michael Shafir, Frances Pinter Publishers, U.K.



— Food rationing: including bread, flour, rice, sugar, cooking oil, etc. Hoarding of more than a one month's supply per family was made a criminal offense, with a second offense punishable by up to 5 years in prison. Compliance is facilitated by restricting each family's purchases to a single local store.

— Rationing of energy consumption: gas and electricity have been routinely cut to consumers for up to 8 hrs./day. It is illegal for the public to use refrigerators, washing machines, etc., to heat their homes or apartments to more than 10C (50F), or to drive personal cars.

Television broadcasting has been cut back to 2 hrs./day, restaurants close at 21.00 and most city street lights are permanently turned off. (It should be pointed out that consumption of energy by individual households amounts to a mere 7% of Romania's entire energy consumption.) To ensure compliance with these measures "flying teams" of party and police agents conduct surprise house searches.

— Inflation: a 35% price hike was announced for 220 basic foodstuffs.

— Productivity increases: the Romanian workers' 46-hour work week, previously scheduled to be

reduced to 40 hours by 1980, was continued through 1990. Prison sentences were authorized for drinking on the job or even showing up at work drunk. In a democratic flourish, Ceausescu also announced a new "self-management" plan, really a very old profit-sharing scheme. Workers are compelled to invest a share of their earnings in their individual factory, so that the larger their factories' profit, the larger their own salaries, and of course vice versa as well. This variable portion can go as high as 25% of the individual worker's wage. In addition, the already widespread use of piece-rates is made even more general, to the point that individual workers are now required to negotiate with their boss for a separate contract with their own personal work quota.

The RCP's increasingly heavy reliance on material incentives and other appeals up and down the line to individual self-interest as the key link in motivating the work-force — all in the name of innovative "self-management" and even "proletarian democracy" — are long-familiar hallmarks of capitalism in any form. They find ready parallels with innovations popular in post-'60s W. Europe, particularly in W. Germany, such as "co-determination" and the like. Thus the revisionists, faced with crisis, act like their Western counter-parts, dangling carrots with one hand, brandishing a whip with the other.

The RCP's explanations for the necessity of such measures are also revealing. They denounce Western imperialism for causing austerity and famine throughout the world (with of course not a word on any responsibility the Soviets might bear for, for example, Ethiopia). Secondly, and more pointedly, Ceausescu blames... the Romanian people, and almost all of them at that. In his view, the peasants routinely divert cereals to their private animal stocks to line their own pockets, the workers work too little and too poorly and steal and waste state funds, and for the right price the merchants will sell anything at all under the counter. In short, while hypocritically encouraging rampant individualism with a program based

on material incentives, Ceausescu is outraged because everyone is out for himself... instead of for the Romanian bourgeoisie!

In a fitting finale to this logic, Ceausescu accuses the masses of people of yet another crime: *eating too much*. Ceausescu and his wife personally promulgated "scientific" state guidelines on a proper diet and declared that rationing is in large part necessary because Romanians are fat. Thus diet guidelines and ration limits are directly linked — for example, no one can buy more than 180 kg. of cereals per year because this is said to be the limit for good health; instead people are advised to eat more meat. The "scientific" basis of these guidelines is belied by the fact that local people's councils are authorized to lower the norms even further *depending on local agricultural production*. No doubt Romania has obese citizens: it is a European capitalist country and does not witness African-style famine. At the same time, it is a fact that it is about the poorest country in the East European bloc and that there are millions of poor collective farm and factory workers whose main nutrition, at least from late fall to early spring, comes from a steady diet of corn meal mush. For them, fresh fruit entails an orange or two for Christmas, while meat is a not too common luxury. The city of Timisoara in the west has already witnessed a mass demonstration demanding bread. It is in such circumstances that Ceausescu advises the masses to eat less grain and more meat — just as Marie Antoinette proclaimed to the hungry Parisians, "let them eat cake."

In the RCP's view, everyone is guilty... *except* the guilty, the revisionist capitalists at the head of the party. On the contrary, the crisis is paralleled by unprecedented adulation of Ceausescu, who is hailed for introducing Romania into a whole new historical epoch — "the age of Ceausescu." At the most recent RCP Congress, the opening speech exalted him as "the politician who, constantly concerned with patriotism and with the destiny of his people, and acting toward the constant progress of his homeland, has asserted himself as a great

thinker and present-day strategist." An official song hails him as "the star of our race," part of a mounting crescendo of panegyrics to the "Romanian race" (whatever that is) and to the "national road to socialism" — all of which is not so far off from "national socialism" itself.

The enshrinement of Ceausescu also includes the elevation of his entire family: four of the eight current RCP Politburo members are from Ceausescu's immediate family, and a larger number of his extended family are placed throughout the top ranks of the party. Together they are popularly known as the "Ceausescu mafia."

### **The Spectre of Revolt Haunts the "Ceausescu Mafia"**

The recent austerity measures and the generally deteriorating situation in the country have given rise to sporadic outbreaks of resistance. In 1977, tens of thousands of miners struck in the Valley of Jiu, the centre of Romania's mining industry and thus especially critical for the energy-oriented economy. What took place there is described in a public letter from a group of 22 miners:

"We want to communicate to you in general what has happened in the Valley of Jiu, at the Lupeni mine, a mine of long-standing working class traditions. On the 1st of August, some of our comrades told us that a strike had broken out that very day at Lupeni. So miners from all over the Valley went there, since that was where the action was. There were miners from all the mines: Cazda, Uricani, (etc.)... mines which employed a great number of miners, 90,000 in all. On Wednesday, Aug. 3rd, when President Ceausescu arrived, three days had already passed during which at least 35,000 miners assembled in front of the Lupeni mine, where we had some serious confrontations with the Securitate (the Romanian secret police — *AWTW*), the police and party functionaries. Among the latter were Ilie Verdets and Gheorghe Pana, both sent by the Central Committee, no doubt to explain to us the laws passed before Aug. 1, but who in fact were very anxious, along with

the Mayor of Petrosani, Negruts, and the local Prefect, Radulescu, to bring in reinforcements of Securitate and party functionaries from Craiova, Tîrgu-Jiu and Deva. They weren't able to do much though against miners in work-clothes, with their lamps, helmets and pick-axes. Not only were they unable to disperse the strikers, even with their firehoses and firetrucks, but the miners got hold of Verdets and Pana and locked them up. 'Until Ceausescu comes, we won't let them go.' This happened despite the efforts of the Securitate, under the orders of Colonel Mihuts, who didn't cease repeating that Ceausescu was on his way. Finally he arrived.

"Our discussions with the chief of state lasted from noon until 5 p.m. No one would have wanted to be in Ceausescu's shoes: he was booed, hissed, whistled at and cursed all kinds of names....

"As for reforms, yes, they took place: the 'cleaning-up' of the workers who demanded their rights was begun. Two helicopters were brought in, the Securitate and local militia were doubled, the mines were surrounded and Securitate agents were engaged as workers in the pits.... 4,000 of us were also put on the streets...expelled from the Valley.

"Never fear if you learn that there has been a strike in a Socialist country. There will be others, and maybe we will have no other choice than to get justice ourselves, with our mattocks and pick-axes.... At Lupeni we cried, 'Down with the proletarian bourgeoisie!'"...

"At Lupeni too, Mister Ceausescu told us, 'Calm yourselves and go back to work — otherwise, we will be crushed.' This was his way of telling us, 'Off to work you go!' The 4th, he was called up by Brezhnev and that made everything clear.... And to think that it was at Lupeni in 1929 that the flame was lit!"

This last phrase alludes bitterly to the fact that it was in 1929 at this very mine, Lupeni, that the RCP originally established a national presence by leading a fierce strike of the miners. Indeed, one cannot talk to many East European workers or

read their statements without observing the pervasive sense of treachery by a new elite, by a "proletarian bourgeoisie," "red bourgeoisie," or whatever other name by which it is popularly known, and equally by the painful absence of any kind of scientific analysis of the restoration of capitalism in the Soviet bloc, even by those who seem to have few illusions about the nature of life in the West.

Even so, as Mao pointed out, oppression inevitably breeds resistance, and such battles as those waged by these workers continue to tear gaping holes in the revisionists' tattered claim to represent the proletariat. It was a few years later, in December 1981, when the incident recounted at the first of this article took place: miners seized a local party headquarters, and finally Ceausescu again intervened. Only this time he was met not with hisses and curses but with rocks and stones. Similar incidents in the wake of the austerity decrees in late 1981 abound: two towns in the South were pacified only when the army intervened; a crowd in another town was preparing a mass lynching of a party secretary, who was saved only when other authorities intervened, grabbed him and fled. This wave of revolt eventually subsided, replaced by an intense calm which now reigns over the land.

### The Prospects

It would be a mistake to assume that Romania is headed straight towards an imminent explosion: the imposition of the austerity measures was certainly met by outrage and rebellion — but also by heavy repression. Events in Poland were followed closely in Romania, and workers inspired by Solidarity tried to form similar trade union organisations with some success — but the subsequent suppression of those groups and, more fundamentally, of the Polish movement too formed a deep impression. Discussion of resistance turns quickly to the question of the threat of Soviet invasion, and to this there are no easy answers. Moreover, it is exactly here that Ceausescu's own demagogic nationalism — "go back to work or we will be crushed," the same appeal which was used so often

by the generals and party hacks in Poland — exerts its most poisonous influence and continues to have a hold on sections of the Romanian people. While there is fertile soil for revolt, the limitations of spontaneous resistance are evident too. It is a situation crying out for a revolutionary analysis and conscious leadership.

As for the economy, here too developments will not proceed in a straight line. On the one hand, the country has succeeded in reducing its debt by over \$2,000 million in the last three years. But even as far as the debt goes, the road continues to be rocky: a large chunk of debt payments was postponed until this year, and are just coming due. The U.S., seeking to fish in troubled waters and quite aware of Romania's recent moves to tighten relations with the USSR, has threatened to end the country's Most Favoured Nation status. This would significantly reduce the trade surplus Romania has managed with the U.S., which amounted to \$800 million in 1984.

Most fundamentally, the historic problems with agriculture, the lack of improved prospects for exports, the need to dramatically improve productivity in the face of a sullen and resistant work-force, these and many other problems are certain to give the revisionist rulers no peace. One U.S. policy analyst writing on developments in 1985 in Romania concluded that the danger of a "palace coup," triggered by unrest caused by workers' strikes or national minority rebellions, "is probably as clear in Bucharest as it is in Philadelphia." It is testimony to the fragility of the social fabric in important areas of *both* blocs.

And this final concern is of no small worry to the Soviet Union itself. Internal stability in Eastern Europe is a threat to Soviet strategic concerns, and increasingly so. A second Poland is an intolerable prospect, for the Soviet imperialists can not stand by idly and watch another of their junior partners explode in dissent without risking major political fallout. Nor is this 1968, when the Soviets could carry out an invasion like that of Czechoslovakia to stabilize things while the U.S. was

tied down in a major war in Vietnam; in fact, the U.S. bloc is aggressively looking for any openings it can exploit in the Soviet fold, and has recently raised its voice loudly about its discontent with the 'Yalta' division of post-World War 2 Europe.

In the past few years the Soviets have made certain efforts to tighten up relations with Ceausescu. Shortly after Ceausescu's last round of disarmament propaganda, Gromyko stopped off in Bucharest for a chat. Following the meeting, Ceausescu issued a fierce denunciation of the cruise and Pershing missiles, without mentioning any Soviet SS-20s. They also concluded a deal to multiply Soviet exports of oil to the erstwhile maverick by several times — hardly a coincidence. This is not to say that the Soviets want the kind of subservience exhibited for instance by the Bulgarian revisionists, for Ceausescu's reputation is still something that can be traded on. Among other things, this means that the Soviets are not likely to force Ceausescu to publicly eat his own words and repudiate his maverick stance, even while objective developments force a certain tightening of relations between the USSR and Romania. The Romanian bourgeoisie does have its own national interests, and this the Soviets recognise and in fact encourage. What they demand is that the striving after these interests be realised in the context of their bloc, and this the maverick Ceausescu has proven himself quite willing to do. □