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## SIGNIFICANT ASPECTS ON THE CENTENNIAL EVOLUTION OF THE HANDICRAFT COOPERATIVES

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### Abstract

*The cooperative system, generally speaking, but especially the craft cooperative, has played an important role in the national economy by capitalizing on local resources, helping to associate small craftsmen and, last but not least, contributing to the achievement of Romania's Gross Domestic Product.*

*Craftsmanship has played an important role, especially in the interwar period, when it came to the question of the economic reconstruction of the country affected by the world's first conflagration. The country was scarred by resources, the decimated labor force, following the tribute paid during the war; and therefore, the forms of craftsmanship (production) were the most active in this direction. Also, after 1947, when the super-centralized economy was moved, even under these conditions, the craft cooperative consolidated and played an important role in the structure of the national economy. A very large number of cooperative members have been cooperative craftsmen associations, some of which have been taken and transformed into state-owned industrial societies, which attests to the economic power they possessed.*

*The entire cooperative system, including those in agriculture, had a share of about 20% in the formation of the Social Product.*

*After 1990, the craft cooperative was adapted to the market requirements and the provisions of the adopted legislation, and managed to maintain a positive trend.*

*In the paper, a sequential analysis is performed over the mentioned periods.*

**Keywords:** *handicraft cooperative, cooperating member, cooperative, cooperative principles, associative form*

**JEL Classification:** J21, P13.

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### **Introduction**

In this article, the authors carry out an analysis in time of the evolution of the cooperative craft system.

At the various historical stages of Romania's development, following the general European framework, the economy followed an oscillating course. The two world conflagrations have, besides territorial and population changes, also have special economic effects. After World War I, Romania experienced considerable economic losses. The economy was put on the brink of war, disintegrating and becoming inefficient.

Craftsmanship has played a very important role in the sense of coagulating the local opportunities it has organized in cooperatives. We can say that it was the last element of continuity in our country's economy. In the interwar period, the cooperative craft sector has consolidated and developed. Then, after the Second World War, the multicentral economic system intervened, and the craftsmanship co-operation was successfully dealt with. Moreover, the fact that it was well developed is proved by the fact that the best craft cooperatives were transferred to the state-owned industrial societies. The evolution of craftsmanship co-operation in free market conditions is then analyzed. Relevant data are presented on a series of data and graphs.

### **Literature review**

Anghelache and Anghel (2018) analyzed aspects related to the emergence and evolution of craftsmanship co-operation in Romania. Anghelache (2018) conducted a complex study of the Romanian co-operation, with an emphasis on the period elapsed from 1918 to the present. Anghelache (2018) studied the contribution of the craft sector to Romania's economic growth. Anghelache (2018) analyzed the importance of the cooperative system in economic and social development. A similar theme is studied by Anghelache and Anghel (2017) that highlighted the role of co-operation in the economic evolution of Romania. Birchall and Simmons (2004) addressed issues of motivation of cooperative members. Borzaga, Bodini, Carini, Depedri, Galera and Salvatori (2014) studied the role of social cooperatives. Levi and Davis (2008) addressed the elements of cooperatives' significance in the economy, while McCain referred to co-operative reciprocity (2007). Petrescu (coordinator) (2011) studied the extent and evolution of the Romanian co-operative sector. Spear (2002) analyzed the advantage of member organizations in cooperatives.

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### Research methodology, data, results and discussions

#### • Evolution of craft cooperatives (production) between 1932-1933

The period 1932-1933 appears to be a particular one because our country was at the end of the overproduction crisis of 1929-1933, long enough and with important consequences on the economic evolution in Romania, with immediate repercussions on the quality of life of the population.

#### Data on the Balance Sheet of Production Cooperatives in 1932 and 1933

Table 1

<b>Assets (1.000 lei)</b>			
<b>Specifying accounts</b>	<b>1932</b>	<b>1933</b>	<b>Difference</b>
<b>Total</b>	<b>206.545</b>	<b>220.540</b>	<b>+ 13.995</b>
House	3.693	3.135	- 558
Bank Deposits	11.423	11.876	+ 453
Public effects	4.774	5.865	+ 1.091
Various borrowers	70.379	73.799	+ 3.420
General Goods	9.230	16.221	+ 6.991
Fixed assets	79.378	85.841	+ 6.463
Various accounts	4.283	10.380	+ 6.097
Profit and loss	23.385	13.423	- 9.962

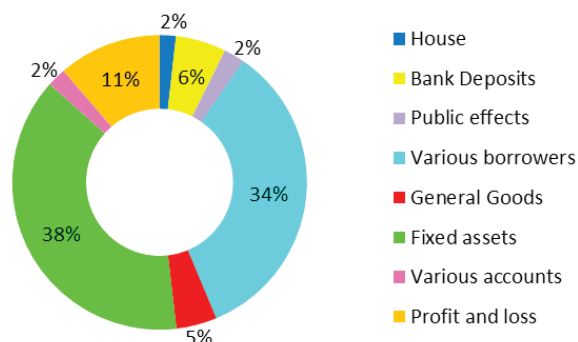
<b>Liabilities (1.000 lei)</b>			
<b>Specifying accounts</b>	<b>1932</b>	<b>1933</b>	<b>Difference</b>
<b>Total</b>	<b>206.545</b>	<b>220.540</b>	<b>+13.995</b>
Shed capital	43.464	52.670	+9.206
Reserves and amortisations	48.024	56.611	+8.587
Deposits for fructification	-	-	-
Various creditors	101.087	104.634	+3.547
Various accounts	11.347	3.403	-7.944
Profit and loss	2.623	3.222	+599

Source: National Institute of Statistics, Romanian Statistical Yearbook, 1935 and 1936.

In the statistical yearbooks we encounter data that included the balance sheet of cooperatives. In Table 1 we presented the participation of each account in the total balance of assets of the production cooperatives in 1932, the largest share being held by the immobilized values, namely 38%.

### Structure of the cooperatives' production assets in 1932

Figure 1



Source: own representation.

In figure no. 1, the data from the balance sheet of the craft cooperatives are presented graphically in 1932.

The profit and loss account of craft cooperatives shows an increase, though there were declines in 1933 as compared to 1932.

The system of craftsmanship cooperation has been strengthened by widening the range of goods and services, the territorial distribution of craft cooperatives. Craftsmanship has provided a significant part of the production of goods and services, providing jobs and incomes for the population covered by this system.

Craftsmanship cooperation has been validated as a necessary activity for the economy, the local work force being attracted and guided to produce. The structure of the goods and services provided by the craft cooperative has expanded in many areas of the country, in towns and villages.

### Profit and loss account of production cooperatives in 1932 and 1933

Table 2

Debit (1.000 lei)			
Specifying accounts	1932	1933	Difference
<b>Total</b>	<b>92.928</b>	<b>83.490</b>	<b>- 9.438</b>
Losses from previous years	20.759	8.138	- 12.621
Administrative expenses	39.046	36.030	- 3.016
Operating Expenses	9.180	10.513	+ 1.333
Amortization	10.292	13.671	+ 3.379
Interest	8.074	11.918	+3.844
Miscellaneous	2.954	-	- 2.954
Net benefit	2.623	3.220	+ 597

<b>Credit (1 000 lei)</b>			
<b>Specifying accounts</b>	<b>1932</b>	<b>1933</b>	<b>Difference</b>
<b>Total</b>	<b>92.928</b>	<b>83.490</b>	<b>-9.438</b>
Benefits carried over	345	7.418	+7.073
From the sale of the goods	44.152	47.337	+3.185
From agricultural exploitation	-	-	-
From interest	-	-	-
Miscellaneous	25.046	15.314	-9.732
Loss	23.385	13.421	-9.964

Source: National Institute of Statistics, Romanian Statistical Yearbook, 1935 and 1936.

#### • Evolution of production cooperatives - handicraft during 1921-1938

For a closer look at the evolution of the cooperative sector in Romania during the inter-war period, we considered two time intervals, namely 1921-1938 and 1930-1937, constituting longer series of data that give a more precise nuance to the recorded situation.

During this time, several types of cooperatives were operating on the territory of Romania: credit cooperatives, craft cooperatives (production), consumer cooperatives, supply and sales, forestry cooperatives, communes for the purchase of land and communes for lease. In this analysis, we have highlighted, for both the asset and the cumulative balance sheet liability, a number of indicators, such as house, deposits, public effects, various debtors, floating values, profit and loss, and the number of members. We pass on the balance sheet indicators such as capital, reserves and amortization, depreciation, creditors, and final profit and loss.

Statistical yearbooks in the interwar period focused on the concentration of annual balance sheet data presented by cooperatives. The production cooperatives (craftsmen) have grown, starting with an asset of 10,122 thousand lei in 1921 and reaching an asset of 538,435 thousand lei in 1938. We also find that the number of members has expanded and the area of crafts.

#### The situation and the balance sheet of the production cooperatives in the period 1921-1938

Table 3

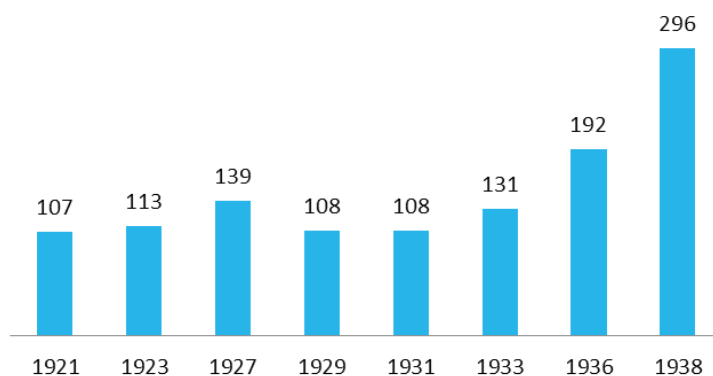
<b>Year</b>	<b>Number of cooperatives</b>	<b>Assets / Liabilities 1000 lei</b>
1921	107	10 122
1923	113	36 089
1927	139	249 180
1929	108	205 785
1931	108	200 600
1933	131	220 540
1936	192	467 891
1938	296	538 435

Source: National Institute of Statistics, Romanian Statistical Yearbook - 1939 and 1940, own systematization.

The data included in table no. 3 are also represented graphically in figure no. 2, which shows that the maximum number of cooperatives in the analyzed period was registered in 1938.

**Evolution of the number of cooperatives in production,  
between 1921 and 1938**

*Figure 2*



Source: own representation

In table no. 4 the situation of the minority production cooperatives, respectively their number, as well as the balance value, during the period 1930-1938..

**Minority production cooperatives during 1930-1938**

*Table 4*

Year	Number of cooperatives	Assets / Liabilities 1000 lei
1930	30	3 406
1931	21	6 492
1932	70	18 709
1935	93	34 738
1936	112	32 972
1937	220	69 612
1938	257	86 290

Source: Romanian Statistical Yearbook, 1939 and 1940, own systematization.

Note that as we approach the period 1939-1940, the years leading up to the second world conflagration, the activity of the production cooperatives, recorded some decreases which then became stronger during the Second World War.

• **The evolution of the production co-operative (craftsmanship) between 1930-1937**

A second time frame we focused on was the analysis of the profit and loss account over the same period of time. We notice that during this time, the activity of the craft cooperatives was good, the profitability being lower, but each time it responded to requirements that arose from the need for distribution to its members.

In Table 5 we presented the profit and loss account of the craft cooperative between 1929-1937.

**Profit and loss account of production cooperatives during 1929-1937**

*Table 5*

Year	Debit / Credit 1 000 lei	Net benefit
1929	88 695	5 330
1930	83 531	2 886
1931	78 603	1 801
1932	92 928	2 623
1933	83 492	3 222
1935	103 813	4 445
1936	128 471	7 052
1937	158 511	7 984

Source: Romanian Statistical Yearbook - 1939 and 1940, own systematization.

Production cooperatives (craftsmen), minorities, followed a positive course.

The evolution in time of the situation in Romania during this period up to the outbreak of the second world conflagration shows rises, after which there was an alarming decrease. In the period 1928-1938, from the statistical yearbooks we identified data that were presented for the cooperative production (craftsmanship). These data are included in table no. 6.

**Situation of Old Manufacturing Cooperatives in the period 1928-1938**

*Table 6*

Year	Cooperatives	Members	Capital Thousands lei
1928	146	15 841	27 022
1929	85	11 515	23 606
1930	84	11 141	21 936
1931	70	9 758	21 862
1932	69	10 244	-
1933	79	12 070	37 006
1935	134	18 315	55 452
1936	147	18 966	57 531
1937	161	20 221	60 121
1938	173	24 578	62 145

Source: Romanian Statistical Yearbook, 1939 and 1940.

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**Situation of production cooperatives in Bessarabia, 1928-1938***Table 7*

Year	Cooperatives	Members	Capital Thousands lei
1928	13	1 873	12 380
1929	13	2 128	13 628
1930	8	1 521	15 342
1931	10	1 839	11 243
1932	11	1 723	-
1933	11	1 617	1 254
1935	12	1 507	3 692
1936	13	1 559	3 162
1937	13	1 742	3 298
1938	45	4 535	5 224

Source: Romanian Statistical Yearbook, 1939 and 1940.

A similar study is carried out on the evolution of the cooperative system in Bucovina, analyzed by the same indicators and the same period of time, 1928-1938, and is summarized in Table 8.

**Situation of the production cooperatives in Bucovina between 1928-1938***Table 8*

Year	Cooperatives	Members	Capital Thousands lei
1928	3	355	490
1929	3	290	402
1930	4	250	453
1931	4	249	484
1932	5	528	-
1933	9	924	892
1935	9	948	831
1936	7	693	725
1937	10	1 029	916
1938	11	973	1 303

Source: Romanian Statistical Yearbook, 1939 and 1940.

Table 9 shows the evolution of craft cooperatives by cooperative number and members, deposits for fructification in millions of lei, capital in thousands of lei, at the same time in Transylvania.



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**The situation of the production co-operatives in Transylvania in the period 1928-1938**

*Table 9*

Year	Cooperatives	Members	Capital Thousands lei
1928	7	586	1 932
1929	7	507	2 269
1930	9	1 027	2 547
1931	24	2 492	1 797
1932	22	1 912	-
1933	32	7.772	5 518
1935	27	2 142	3 944
1936	25	2 118	2 591
1937	54	5 011	9 162
1938	67	7 851	14 545

Source: Romanian Statistical Yearbook, 1939 and 1940.

**• Analysis of the evolution of the craft cooperative sector during the period of the economy**

After the Peace of 1945, in 1946 the Romanian economy was reorganized according to some criteria imposed by the situation of the „social system” in which our history was distributed. The analysis was based on the study of time intervals because in the economy of Romania, and especially in the cooperative system, a number of changes were introduced, imposed by the lawmaking of the resolutions, laws and other normative acts of the time.

**- The situation of craftsmanship cooperation between 1950 and 1959**

From the 1960 Statistical Yearbook of Romania (Romanian People's Republic), we extracted and conducted a clear enough analysis. During the period 1950-1959 we find that, in total, the number of craft cooperatives increased. In 1950 there were 568 craft cooperatives, and in 1957 the number increased to 650, after which, in the following year, 1958, it fell to 638. In 1959 we encountered a seemingly bizarre situation, but expressing the fact that the total number of cooperatives dropped to 356, as many industrial cooperative units turned into state-owned enterprises.

### Number of handicraft cooperatives in the period 1950-1959<sup>1</sup>

Table 10

Year	Total	of which: production and provision of industrial services <sup>2</sup>	
		Absolute value	Weight (%) <sup>3</sup>
1950	568	526	92.61
1952	679	590	86.89
1954	657	552	84.02
1956	637	539	84.62
1958	638	532	83.39
1959 <sup>4</sup>	356	311	87.36

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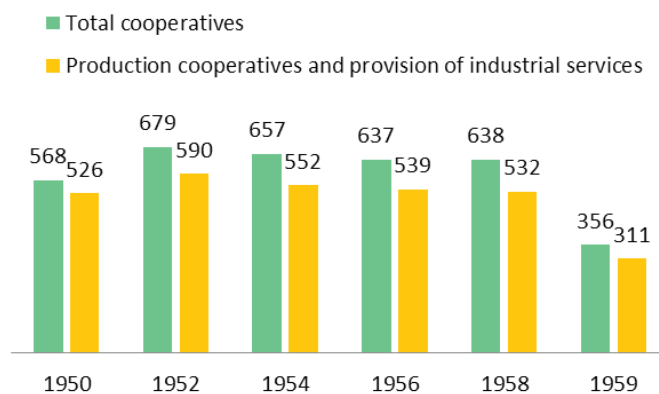
<sup>1</sup> End-of-year values; <sup>2</sup> Cooperatives of production and provision of industrial services were considered according to their preponderant activity; <sup>3</sup> Own calculations; <sup>4</sup> During 1959 some cooperative industrial units turned into state-owned.

Source: National Institute of Statistics, Statistical Yearbook of the RPR, 1960

The number of cooperatives operating in the system of supply of industrial services and production followed the same trend. From 1950 to 1958, their number was constant, the highest being in 1952 and 590 cooperatives of this type. In 1959, there were only 311 cooperative societies with industrial production and service activities.

### Evolution of the number of handicraft cooperatives in the period 1950-1959

Figure 3



Source: own representation.

The number of co-operatives in the craft system increased from 65,304 members in 1950 to 165,249 in 1958. Companies that have become

state-owned enterprises have made new engagements that have responded to the vision and preoccupation of time leaders.

### Number of cooperators members in the period 1950-1959<sup>1</sup>

Table 11

Year	Total
1950	65 304
1952	103 789
1954	124 733
1956	145 694
1958	165 249
1959 <sup>2</sup>	104 000

Note:

<sup>1</sup> End-of-year values; <sup>2</sup> During 1959 some cooperative industrial units turned into state-owned enterprises.

Source: National Institute of Statistics, Statistical Yearbook of the RPR, 1960

In the field of population service, the number of units was much higher, being in 1950 2,127 units, increasing in 1959 to 9,257 units.

### Situation of population serving units during 1950-1959<sup>1</sup>

Year	Total	of which production and provision of industrial services	
		Absolute value	Weight (%) <sup>2</sup>
1950	2127	1740	81.81
1952	4859	3463	71.27
1954	5361	3625	67.62
1956	6168	4278	69.36
1958	8227	5690	69.16
1959 <sup>3</sup>	9257	6459	69.77

Note:

<sup>1</sup> End-of-year values; <sup>2</sup> Own calculations; <sup>3</sup> During 1959 some cooperative industrial units turned into state-owned enterprises.

Source: National Institute of Statistics, Statistical Yearbook of the RPR, 1960.

Between 1955 and 1959, the craftsmanship cooperative developed in terms of the structure it had in relation to the industrial branches in which it acted. In the same way, population service units have evolved.

### Structure of cooperatives by industry in the period 1955-1959

Table 13

Branch	1955	1957	1959*
Leather-Footwear	127	121	95
Ready-made clothes	126	131	134
Textiles	17	17	8
Knitwear	4	4	2
Popular art	25	24	12
Woodworking	113	123	36
Building Materials	5	2	-
Metalworking	88	84	22
Chemistry	14	15	1
Glassware	3	2	-
Food	21	20	-
Polygraphy	3	2	1
Total	546	545	311

Note: Cooperatives were divided by branches according to their preponderant activity.

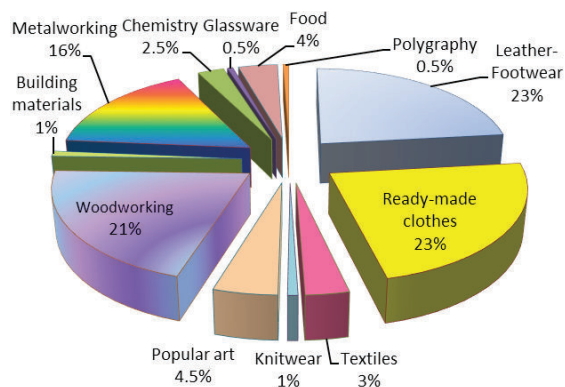
\* During 1959 some cooperative industrial units turned into state-owned enterprises.

Source: National Institute of Statistics, Statistical Yearbook of the RPR, 1960.

The most important areas were the production of leather products - footwear, clothing, textiles, knitwear, folk art, woodworking, building materials, metalworking, chemistry, glassware, food industry or polygraphy.

### Structure of cooperatives by industry in 1955

Figure 4



Source: own representation.

It is noted that the largest share was held by the branches of goods obtained from leather - footwear, then textiles and woodworking.

In the beginning of the economic staging, craftsmanship took place in small-scale workshops. We mention that there were workshops for metalworking, chemistry, woodworking, textiles, clothing, leather-footwear, food industry and other branches of the national economy.

**Number of craft workshops and small private industry by branches,  
between 1955 and 1959**

*Table 14*

Branch	Valoare absolută			Pondere (%)*		
	1955	1957	1959	1955	1957	1959
Metalworking	28 995	30 475	18 412	23.29	22.44	18.27
Chemistry	1 602	2 051	889	1.29	1.51	0.88
Woodworking	24 200	28 091	18 473	19.44	20.69	18.33
Textiles	3 470	3 923	1 685	2.79	2.89	1.67
Ready-made clothes	32 164	36 294	31 742	25.83	26.73	31.50
Leather, footwear	14 666	14 927	10 319	11.78	10.99	10.24
Foodshop	13 614	18 278	14 585	10.93	13.46	14.48
Other branches	5 790	1 751	4 650	4.65	1.29	4.62
Total	124 501	135 700	100 755	100	100	100
Absolute change	-	11 289	-35 035			

Source: Own systematization.

\* Own calculations.

The number of units had an important evolution. In the craft cooperative activity, the focus has always been on preparing young people to join this kind of activity. These were „disciples” who, in 1955, included 980 disciples in the total economy, reaching 1954 in 5,244 disciples.

In the cooperative units (craft workshops and small private industry) there were employees, specialists in certain activities, who were employed in these craft workshops and small private industry. Most people, as employees, were in the metal processing industry, a rather demanding activity, wood processing, clothing and food industry.

According to the analysis, according to regions, the number of cooperatives, the number of owners, family members, employees or apprentices had the same distribution. In all 16 regions of the country at that time, there were units such as craft workshops and small private industry that served the population and had an important contribution to providing services to the population.

**- The evolution of craftsmanship in the period 1950-1964**

We extended the period of analysis of the evolution of the craft cooperative activity until 1964, based on the data from the 1965 statistical yearbook, because in 1959 there was a strike in the number of crafts cooperatives, by transforming some of in state-owned enterprises.

In the analysis of the structure of the craftsmanship co-operation between 1960 and 1964, I started from the fact that the year 1959 was a moment of inflection.

### Units for serving the population by activity, between 1960 and 1964

Table 15

Types of activities	1960	1964
Ready-made clothes	2 113	2 396
Textiles and knitwear	105	242
Footwear	2 031	1 611
Furriery	205	238
Leather	80	112
Dye house	241	265
Wood and furniture	321	481
Radio and Television Repairs	318	371
Clocks and watches and jewelery	356	452
Repair of other household and personal items	288	450
Hair dressing	1 920	1 887
Photographic workshops	579	499
Other activities	1 906	1 970
Total	10 463	10 974

Source: National Institute of Statistics, Statistical Yearbook of RPR, 1965  
Own systematization.

In table no. 15 shows the evolution of the number of units serving the population by activities.

Next, we will interpret data on craft workshops and small private industry, as they evolved between 1960 and 1964, on branches of the national economy as well as on regions of Romania. Data are found in Table 16.

### Number of units in craft workshops and small private industry by branches in the years 1960-1964

Table 16

Branch	1960	1964
Metalworking	11106	3 426
Chemistry	1004	448
Woodworking	16 575	8 657
Textiles	1603	1002
Ready-made clothes	28 927	13 325
Leather, footwear	9 574	5 008
Food	10 153	3 681
Total	84 974	38 724

Source: National Institute of Statistics, Statistical Yearbook of RPR, 1965.  
Own systematization.

### - The evolution of the handicraft cooperation in Romania, between 1965-1969

On the basis of the data from the statistical yearbook of Romania, we carried out an analysis of the evolution of the activity of craftsmanship cooperatives, taking 1965, 1966, 1967 and then further until 1969. The analysis also extended to the structure and evolution of the craft cooperatives by branches activity, between 1965-1969, as well as in counties, from 1969 onwards.

### Number of cooperatives and units for serving the population, between 1965 and 1969

Table 17

Year	Cooperatives		Units for serving the population	
	Absolute value	Rate of change	Absolute value	Rate of change
1965	302	-	11100	-
1966	301	-0.33	10 953	-1.32
1967	305	1.33	10 798	-1.42
1968	354	16.07	11 685	8.21
1969	393	11.02	12175	4.19

Source: National Institute of Statistics, Statistical Yearbook of RSR, 1970.

Own systematization. *Own calculations.*

The data on the number of cooperatives and units serving the population during the period 1965-1969, respectively the number of co-operating members during the same period of time, are presented.

### Number of cooperators members, 1965-1969

Table 18

Year	Cooperators (total)		of which: in units for serving the population		
	Absolute value	Rate of change (%)		Absolute value	Rate of change (%)
1965	128 534	-	83 930	65.30	-
1966	136 462	6.17	85 657	62.77	2.06
1967	146 426	7.30	87 148	59.52	1.74
1968	156 443	6.84	90 660	57.95	4.03
1969	172 158	10.05	93 636	54.39	3.28

Source: National Institute of Statistics, Statistical Yearbook of RSR, 1970.

Own systematization. *Own calculations.*

We conducted the analysis based on the data we had on the evolution of non-cooperative craft workshops and the small private industry. The term „non-cooperative craftwork” refers to the 1965-1969 attempt to approve private sectors in the national economy, even if it was „centralized”.

#### – Short landmarks on the evolution of craftsmanship co-operation in the nineteenth century of the last century (1981-1990)

In Communism, the craft cooperative system had a monopoly in the urban environment in the provision of certain local services such as repairs, services, but also the production of handicrafts, clothing, household goods and others. During the years 1949-1989, the craftsmanship co-operative managed to attract a large number of craftsmen in its activity. They have benefited from professional conditions of organizing productive activity, earning gains, including a better standard of living than that provided by state-owned enterprises.

### Evolution of Cooperative Sector Results

Table 19

	1950	1989	Variation * (%)
Production of industrial goods and non-industrial services (billions lei)	1,0	38,3	38,3
Production of industrial goods (billions lei)	0,9	34,0	37,78
Remaining Fixed Assets (ROL billions)	0,7	9,1	13
Cooperative number	568	541	95,25
Number of cooperators	65304	380000	5,81

\* Own calculations.

Craftsmanship cooperation was the only alternative to the centralized economy. As an order of magnitude, the craftsmanship cooperative owned the entire cosmetics and hairdressing market in the urban area, the whole home repair market, a large part of the automotive repair market, 50% of the production of handmade carpets, 60% of the production globes, handicraft market, manual carpet production and market, and much more.

The number of craft cooperatives increased between 1989 and 1998, followed by a slight decrease between 1999 and 2004. After the appearance of Law no. 1/2005, their number increased. Regarding the number of cooperative members, we see a decline, after 1990, due to the lack of legislation supporting this form of organization of qualified specialists in various professions. There is an increasing trend of concentration of craft cooperatives from the perspective of the number of employees. Cooperative Hygiene is ranked among the top 5 craft cooperatives as a number of employees. Most craft cooperatives have 54.7% of the manufacturing industry, followed by other services - 16.5% and trade - 10.4%.

The core activities of the cooperative, in general, included the main areas: commercial; purchases of agri-food products from households for use on the market; food and non-food production; providing services to the population; credits for cooperating members; investment-construction; teacher training (cooperative vocational schools); external economic relations, etc.

The activity of craftsmanship co-operation after 1989 takes place in a new context determined by the reform process and, in particular, by the market economy option. Decree-Law no. 66/8 February 1990 on the Organization and Functioning of the Craftsmanship Cooperative Legalized the Role and the Place of Craftsmanship in the National Economy as a whole, its independence and its real autonomy. The Council of Craftsmanship Cooperatives has acted to include craft cooperative organizations in the category of small and medium enterprises, which benefit from nationally granted facilities.

#### • The evolution of craftsmanship cooperatives in free market conditions

In the period after December 1989, the cooperative system took a new form and consolidated on new bases. Thus, in the period 2000-2008,



before the onset of the economic and financial crisis, there was a momentum, after which there was a slight decline, as a result of the economic and financial crisis, which affected the world economy during 2008-2011. The passenger effect is felt, but with careful measures of better organization and efficient activity, the craft cooperative is recovering.

In the field of craft cooperatives, the share, by number of employees, reflects an increase. This means a process of relaunching craft cooperatives after the aforementioned economic and financial crisis.

Analyzing the distribution by development regions we can see that most cooperatives of craftsmen are located in the North-East region - 211 (as well as the consumer co-operative), followed by South East - 126, Northwest - 106, Center - 91, South Muntenia - 74, West - 69, South - West - 64, Bucharest - Ilfov - 47 (Table 20).

#### Regional distribution of handicraft cooperatives during 2000-2009

Table 20

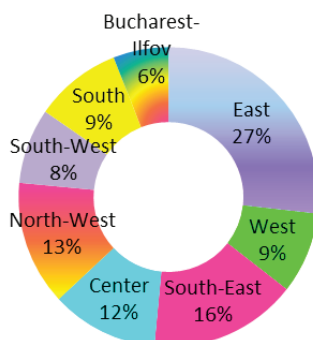
Region	2000	2005	2007	2008	2009
East	175	165	202	222	211
West	55	70	74	74	69
South-East	129	122	123	125	126
Center	112	104	98	98	91
North-West	106	107	106	106	106
South-West	82	73	66	67	64
South	87	77	77	77	74
Bucharest-Ilfov	54	53	53	50	47

Source: Petrescu (coordinator), 2011.

The distribution of craft cooperatives by regions is achieved through a structure diagram presented in Figure 5.

#### Structure of handicraft cooperatives in 2009

Figure 5



Source: Own representation.

Concerning the distribution of consumer cooperatives on residence environments, we notice that 0.6% of them are in rural areas and 99.4% in urban areas (see Table 21).

#### **Distribution of cooperatives by residence areas in 2000-2009**

*Table 21*

<b>The residential area</b>	<b>2000</b>	<b>2005</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Rural	4	5	7	6	5
Urban	796	766	792	813	783

Source: Petrescu (coordinator), 2011.

As for craftsmanship unions, there were increases in property and financial assets between 2007 and 2009. In the structure of UCECOM, 506 cooperative entities (craft cooperative societies, county unions and associations of craft cooperative societies) are associated, amounting to about 16,000 persons, over 87% having double quality - associated with labor and capital respectively cooperating members and workers in their own cooperatives.

Handicraft cooperative units operate in almost all urban centers of the country, covering the entire economic sphere (about 2440 units, out of which over 300 production units, about 1780 service units, over 360 commercial units).

#### **Conclusion**

The study of the data contained in this article concludes that the craft cooperative system is a constant in the structure of the national economy. From the outset, this sector of activity has been present in urban, rural and rural areas with ever-increasing activity.

In the interwar period, it played an active role in the recovery of the national economy, and during the super-centralized period it helped create gross domestic product.

We can conclude that the craft cooperative system provides jobs, the efficient use of local resources and represents a constant presence in the national economy.

Under the conditions of the free market, this sector remains important and can play a significant role in capitalizing on local resources. Meanwhile, the craft cooperative system also has a vocation on the line of education, with vocational schools, high schools and a higher education institution. Thus, youth training is provided, giving them jobs, but also professional conversion.

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