
THE MAIN ASPECTS ON DEVELOPMENT OF SOME TYPES OF COOPERATIVES

Assoc. prof. Mădălina-Gabriela ANGHEL PhD (*madalinagabriela_angel@yahoo.com*)
„Artifex” University of Bucharest

Prof. Constantin ANGHELACHE PhD (*actincon@yahoo.com*)
Bucharest University of Economic Studies / „Artifex” University of Bucharest

Prof. Radu Titus MARINESCU PhD (*radu_titus_marinescu@yahoo.com*)
„Artifex” University of Bucharest

Abstract

Cooperative, in its structure, comprises a number of types of cooperatives other than craft or agricultural. This article discusses the types of consumer, forest, or federal cooperatives. The study focuses on the status of these cooperative forms during the pre-war and inter-war period. On the basis of data from the statistical yearbooks of the time, series of data (tables) were produced that reflect the evolution during the considered period of these types of cooperatives. The evolution of the number of cooperatives, the number of co-workers, subscribed and paid-up capital, the commodity fund traded (consumer cooperatives) is analyzed. It also presents the territorial evolution of these cooperatives on the counties and historical regions of Romania.

Keywords: *consumer cooperatives, forestry cooperatives, federal cooperatives, cooperating members*

JEL Classification: J54, P13

Introduction

The article analyzes the evolution of some types of cooperatives in the pre-war and inter-war period. Thus, the evolution of the consumer cooperative sector is broadly presented. The study is based on total, historical regions, interpreting the calculated indicators, such as: the number of cooperatives, the commodity fund, the social capital, etc.

Synthetic tables and some graphical representations provide a volume of data that is meaningful and give the essence of opinions expressed by the authors. It also analyzes the type of forest cooperatives, shyly set up in 1907, but then evolving at a rather accelerated pace. Calculated indicators are analyzed, taking as an example the year 1926 when there is a significant number of cooperatives and co-operatives.

Federals representing associative forms of second-class cooperative societies are analyzed over the same timeframe.

Literature review

Anghelache (2018) analyzed the Romanian cooperative system in terms of its contribution to economic and social development. Anghelache and Anghel (2017) studied the importance of the cooperative sector in the socio-economic development of a country. Anghelache (2018) made a complex analysis of the emergence and evolution of the Romanian cooperative system, with an emphasis on the last hundred years. Birchall and Hammond-Ketilson (2009) addressed aspects of the resilience of the cooperative society model in times of crisis. Galera and Borzaga (2009) presented elements of conceptual evolution and legal implementation of the social enterprise, while Light (2006) debated aspects of social entrepreneurship. McCain (2007) analyzed the characteristics of cooperatives regarding cooperation and reciprocity. Novkovic (2006) studied the role of cooperative principles and values. Roelants, Dovgan, Eum, Terrasi (2012) analyzed how cooperatives resist the crisis and its effects.

Research methodology, data, results and discussions

• Consumer co-operation

The co-operation, from the very beginning, has passed the organization of the Consum and this is explained by the fact that the Rochdale laborer (England) was more speculated. The first consumer cooperatives appeared in 1905, when the Central House began to occupy this area of activity. The basic principles of consumer cooperatives are the rochdale ones, namely: ready-made sales and day-to-day sales. When drawing up the new statutes, these principles were provided, which of course will ensure the prosperity of consumer cooperatives.

The evolution of consumer cooperatives during the pre-war period

Table 1

Year	Number of cooperative	Number of members	Capital (lei)	Inventory Goods (lei)
1905	28	-	-	-
1906	83	-	-	-
1907	91	3.925	395.491	-
1908	150	5.904	733.568	2.962.406
1909	186	7.903	894.701	4.294.071
1910	204	9.202	1.156.815	4.914.438
1911	210	9.916	1.262.709	4.897.821
1912	231	10.960	1.411.408	1.471.392

Source: National Institute of Statistics, Statistical Bulletin of Romania, No. 2/1928.

We present the situation of consumer cooperatives on December 31, 1912, by counties (table 2).

**The distribution of the consumer cooperatives and members by counties
in 1912**

Table 2

No. crt.	County	Number of cooperative	Number of members
1	Arges	14	550
2	Bacau	7	284
3	Botosani	8	561
4	Buzau	3	183
5	Constanta	16	733
6	Covurlui	12	394
7	Dambovita	14	490
8	Dolj	11	630
9	Dorohoi	12	926
10	Falciu	4	116
11	Gorj	10	473
12	Ialomita	5	307
13	Ilfov	2	92
14	Iasi	5	154
15	Mehedinti	7	378
16	Muscel	8	345
17	Neamt	9	438
18	Olt	4	130
19	Prahova	7	417
20	Putna	2	67
21	Roman	3	80
22	Romanati	13	549
23	Suceava	7	459
24	Tecuci	3	63
25	Teleorman	17	986
26	Tulcea	5	226
27	Tutova	1	40
28	Valcea	10	372
29	Vaslui	5	273
30	Vlasca	7	244
Total		231	10.960

Source: National Institute of Statistics, Statistical Bulletin of Romania, No. 2/1928.

A summary of the paid-up share capital and the volume of general goods at the end of the year, expressed in value at the end of 1912, is presented in Table 3, the total paid-up share capital was 1,411,408.56, and the value of the general merchandise was 1,471,392.14 lei.

**The situation of the paid-up capital and of the general goods of
consumer cooperatives in 1912**

Table 3

No. crt.	County	Social capital paid out		General Goods (By Inventory)	
		lei	B	lei	B
1	Arges	63.177	03	54.352	24
2	Bacau	38.992	72	10.055	88
3	Botosani	100.907	16	103.464	04
4	Buzau	15.397	42	13.825	39
5	Constanta	114.097	30	136.966	16
6	Covurlui	39.701	21	30.653	26
7	Dambovita	51.907	20	29.440	39
8	Dolj	70.037	19	99.998	87
9	Dorohoi	56.775	06	50.441	04
10	Falciu	18.667	85	17.289	94
11	Gorj	24.669	35	21.113	53
12	Ialomita	97.038	19	108.565	94
13	Ilfov	2.720	35	2.364	26
14	Iasi	18.645	52	18.048	49
15	Mehedinti	32.515	41	36.089	27
16	Muscel	25.007	61	16.804	14
17	Neamt	106.192	03	113.367	61
18	Olt	42.174	97	39.925	06
19	Prahova	53.513	99	36.547	52
20	Putna	15.027	15	12.082	95
21	Roman	4.094	93	5.242	20
22	Romanati	53.306	12	45.671	33
23	Suceava	89.259	28	137.125	22
24	Tecuci	8.171	63	13.752	55
25	Teleorman	100.775	28	114.244	64
26	Tulcea	9.080	71	30.387	73
27	Tutova	1.111	-	-	-
28	Valcea	108.095	13	118.454	50
29	Vaslui	23.710	03	21.824	88
30	Vlasca	26.638	74	33.293	11
Total		1.411.408	56	1.471.392	14

Source: National Institute of Statistics, Statistical Bulletin of Romania, No. 2/1928.

The lack of commercial experience on the part of managers and sellers has hampered the flow of consumer cooperatives.

At the beginning of 1919, the Center for Production and Consumption Cooperatives was established, controlled, directed and financed by all cooperatives for production and consumption.

The first measure taken by the new plant was the drafting of a new statute, through which the supply and disposal operations are organized more thoroughly.

Also, these statutes set a minimum capital and a minimum of members, an imperious measure required of the large number of cooperatives set up without any financial capacity, which is why they had to buy expensive, poor quality credit.

The Central Cooperatives facilitated the supply of consumer cooperatives, both through the connection with the production cooperatives and by establishing relations with the factories in the country and abroad, from where they purchased goods under more advantageous conditions.

The Central Cooperatives decided to set up offices in Galați, Braila and Constanța, as well as the publication of daily priced newsletters, which are sent to the cooperative units for their orientation in supplying and selling operations.

In Table 4, we present the situation of consumer cooperatives on December 31, 1926, after reporting by the Central of cooperatives.

Situation centralized by regions of cooperatives, members and social capital, in 1926

Table 4

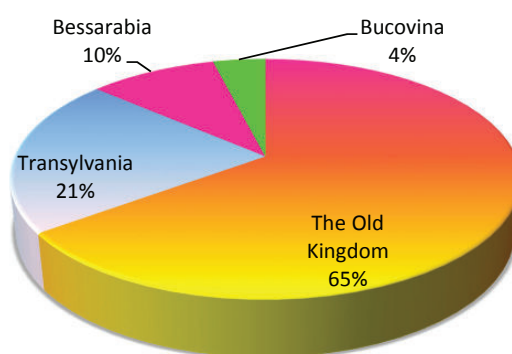
The region	Number of cooperative	Number of members	Social capital (paid) (lei)
The Old Kingdom	1688	131.644	83.242.054
Transylvania	557	59.105	18.558.532
Bessarabia	252	25.343	5.677.567
Bucovina	103	10.481	2.422.556
Grand total	2600	226.573	109.900.709

Source: National Institute of Statistics, Statistical Bulletin of Romania, No. 2/1928.

Figure 1 shows the share of cooperatives in each historical region in 1926, with the Old Kingdom being 65%, followed by Transylvania (21%), Bessarabia (10) and Bucovina (4%).

The structure of cooperatives by regions in 1926

Figure 1



Source: own representation.

Table 5 highlights the centralized situation on historical regions, reserve funds and commodity values. As is readily understandable, the United Kingdom has the largest share of these indicators, with over 63% of the total in the reserve fund, as well as the other two, followed by Transylvania.

Situation centralized by regions of reserve funds and commodity values

Table 5

The region	Spare funds (lei)	Value of goods in the store (lei)	Value of goods sold (lei)
The Old Kingdom	28.582.139	193.289.801	717.335.966
Transylvania	9.529.410	41.104.568	248.940.596
Bessarabia	3.777.546	28.437.510	123.187.819
Bucovina	947.370	10.044.801	124.187.819
Grand total	42.836.465	272.876.680	1.213.652.200

Source: National Institute of Statistics, Statistical Bulletin of Romania, No. 2/1928.

To find out the progress made by these consumer institutions, we present in Table 6 the situation of the number of cooperatives, members and capital.

As can be seen, consumer cooperatives in the post-war period have made a real breakthrough.

The cooperative situation in the Old Kingdom in 1912 and 1926

Table 6

Indicator	Year		Absolute change *	Rate of change (%) *
	1912	1926		
Cooperative number	231	1688	1457	630.74
Number of members	10960	131644	120684	1101.13
Social capital	1411408	83242054	81830646	5797.80

* own calculations.

Source: National Institute of Statistics, Statistical Bulletin of Romania, No. 2/1928, own systematization of data.

• Forestry cooperatives

Another category of cooperatives, which arose since 1907, was that of cooperatives for forest exploitation. Since the emergence of these cooperatives, rational exploitation of forests has been achieved by planting new seedlings for the regeneration of forests for future generations. The benefits of these cooperatives are primarily the use of labor. These cooperatives contributed to the construction of houses, schools and churches destroyed during the war.

Evolution of cooperatives in the field of forests between 1907-1912

Table 7

Year	Number of cooperative	Number of members	Capitalul (lei)
1907	9	300	45.845
1908	30	1189	225.288
1909	40	1666	333.191
1910	86	4382	601.221
1911	119	6677	770.220
1912	143	8208	926.118

Source: National Institute of Statistics, Statistical Bulletin of Romania, No. 2/1928.

The evolution of cooperatives in the forestry field between 1907 and 1912 is summarized in Table 7. It is noted that the number of cooperatives, the number of members and the capital increased in an accelerated manner.

The situation of the cooperatives for the exploitation of the forests on December 31, 1926, after the Cooperatives' Centers, is presented in Table 8 and Table 9.

The situation of cooperatives for the exploitation of forests in 1926

Table 8

Cooperative number	918
Number of members	63.103
Social capital (lei)	88.063.900
Reserve funds (lei)	73.015.737
Value of goods in the store (lei)	176.164.915

Source: National Institute of Statistics, Statistical Bulletin of Romania, No. 2/1928, own systematization of data

In order to highlight the progress made, we note that in 1926, compared to 1912, the number of forest exploitation cooperatives increased.

Evoluția cooperativelor în domeniul pădurilor anii 1912 și 1926

Table 9

Indicator	Year		Absolute change*	Rate of change (%)*
	1912	1926		
Cooperative number	143	918	775	541.96
Number of members	8208	63103	54895	668.80
Social capital	926118	88063900	87137782	9408.93

*own calculations

Source: National Institute of Statistics, Statistical Bulletin of Romania, No. 2/1928, own systematization of data.

It can easily be noticed that these cooperatives for the exploitation of forests in the post-war period have made quite a lot of progress, in number, members and social capital.

In addition to consumer cooperatives and forest exploitation, there are other cooperatives that come to fulfill a special function in consumption or organization of labor and production development, as presented in Table 10 of these various cooperatives.

The situation of various cooperatives, 1926

Table 10

Cooperative number	321
Number of members	16.139
Social capital (lei)	33.537.900
Reserve funds (lei)	35.645.888
Installations, etc. (Lei)	41.360.547
Value of goods (lei)	27.499.897

Source: National Institute of Statistics, Statistical Bulletin of Romania, No. 2/1928, own systematization of data.

It is interesting to know the general situation of all cooperatives with their entire patrimony in 1926.

The general situation of all cooperatives on December 31, 1926

Table 11

Number of cooperatives	3.839
Members	305.815
Social capital (lei)	231.502.509
Reserve funds (lei)	183.198.277
Value of goods in stock (lei)	476.541.492
Real estate and furniture (lei)	130.709.563
Installations (lei)	148.525.651
Loans (lei)	822.534.179
Goods, sold (lei)	1.671.483.364
Balance sheet total (lei)	1.872.424.749

Source: National Institute of Statistics, Statistical Bulletin of Romania, No. 2/1928.

• The federals

Popular banks and cooperatives felt the need to associate with each other in a second-class cooperative society under the name of Federale. Federals are cooperatives, whose members are the popular banks or other cooperatives, having their headquarters in a particular region. The federal development is shown in table 12.

Evoluția societăților federale, în perioada 1908-1926

Table 12

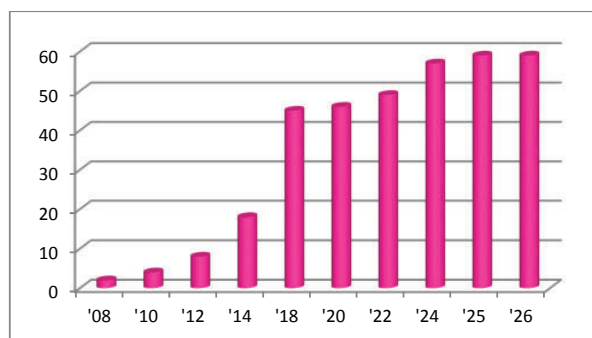
Year	Federals number	Number of federal societies		
		Banks	Lease cooperatives	Various cooperatives
1908	2	20	1	3
1910	4	65	1	3
1912	8	211	4	5
1914	18	431	6	4
1918	45	1984	26	29
1920	46	2864	87	304
1922	49	2972	102	439
1924	57	3685	49	667
1925	59	3870	49	653
1926	59	4143	43	667

Source: National Institute of Statistics, Statistical Bulletin of Romania, No. 2/1928.

The evolution of federal societies and their financial situation between 1908-1926 is shown in Tables 3.28 and 3.29. The share capital increased sharply, being in the year 1926 of 58,577,686.

Evolution of federal societies during the period 1908-1926

Figure 2



Source: own representation.

Figure 2 highlights how federal societies have evolved over the period under review, i.e. a slight increase in the first part of the period, followed by a strong increase between 1914 and 1918, continuing with annual increases.

Federal financial situation

Table 13

Year	Social capital (lei)	Payment effects and current accounts (lei)	Loans granted (lei)	Balance sheet total (lei)
1908	37.060	56.858	106.767	328.866
1910	175.152	170.213	1.056.077	620.215
1912	586.279	2.580.613	3.830.188	4.758.615
1914	1.093.385	4.547.571	5.747.160	7.861.917
1918	7.872.549	14.193.814	18.723.116	113.389.475
1920	15.061.480	76.675.871	84.841.562	272.841.881
1922	21.189.892	165.975.137	193.116.228	573.335.554
1924	35.648.159	459.074.168	484.578.720	667.368.406
1925	48.549.346	844.674.913	904.181.213	1.107.657.890
1926	58.577.686	1.076.628.244	1.152.769.889	1.349.175.153

Source: National Institute of Statistics, Statistical Bulletin of Romania, No. 2/1928.

The federal balances, concentrated by the Popular Banking Center, gave a general balance sheet on 31 December 1926, presented in Table 14.

The federal balance sheet, 1926

Table 14

	L e i	B.
House	19.042.670	61
Given loans	1.152.769.882	34
commodities	12.427.387	97
Advance, on cereals. Deposits	36.381.547	69
for fructification	607.556	86
Shares	6.404.070	03
Public effects and actions	9.393.276	43
Estate	34.826.412	72
Furniture	5.277.238	36
Associate	2.154.244	22
Various accounts	69.890.766	19
	1.349.175.053	42
Order accounts	1.540.627.443	93

	L e i	B.
Social capital	58.577.686	94
Deposits for fructification	30.558.783	80
Loans contracted	1.076.628 244	26
Deposits of goods in the record	9.819.217	76
Reserve fund	10.983.789	17
Various funds	26.666.067	04
Real Estate and Furniture	21.676.344	14
(Depreciation)	99.227.670	16
Various accounts	15.037.250	
Net benefit		
	1.349.175.053	42
Order accounts	1.540.627.443	93

Source: National Institute of Statistics, Statistical Bulletin of Romania, No. 2/1928.

The federal structure in 1926

Table 15

Number of federations	59
Federated companies, of which:	4853
• Banks	4243
• Cooperative	567
• Lease cooperatives	43

Source: National Institute of Statistics, Statistical Bulletin of Romania, No. 2/1928.

Own systematization.

Under the new co-operation code, the work of the Minister of Labor and Co-operation, Dr. N. Lupu, is given to federal control rights, in order to exercise control of the system and co-operate with state cooperative power plants.

This right creates more authority and prestige for federal institutions to take over the leadership of the system.

Cooperative societies, as well as federal societies, are controlled, helped and guided by two State Centers: the People's Banking Center and the Cooperatives' Center, the subsidiaries being legal entities that act as autonomous institutions.

The People's Banking Center works as a central bank of popular banks and their federal banks, while being a credit institution for all cooperative societies. The capital of the bank of the popular banks was 200,000,000 lei, half of which was granted by the State, and for the other half the popular and federal banks participated.

The Central Cooperatives are the central body of control, guidance and oversight of all federal and non-credit federations and unions, as well as control over all cooperatives.

The capital of the plant was 100,000,000 lei, half of which was granted by the state, and for the other half the cooperative societies.

The Balance Sheet of the Cooperative Center ended December 31, 1926

Table 16

Account name	Lei	Account name	Lei
Pair	2.170.277	Capital	51.940.976
Cassa	535.914	Reserve fund	101.250.346
Goods. general and div. mater	63.817.250	»Special for risks	32.271.398
»In commission	6.427.636	"Of damping	13.276.632
rounds	—	"Of propaganda	12.686.292
Grain storage in commission	33.785	cooperative	5.647.698
Advance, on cereals	120.606.424	»Insurance	14.734.620
Current debiting accounts	704.801.635	Payment effects	8.461.920
Various Debtors'	27.690.615	Free warehouses	414.762.392
Estate	28.982.850	Current credit accounts	270.290.485
Furniture and vehicles	1.963.688.135	Various creditors	
Various accounts receivable	1.476.050	The central house of the	
Current Cooperatives system	23.328.800	mutants p. colonists	
Accounts		Recessed effects	28.346.166
The circular house of	2.293.277	Coop direction. urban	
ownership of the p. Colonists		Depositors of goods	15.475.130
Sections	13.432.309	in the record	
		Grain depositors	57.539
		for sale	16.231.259
		Various credit accounts	7.177.152
		Benefits carried over	4.950.404
		Net benefit	
		Various accounts of	
		order	
Various accounts		Depositors of	1.496.772.476
		received under warranty.	
Effects to be received under	1.496.722.476	Beneficiaries guarantees	38.086.840
Guarantees granted	38.086.840	granted	
Loans granted	148.934.409	Benefits of a-	148.934.409
Publ. under warranty	74.900	chordates	
Various accounts	—	Depositors of effects	74.900
Grand total	2.681.379.041	public under warranty.	—
		Various account. order	2.681.379.041

Source: National Institute of Statistics, Statistical Bulletin of Romania, No. 2/1928.

From the above mentioned, one can find out how the co-operative was born in Romania, and it is possible to follow the evolution, with all the modifications that took place in the legislative field.

Just as the movement caught and developed in our country, it made Albert Thomas say that co-operation in Romania has become an integral part of the life of the nation.

Conclusion

In the evolution of the Romanian cooperative system, from the beginning, a number of different types of cooperatives were known. Consumer cooperatives have emerged since 1907 (for which we have clear data),

especially in rural areas. The forestry specific to this natural environment (hill and forests) was a necessity in the attempt to organize and exploit the rich forest fund of the country. Then, on cooperative forms, the Federals came together, gathering cooperatives to give them more power as representation and organization.

These forms of co-operation evolved over time and rejoined in some cases. Consumer co-operation has played an important role, especially in urban areas.

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