



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

PROCEEDINGS
OF THE
FIFTH INTERNATIONAL CONFERENCE
OF
AGRICULTURAL ECONOMISTS

HELD AT
MACDONALD COLLEGE
CANADA
21 AUGUST TO 28 AUGUST 1938

LONDON
OXFORD UNIVERSITY PRESS
HUMPHREY MILFORD
1939

2 card
/ ✓
FARM LABOUR AND SOCIAL STANDARDS

FIRST OPENING PAPER

F. W. VON BÜLOW

International Labour Office, Geneva

ANY international discussion on agricultural problems is confronted with the difficulty arising out of the great differences from country to country with regard to economic and social conditions which exist in world agriculture, and which can mainly be attributed to natural and geographical conditions and historical development. For these reasons, also, the standard of agricultural production and the standard of living of the farm population vary considerably from country to country. But before the World War the close contact of most countries with the world agricultural market, from which they were separated only by relatively moderate measures of protection, if at all, contributed towards levelling out conditions and ensuring an approximately common trend of development, which was favoured further by the possibilities of migrating from one country to another.

The conditions of labour in agriculture did not yet constitute a serious problem calling for government action. Hardly any legislation existed which secured to agricultural workers those advantages which industrial workers already enjoyed to some extent as a result of the coming into being of labour legislation during the last decades of the nineteenth century and the beginning of the twentieth.

The discrepancies between the conditions of life of urban and rural workers, it is true, had already for some time attracted a considerable number of workers towards the cities and towns; but the problem was not serious, partly because the population surplus was very great practically everywhere in the country-side, and partly because employers were able to counteract the effect of industrial labour conditions on the agricultural labour market by having recourse to migrant seasonal labour. This latter way out enabled employers to procure the additional labour needed in consequence of the intensification of agricultural cultivation which took place through the introduction of beet and other industrial crops. The migrant seasonal labour either came from more remote regions of the same country or from abroad. This labour, coming from rela-

tively over-populated districts, and content with less advanced working conditions and lower wages, made improvement in agricultural working conditions to a great extent unnecessary. But it also contributed for that reason to an accelerated exodus of the labour originally settled in the district in which the migrant labour was introduced.

The state of affairs with regard to working conditions in agriculture was profoundly modified by the World War, which brought urban and rural populations into closer contact each with the other than ever before, and which created among the industrial labour population social unrest of such size and vigour that it unavoidably spread to the country-side also. Agricultural workers began to claim improvement of their labour conditions and set up trade unions in order to realize this aim. Their action was favoured during the early post-War years with a certain success. The trade unions succeeded in introducing collective bargaining and collective agreements in agriculture in many countries. Simultaneously social legislation was applied to agriculture in many countries, mostly for the first time. It was either general legislation with or without modifications taking the special conditions of agriculture into consideration, or special legislation which was enacted for the benefit of agricultural labour. Quite naturally agricultural legislation and collective bargaining dealt mainly with the same problems as were the subject of industrial labour legislation, towards which it was natural to look for guidance, since agriculture itself entirely lacked experience in this field. Improvement of the standard of living of agricultural labour was thus realized through 'industrialization' of working conditions.

It must be added, however, that another way out was also attempted which looked for the solution in the change of the social structure of agriculture itself. During this period important agrarian reforms and internal colonization schemes were carried through, the social character of which is indisputable, for they aimed at transforming a part of the landless rural population into independent smallholders or, where that was not possible, at least at giving it some land from which it could supplement its income from wages and make use of that part of its time which, owing to the seasonal and periodical oscillations of the labour demand in agriculture, could not be fully utilized by the employers.

The movement towards improvement of labour conditions in agriculture was not strong, however, so that, when conditions in the various countries became stabilized and the first post-War agricultural crisis set in, social legislation in agriculture no longer progressed and the agricultural trade union movement suffered a serious

setback. For many years therefore its possibilities of action were hampered with the result that, where collective agreements were maintained, their scope and content remained stationary. The original framework hardly developed anywhere, and the system crystallized into those early forms which had been adopted at the outset.

It is possible that during this period the pressure for new social progress, which is exercised on agriculture when manufacturing industries attract labour from the country-side, was less strongly felt. The agricultural employers were able to carry through a certain mechanization of farms and rationalization of the labour organization in agriculture; the fact that labour had become more expensive invited employers to make use of possibilities in this direction which had hitherto been neglected. In practically all countries for which information is available one finds that during this period a regular and constant decline was taking place from year to year in the number of wage-paid workers employed in agriculture. Simultaneously, a much more far-reaching process of rationalization went on in manufacturing industries, and it may therefore be assumed that already during the years preceding the last world economic crisis the demand from industrial employers for rural labour was relatively less important than it would have been if industries had flourished to the same extent without passing into a new stage of technical evolution. A further sign of the slackening of contact between the industrial and the agricultural labour market during these years is perhaps to be found in the diminution, or even complete stoppage, of the employment of migrant alien labour in agriculture. National agricultural workers found growing difficulties in finding employment elsewhere, and became prepared to accept kinds of agricultural work which they had hitherto refused.

During this period, which lasted from 1921-2 to 1929-30, social legislation in manufacturing industries developed rapidly, and the differences between working conditions here and in agriculture became greater. In the same way agricultural wages, though rising slowly, did not keep pace with the increase in industrial wages.

This gap in social conditions between the industries and agriculture was, however, to be widened considerably by the world crisis, which set in first in agriculture and later in manufacturing industries. The severity of the agricultural depression made any discussion of fresh social legislation for agricultural workers futile, but the effect of the crisis went still further. In certain cases, through the abolition or modification of existing legislation and protective measures, advances already secured to agricultural labour were lost. Agri-

cultural wage rates diminished and in countries where no organization for agricultural workers existed, or no other wage-regulating machinery functioned, were reduced below the lowest levels known in this century. This happened, however, above all in great agricultural producing countries, where the farmers themselves were most badly stricken by the crisis.

But the repercussion of the crisis which, from the point of view of labour, illustrates its seriousness perhaps more than anything else was the appearance of unemployment, hitherto unknown or relatively of little importance to agricultural workers. When the crisis was at its highest, unemployment in agriculture occurred in nearly the same proportions as in manufacturing industries. The industrialization of the labour contract which had taken place during previous years now worked out to the disadvantage of agricultural workers. The employers were compelled by their own economic situation, and enabled through the abundant labour supply available—because depression in urban occupations forced the surplus rural population to remain in the country-side—to engage and dismiss labour according to immediate needs, being no longer obliged or inclined to offer contracts of employment of long duration. The situation was even aggravated by a return of some unemployed from the towns, which not only added to the unemployment among landless workers, but caused an over-population on family holdings to which the children returned, thus further reducing the standard of living of the farming community as a whole.

Already the social progress made in the first pre-War period, which was closely connected with the internal situation in each country, had resulted in widening the differences in labour conditions in world agriculture. The past crisis had still further repercussions in this respect. The crisis destroyed the world agricultural market and left each country to come to the assistance of agriculture by its own means. The common features in agricultural development were pushed into the background, and the particular national problems became dominant and still characterize the situation to-day.

The crisis has, however, had effects other than those which are disadvantageous from a general point of view of conditions of labour in world agriculture. The situation of despair in which agriculture found itself attracted public attention, and the knowledge of rural conditions which was gained through planning and administering relief work for the benefit of the agricultural population disclosed in many cases a state of social conditions hitherto ignored. These called for improvement on their own account and not only by comparison

with the working conditions of industrial labour. This has become the impetus of the new progress which is now taking place. At the same time the social problem in agriculture took on a wider aspect, comprising now all labour engaged in agriculture whether wage-paid or working on its own account. To ensure to the farming population a certain income level through state intervention and financial sacrifices by the rest of the community became part of the agrarian policy in most countries, and included, of course, measures to ensure that wage-paid labour was given its fair share in the subsidies granted to agriculture and a standard of living proportionate to that of the farming population as a whole.

Actually the social problem in agriculture is the subject of intense discussion by the general public and of increased activity on the part of the authorities. One of the results has been the beginning of a new period of legislation to improve labour conditions in agriculture. At the same time in many countries the agricultural trade union movement has again developed, and the system of collective bargaining in agriculture is spreading further, meeting now less resistance and more comprehension on the part of the employers than was the case when this method of raising the standard of working conditions was first introduced into agriculture.

If the opinions expressed by representatives of organizations of agricultural employers and workers, and endorsed by other experts in rural social conditions, from, in all, 23 countries, who took part in the first session of the Permanent Agricultural Committee of the International Labour Office in February 1938, may be taken as significant, it means that widespread agreement now exists for accepting the principle of regulating working conditions either by legislation or collectively, no longer leaving them to be formed according to the circumstances prevailing on each individual farm. During recent years legislation on hours of work, minimum wage rates, and holidays with pay is to be noted in a considerable number of countries. Systems of social insurance, family allowances, &c., are also gaining ground. It may be added that this legislation compares favourably with the legislation passed during the early post-War years. A certain amount of experience has now become available, and the legislation has been more carefully prepared having due regard to the special conditions of agricultural production. It may therefore be expected also to be much more workable than some of the measures enacted in a hurry during the earlier period referred to.

Attempts were also made to improve, by means of state grants,

rural housing in general and, more particularly, the workers' dwellings on larger farms. Financial help from public authorities is particularly needed in this case. Modern claims in housing conditions are considerably higher than those prevailing before the War, and costs of construction have risen, because conditions in this trade have become closely assimilated to those in the urban building industries; neither can the agricultural worker afford to pay the rent of a modern dwelling, nor can his employer find the necessary money to invest in such constructions.

While it may be stressed that the efforts now developed to improve labour conditions in agriculture are based to a great extent on the recognition that these conditions themselves need improvement, the influence of industrial labour conditions has not ceased to play a role. It has again become stronger than it was during the last years before the setting-in of the great crisis. As hitherto this influence is exercised over the employment market.

In countries where town occupations are still relatively insignificant and only capable of absorbing a limited number of workers, and where emigration possibilities are closed, the problem of rural overpopulation still dominates the situation; but in countries sufficiently industrialized the revival of industrial activity, together with the fact that the surplus of the rural population, as a result of the declining birth rate, is no longer as large as it used to be, has caused agricultural unemployment to disappear and made the competition for labour between industry and agriculture still keener than it has been at any previous date.

Rural unemployment during the winter may remain rather acute in most countries, because the seasonal character of agricultural work becomes steadily more pronounced. But in an increasing number of countries there are complaints of a shortage of agricultural labour during the agricultural season proper. The employment of migrant alien labour is accordingly rapidly growing in importance. It presents a somewhat different aspect from what it did in earlier days, because the governments of the countries from which the seasonal labour comes are now active in assuring to their citizens as far as possible the same working conditions as are enjoyed by national labour in the countries to which the seasonal labour migrates.

It seems to be the small and medium-sized farms which suffer most from the increasing lack of labour. This is not due merely to the fact that wage-paid labour very often finds working conditions on large-scale farms more attractive, although it is only the large-scale farms which offer the married worker an opportunity of employment, and

for practical reasons legislation and improvement of working conditions through collective bargaining have had special reference to large-scale farming. But the smallholding and the peasant farm feel more than any other enterprise the consequences of the decline in the birth rate, because they have, during the period of abundant labour supply, adapted themselves to a labour organization allowing only the employment of young unmarried workers who, after a few years of employment, either went to the large estates as married workers, or transferred themselves into other branches of economic activity. It is evident that in view of this particular age composition of the labour population on peasant farms, concentrated round a few age groups, the decline in the birth rate, and therefore the number of persons entering the employment market annually, is more quickly and strongly felt than on large estates or in manufacturing industries, where the age composition of the labour population corresponds more closely to that of the population as a whole. The result has been that the working conditions of the operators themselves and of members of their families have become more difficult when they have not been able to reduce the amount of manual labour to be done by the help of mechanization and rationalization. For these reasons it is even now in some countries a state duty to facilitate the equipment of small farms with adequate machinery.

Though the general trend is towards labour shortage, it is, however, necessary to add that in some countries, more especially in the New World, mechanization and rationalization of farm work seems to proceed so quickly that the displacement of labour which takes place causes some unemployment because this labour cannot be absorbed with equal rapidity by other trades.

The evolution of the wage level in agriculture during recent years corresponds very well to the evolution in social legislation and collective bargaining and the development of the agricultural employment market. In some countries wages have risen so rapidly that it is necessary to go back to the years during the War and inflation to find a parallel. In other countries where labour is in a less favourable position wages have recovered to some extent from the minimum level reached during the crisis, but are still far from such rates as would assure to workers relatively the same economic standard as they enjoyed before the crisis.

The fairly favourable trend in agricultural labour problems which has been observable during the last two or three years must, however, not be over-estimated. The fact that it has been possible in one country or in another to improve certain aspects of working condi-

tions in agriculture by legislation or through other forms of regulation cannot, *de ipso*, be taken as a sign that the same achievements will be possible elsewhere. Any substantial progress in the conditions of rural labour depends in the last analysis on the state of economic affairs of agriculture, which, without the help of other classes of the population, disposes only of a limited margin for improving the conditions of the workers employed, and the possibilities of such assistance from the rest of the community are very different in the various countries. In countries where highly developed industries and important international commerce constitute the national wealth, it is feasible for the governments to assure such assistance to agriculture as will allow approximately the same social legislation as in manufacturing industries to be applied. In countries where agriculture dominates, governments have at their disposal only restricted means because of the relative unimportance of other branches of economic activity. These means are only sufficient to assure a minimum standard of living to the agricultural population as such, and leave nothing over for giving special attention to improving the position of the wage-paid labourer.

But even in cases where agricultural labour is considered to be in a rather favourable position, its conditions of work are far from satisfactory. The most striking example, which in the briefest possible way may illustrate the state of affairs, is perhaps the fact that, in the country where social legislation has been applied in favour of agricultural labour to a larger extent than anywhere else, the average wage of an agricultural worker is only three-fifths of what is considered by experts to be a reasonable minimum wage rate for labour in general.

In many respects the evolution of agrarian policy since the War seems to facilitate the taking of such steps as will be necessary to bring about further progress in labour conditions. During the crisis, in the course of a few years, the most individualistic of all callings, namely, agriculture, advanced far and fast along the path of directed economy, from which no prospects of return seem visible. The acceptance therefore of planning in agriculture can obviously not meet with any legitimate resistance in principle when it is also applied to its labour problems, and it may make the introduction of really constructive solutions easier.

The essential is that the agricultural labour problem should be understood in all its amplitude; that it should be really understood to what a state of disequilibrium in the whole labour situation post-War trends in labour conditions in agriculture bear witness.

Nor can we be content merely to admit that the agricultural labour problem cannot be solved by paying regard exclusively to the natural conditions of agriculture itself and its possibilities of progress in efficiency. Outside factors are also exercising considerable influence. It is indispensable to admit further that these factors themselves are changing and that in all probability they are evolving in a direction which will multiply the force with which they affect the agricultural labour problem.

Full knowledge of these factors is needed and more especially of the probable trend of the standard of living of the population engaged in non-agricultural occupations, and of the trend of the labour demand in these occupations, taking also into consideration the increasing movement towards shorter working hours. Finally, it is essential to get as exact an idea as possible of the total labour supply which will be at the disposal of agriculture, manufacturing industries, commerce, transport, &c. Only with such knowledge can a really constructive social labour policy in agriculture be built up.