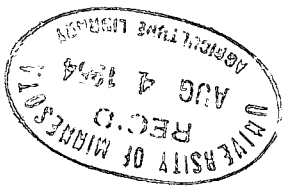
INTERNATIONAL
JOURNAL OF
AGRARIAN AFFAIRS
Vol. I, No. 1, October 1939

The Problem of Surplus Agricultural Population



Price 3s. 6d. net
OXFORD UNIVERSITY PRESS
LONDON: HUMPHREY MILFORD

By P. STARCS

Dr. P. Starcs, Professor of Agricultural Policy in the University of Latvia and Director of the Latvijas Lauksaimniecības Kamera, Jelgavā, Latvia, *reviews the various aspects of the practical problem. Latvia, which forms the background of his paper, furnishes an interesting example of a country where the problem of a deficiency of agricultural labour exists in three provinces and of a surplus in the fourth province.*

THE agrarian order in any country or region is closely bound up with the density of the rural population. The simple fact is undisputed and has had verification in recent years, but there is much need for discussion on the nature of the influence which the density of rural population exerts on the development of the agrarian order, and on the complementary question of how one form or other of the agrarian order influences the growth of rural population.

The pressure of population seeking employment in husbandry is not, of course, the only factor exercising a decisive influence upon the development of the agrarian order. Legal and political institutions play an important part. There are several countries where the density of the agricultural population is rather high and the peasants suffer from lack of land, but where at the same time there are many large farm properties taking up a considerable percentage of the whole territory. Such very large estates still exist, although numerous small farm owners as well as landless peasants demand an agrarian reform for the division of large estates into small farms. The continued existence of large farms in many densely populated countries where there is an acute scarcity of land for the peasants is explainable not merely by the economic conditions but mainly by the political structure of the country, whereby the government, which is in control of economic development, finds the maintenance of the large estate system indispensable and will not agree to the subdivision of large landed properties. From a study of the agrarian organization in various countries, it can be seen that political factors must account for the fact that in some countries with dense agricultural populations large estates continue to exist, whereas in other countries where the agricultural population is less dense the large estates have already been split up into small properties.

The legal institutions of a country also have a considerable influence on the form of the agrarian order. In countries where

unlimited division of land property among several heirs is tolerated, a large number of small farms have come into existence. If the heirs themselves effect the partition by means of primitive expedients, the landed property is split up into very small parcels. If, on the contrary, subdivision of land is either impeded or practically forbidden by the law, small farms are much less numerous, the land properties are not so minute, and the exploitation of the soil is not so intense. Political situations and legal institutions have, therefore, a part in determining the form of the agrarian order of a country, sometimes contrary to the influence of pressure of population seeking a livelihood in agriculture.

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A few words are necessary on the usefulness and desirability of small farms. Nowadays in many countries there is a large number of small real estate units, where the farming conditions are quite disadvantageous, and the utilization of human labour employed can only be described as irrational. There is a significant difference of opinion as to the necessity of the existence of small farms and the prospect of their future.

The existence of such irrationally small farms—from the technical point of view of production—is mainly determined by psychological rather than economic circumstances. Small landowners enjoy the privileges of material independence. Accordingly the small farmer is very often willing to submit to economically unprofitable working conditions and a low standard of living on a small farm of his own, rather than to engage himself as a wage-paid farm worker. Even although, in the latter, better living conditions were guaranteed to him, he is deprived of economic independence.

In the discussion of the problem of small real estate units, one can agree with the opinion of that group of scientists who consider that small farms have come into existence not because of stupidity or misunderstanding of the conditions but because their existence under certain conditions is rational and even indispensable. In many cases at least, if not in all, small farms exist, even if the production is not rationally organized, because their occupants are unable to find a better way of guaranteeing their means of existence. Numerous examples could be quoted to prove that small farmers are not content to stick to their land units at any price. Small

farmers, and equally owners of larger estates, gladly quit their properties as soon as they discover an opening for more profitable occupation in other fields of work. This phenomenon is to be found in sparsely populated countries where the inhabitants have comparative ease in finding a suitable way of getting their livelihood in various branches of economic activity. Many farmers leave their estates, usually leasing them to others while they themselves engage in more profitable occupations.

There is reason to assert that a good many small farmers as well as owners of large estates—provided they could find better and more favourable employment—would proceed in the same way. Such a statement is confirmed by the fact that in certain countries with a highly developed small farm system the peasantry is migrating to the cities at an accelerated pace. This state of affairs has caused an enforced liquidation of a number of small farms, as no staff could be found to carry on their exploitation. In other words, in such countries the standard of living of the people and the possibilities of work have improved to such an extent that people do not choose to accept work on small farms and thus to endure disadvantageous conditions of production. The desertion of small farms must eventually lead to their unification into large units, offering better conditions for production.

The giving up of small farms and going over to other more favourable fields of activity cannot be considered as a negative phenomenon—a proof, as it were, that the development of the economic life of the country is on unhealthy lines. If people leave their small farms because of unprofitable working conditions and exchange the latter for better, one can only welcome such betterment and recovery of economic life. One cannot speak of any unwholesome process. Of course, if the small farmers left their estates and migrated to the city merely to increase the number of unemployed, then the urbanization might be designated as a negative and corrupting tendency.

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The main question, however, is what is to be done in countries with a surplus of agricultural population. In Europe, as well as in other parts of the world, there are many countries which have to face this difficulty. In recently published pamphlets the opinion

is expressed that almost one-third of those employed in agriculture must be considered as a surplus of labour which ought to seek possibilities of employment beyond their present dwelling-places, namely, in native industry or abroad. These calculations of the surplus of agricultural population are in a sense purely theoretical, for in practice no country could immediately either cede such a high percentage of workers to their own cities, or permit their emigration to a foreign country. In countries where a surplus of farm workers has been established, the entire agrarian system and technique of production have been adapted to the abundance of farm workers. Before they could carry on with a smaller number of agricultural workers, they would require to have—like the states where there is a real want or insufficiency of human labour on the farms—a radical reform of the whole production system, a process which would require years to complete.

It is a rather intricate and complicated business to dispossess a country of its surplus of farming labour. The truth of this was made evident on a large scale during the War in Imperial Russia where that kind of experiment was attempted. In the pre-War times a considerable scarcity of land, or, putting it in other words, a surplus of agricultural population, was felt in European Russia. But, as soon as several million souls out of this enormous mass of people had been mobilized, an acute shortage of labourers was felt, and the area of cultivated land began to shrink. The deficiency of farm-hands became so critical that in 1916 the Russian Government passed a regulation making provision for the service of foreign farm workers.[1]

Recent observations in Latvia prove that it is not at all easy to dispose rationally of the theoretically calculated surplus of agricultural population. In Latgale, one of the provinces of Latvia, according to theoretical calculations about 25 per cent. of the people engaged are not required. Although these 'surplus' citizens have wide possibilities of finding work elsewhere—for instance on the farms of other provinces only a few hundred kilometres from their native places, or in various industries or house-building—the shifting of the surplus population to other places of work even quite near at hand is achieved at a rather slow pace. The surplus inhabitants prefer to remove from their native places only when the

[1] V. P. Milutin, *The Problem of Agricultural Labourers in Russia.*

living conditions have grown quite intolerable. But, as soon as life grows easier again, the desire for migration dies out, and the majority of the surplus population remain in their old domiciles.

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The first line of approach, therefore, towards the improvement of the living conditions in places where there is a surplus of agricultural labourers is to explore the possibilities of amelioration by all imaginable means without recourse to employment in other industries or to emigration.

Among such means of betterment the first to be noted is an improvement in the distribution of labour resources. In countries with a surplus of farm population, the surplus is not distributed equally among all the districts. The same thing happens in countries suffering from a scarcity of farm-hands; there the incidence of scarcity is not equal in all the different localities. It is a well-known fact that very often in certain districts an acute deficiency of workers is felt, whereas in neighbouring parts a surplus of unemployed labour is causing concern. Conversely, in countries where in general there is an unsatisfied demand for farm workers, some districts may have a surplus. This lack of mobility is due to several causes.

In the first place there is a varying intensity in the degree to which the city absorbs country folks from different localities. Owing to various causes, the inhabitants from certain districts migrate to the cities in greater numbers than from other districts. As a result, in districts with a strong urban pull a want of farm workers may be observed, while in other districts there is a large surplus of unemployed farm labourers.

Under such circumstances tendencies towards levelling the labour market must come into operation. Higher wages entice workmen to leave localities with a surplus labour force for those parts of the country where—because of a shortage of workmen—higher wages are being paid. The automatic levelling process of the labour supply brought about by differing wage levels can, however, never be sufficiently intense, and active support and participation on the part of the government, the autonomous institutions, and private bodies is necessary. By good organization it is possible to expedite

and facilitate sensibly the process of levelling the labour surplus. Thus in the states in which the labour surplus is due to maldistribution in various districts, an adequate improvement of the situation might be achieved by means of a systematic redistribution.

The uniform distribution can be made not only among the several districts of the country, but also among farms of different size. Every country has a wide variation in the size of its farms. On the small and minute farms there is often a surplus of labour, owing to the comparatively large number of workmen employed per unit of land. The number of people employed per unit of land is considerably smaller on large farms. A scarcity of farm workers may be felt there, while on the neighbouring small farms there may be a surplus of farm-hands. There is quite a distinct problem in balancing the labour supply among farms of various sizes. Even if the larger farms are not actually suffering from a shortage of workmen, the authorities might strive to transfer the labour surplus of the small farms to larger estates. The big disparity between the labour equipment per unit of land on the large farms and that on the very small farms would be diminished, and thus the difficulties of subsistence on the latter might be alleviated to some extent. Some such balancing of labour supply is taking place in many countries, and was not unknown in olden times.

The problem of the uniform distribution of the labour supply has been intensively taken up in Latvia since the World War. Out of four provinces, three suffer more or less from scarcity of farm-workers, whilst the fourth province, having historically developed along different lines, experiences a serious surplus of labour supply. Theoretical calculations show that this surplus might suffice to cover the deficiency in all the three remaining provinces.

Taking into consideration these theoretical calculations, Latvia has been able to achieve, through suitable propaganda and a network of labour bureaux, the transfer of 24,000 of the agricultural population every spring from the densely populated Latgale to the other provinces, Vidzeme, Kurzeme, and Zemgale, where they find work for good wages on the farms. Besides these 24,000 farm-workers, a still larger number of men find their way to the three other provinces as seasonal workers to earn money at building and road construction or doing odd jobs in the cities.

Although the number of migrating workmen is constantly increasing, nevertheless a considerable surplus of unemployed labour is still felt in Latgale. Strange to say, these people leave their native communities rather unwillingly, though at a comparatively small distance from their homes they might obtain well-paid work in husbandry.

Latvia has had a good deal of experience also in the distribution of labour forces among farms of different sizes. The results obtained are rather instructive. In the course of six years, from 1929 to 1935—the agrarian census was taken in these years—certain quite impressive changes have taken place. The number of persons employed in agriculture on farms under 10 hectares has shrunk from 283,366 to 251,199, i.e. a reduction of 32,167 men has taken place. On land properties over 10 hectares the corresponding figure has risen from 558,923 to 586,865 persons, an increase of 27,942. From these figures it is evident that the small and minute farms have got rid of a part of their superfluous labourers, and the large ones, which previously had experienced a pressing need of workers, have, thanks to this process of levelling, acquired a good many more workmen.

It cannot be denied that some serious difficulties are encountered in the process of distribution of the labour supply. A few of these may be mentioned.

The family members of both large estate and small farm owners, who cannot obtain work on their own farms because of insufficient land, out of pure vanity will not engage themselves as simple workmen for other farmers. They have a rooted objection to becoming paid workmen.

In many cases the proprietors of small and minute farms will not agree to let their children go and work on other people's property, for they fear that the young people might get spoilt there. Parents are especially unwilling to consent to let their daughters go abroad, fearing that, if not looked after, the young girls might run the risk of getting morally corrupted. Family members of small owners, when engaged as workers on other people's property, long for their homes and feel very much bored. This state of affairs may be mitigated by placing together a whole group of labourers who come from the same locality and, as it were, belong together. Good acquaintances are enabled to stick

together in their new environment. The observations made in Latvia have clearly proved that by good organization it is possible to deal successfully with a surplus as well as with a deficiency of labourers.

Over and above the systematic distribution of farm reserves within the boundaries of the single state, it is feasible to carry out similar experiments on an international scale, by transporting farm labourers from those countries where there is a definite surplus to countries where, for various reasons, a scarcity of labourers is being encountered. The balancing of the human working power among the European countries is a common practice, as a number of countries are either importing or exporting labourers.

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A most important expedient in the struggle against the surplus of country population—though much more difficult to realize—is the modification of the entire agrarian system. Mention has already been made of the fact that on small and diminutive farms the number of labourers employed is excessively high. By the breaking up of large manors into small farms, it is possible to raise considerably the demand for agrarian workers. The accuracy of this statement can be confirmed by many facts observed in those countries which, since the Great War, have effected a more or less far-reaching agrarian reform. In Latvia, too, the results obtained are instructive. Through the Latvian agrarian reform 1,300 large manors were split up into about 100,000 small and diminutive farms of varying size and type. Research work done lately has shown that on the newly created farms—not including diminutive farm units of less than 1 hectare—there were in 1930 approximately four times as many labourers employed as had been working on the large estates from which the new farms were made.

In all other countries where an agrarian reform has been carried out it has also been observed that the break-up of large manors into small farms has greatly increased the demand for labour. In Latvia, after the agrarian reform had been effected, the demand for agrarian labourers increased to such an extent that the pre-War farmers' properties were threatened with a catastrophic deficiency of labour, which had to be remedied by the importation of labourers from abroad. The same phenomenon has been observed in Estonia

where the agrarian reform led to an augmented demand for labour, which could be met only by importing foreign labourers, though in a smaller number than in Latvia.

In Lithuania there was a considerable surplus of agricultural population before the carrying out of the agrarian reform, so that a large number of unemployed persons emigrated annually across the Atlantic, the rest of them looking for seasonal agricultural work in Latvia. When the Lithuanian agrarian reform—which was less radical than in Latvia—had been carried out, the former surplus of labour in agriculture ceased, and in several districts a scarcity was experienced.

An alteration, therefore, in the agrarian order—i.e. the break-up of large estates into small or diminutive farms—may be considered as a most radical means of increasing the openings for work in agriculture, of securing work and means of subsistence for the unemployed rural people. This method may be recommended to all countries where there is a surplus of agricultural population and where the system of large estates is still being maintained.

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Another means of improving the living conditions in countries with a large surplus of agricultural population is by increasing the productive capacity of agriculture. The expedient is especially important for the reason that, in districts where a surplus of labour exists, it is observed that there is no great activity among the farmers to achieve a betterment of the technique of production. Where labourers are scarce in agriculture and wages are high, the farmers are obliged, by the nature of things, to modernize the agricultural technique in order to economize on expensive labour. In addition, it is necessary to increase the output in order to get money to pay the high wages. To meet the claims of the wage-paid workers, the farmers are forced to ameliorate the conditions of living in the farm-house, to build comfortable dwellings, to give better food.

Entirely different are the conditions where there is a surplus of agricultural labour, where wages are low, and where on the small and minute farms all work is done by the members of the owners' families.

As a result of cheap labour, even the large proprietors do

not have the necessary stimulus to acquire modern machinery and to raise the productivity of labour. The situation is still worse on farms where the members of the family do all the work. If the farm is so small that it is not possible to make full use of all the work-power, the members of the family get used to spending part of their time inactively and acquire the habit of laziness. The circumstances themselves make them passive and indolent. They prefer to acquiesce in a lower standard of living, rather than strain themselves to raise the level of their farm output. In such circumstances conditions remain in a deplorably primitive state, the standard of living of the population is extremely low, and economic progress is far too slow. People are wont to complain about the want of land, and yet they do not take enough care to cultivate rationally the land which is at their disposal.

Statistics prove that in densely populated countries with excellent natural resources the average harvests are, as a rule, lower than in other countries with a less favourable geographical situation and with labour shortage and high wages. It would seem natural to expect that in countries with a dense population, and consequently a plentiful supply of labour, the land would be elaborately cultivated and the harvests exceedingly rich. In fact, such a state of affairs is not observed. An abundant supply of labour renders the people inactive, inert. They remain content with primitive conditions of existence. The result is an insignificant demand for industrial products; the development of industries and the prosperity of the cities are impeded; the market for agricultural products and the opportunities for transferring surplus agricultural population to the cities are diminished. It is observable, too, that because of their passivity of character country folks from regions with a crowded population do not display the necessary spirit of enterprise to go to the city or the necessary energy to seek, and to establish themselves in, new fields of employment there.

In countries with an abundant agricultural population there are possibilities, therefore, which should be pursued for increasing the activity of the citizens along cultural and economic lines. Cultivating the land should as much as possible be made rational and advantageous so as to increase the harvests. Facts show that in certain regions, where the people complain of scarcity of land,

the land at the disposal of the peasants is not made the most of, the meadows remain uncultivated, and the arable land is cultivated in an entirely primitive way. There is scope for improved methods and increased output. By raising the cultural and economic activities conditions might be remedied in the densely crowded regions to a not inconsiderable degree. The standard of living of the country population would rise as the land brought forth richer harvests. Favourable reactions would be set up in the various industries, and increased prosperity in the towns would provide increasing opportunities for the country folk.

Densely populated countries might well consider seriously the stimulation of the cultural and economic activities of the country population as the starting-point in the betterment of all branches of economic life.

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One cannot conceal the fact that the realization of this proposition may call forth great difficulties, because peasants, who cultivate the land with the aid of their families only, consuming their farm produce for the most part themselves, are much more unwilling to accept advice from specialists in agricultural matters than farmers who manage their affairs with the help of the money system on a commercial basis. Everything possible should be done to overcome the inertia of the traditional system of farming and to instil energy. Without this step there can be no progress in any other branch of the social and economic life of a nation. The final aim might be approached partly by elaborating a wide network of agricultural schools, and partly by an agricultural advisory system, supervised by the Chamber of Agriculture, special agricultural societies and unions. Ways and means should be found to interest all landowners, not only the most advanced ones, in this educational system.

New ways should be sought to realize this plan. Nowadays it should be recognized as an obligation on every landowner to give evidence of a certain minimum of scientific agricultural training. It should be just as unthinkable that a man without any training should make profit from land cultivation on behalf of the community as it is that people without qualifications should design motor-cars, plan houses, or practice medicine. In the interests,

therefore, of the whole nation it ought to be required that every landowner and farmer should acquire a certain minimum of scientific knowledge of agriculture. This might be obtained by a law requiring that every citizen who desires to own a landed property—either by inheritance or by purchase—should present a certificate to the effect that he has acquired the necessary agricultural knowledge as determined by the competent authorities. Only on receipt of the official authorization would his title to the ownership be confirmed and the land property entered in the real estate register in his name. The standard of the minimum requirements of agricultural training for future landowners might be adjusted in accordance with the general level of popular education and with the development of agricultural science. To spread such special knowledge, the agricultural organizations should establish special agricultural courses or—even better—special schools.

If the state passed a regulation to the effect that every new landowner has to possess a fixed minimum of agricultural knowledge before the official bodies acknowledge his legal title as the proprietor of the newly acquired land, we might very soon achieve such a state of affairs that all landowners possessed the necessary understanding of how to manage their farms to the general benefit. Not only would the agricultural progress of the country be promoted in this way, but various branches of the national economic life would greatly profit by the new way of managing our farm-life. This proposition is dictated by the interests of the state and the whole nation, and every means should be taken to realize it.

I am convinced that the process of development of agricultural achievements will be accompanied by an increasing prosperity of industry and commerce, which in turn, by providing work and means of existence to a larger number of citizens, will lessen the distress and damage caused by the existence of a surplus agricultural population lacking employment and daily bread.