INCOME SOURCES IN SLOVENE AGRICULTURE FROM THE END OF THE 19TH CENTURY UP TO THE SECOND WORLD WAR

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Summary

The author deals with the issue of integrating different sources of income in the agricultural economy up until World War II in Slovenia, which at that time was included in the Habsburg Monarchy, and after the end of the First World War was a part of the Yugoslav state. The integration of different income sources was indispensable, since the fragmented farm structure prevented peasants from covering the living costs of their families solely with the income they derived from agricultural activities; in particular those farmers who owned less than five hectares of land. On the other hand, it is important to note that peasants worked to combine various sources of income not only out of necessity, but also from the desire to improve the stability and quality of the living standard of their families, or to provide funds for investments.

Keywords: Peasant economy, income, income integration, income diversification, Slovenia, Slovene agriculture

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Zusammenfassung

**UNTERSCHIEDLICHE EINKOMMENSQUELLEN IN DER SLOWENISCHEN LANDWIRTSCHAFT VOM ENDE DES 19. JAHRRHUNDERTS BIS ZUM ZWEITEN WELTKRIEG**


**Schlagwörter:** Bauernwirtschaft, Agrarstruktur, Einkommen, Einkommensquellen, Diversifizierung, Slowenien, slowenische Landwirtschaft

1 Introduction

The article discusses the issue of integrating different sources of income in the agricultural economy up until World War II in Slovenia, which at that time at first was included in the Habsburg Monarchy and after the end of the First World War was a part of the Yugoslav state. Since the last decades of the 19th century, Slovenia has been characterised by a slow process of economic and social modernisation. The processes of modernisation, the changing of life styles and the advance of consumerism needed to be financed. Farmers were forced to increase the economies of scale and the return on invested assets and labour, and combining different sources of income was important in this process. Reliance only on the growth of the yield of the land would have taken too long, and the land as a good was a limited resource, as evidenced by the fragmented farm structure. Farmers also developed service activities and the production of certain items outside the narrow concept of farming in their search for additional earnings to raise their standard of living or for investment purposes. No doubt, the motives differed from individual to individual, but overall, what we witness here is both a spontaneity and the state planned promotion of the integration of different sources of income. One of the important features of the process was the encouragement of the exploitation of so-called internal reserves in agriculture. The most important component of farm living encompassed by the term “internal reserves” were cottage industries, i.e. the market production of certain items by farmers and/or their family members.
Agricultural non-agrarian production was not taxed until the Second World War. The ‘Austrian Craft Act’ of 1859 which introduced a general liberalisation of the economic initiative in fact did not regulate cottage industries; it considered them to be “accessory crafts/housework”, insofar as they originated from the processing of crops or products from farm sources and were carried out by members of the peasant family. In later years, the scope and characteristics of the various cottage industries were more precisely defined. This was one of the strategies initiated to help farmers, as in crisis situations in agriculture cottage industries made an important contribution towards improving or stabilising their income situations. In 1883, the term “home industry” (“Hausindustrie”) was defined by an amendment to the ‘Artisanal Law’, with the wording that it was an activity “which people perform in a dwelling, according to the local custom, as a main business, whereby they do not use any foreign power in doing so, but only perform this activity personally, or at the very least together with members of their own household”.

In defining cottage industries, two criteria were important: the space in which the activity was carried out, and employment. The same diction, only slightly updated, was also included in the definition from 1931. The ‘Yugoslav Craft Law’ abandoned the notion of the “home industry (Hausindustrie)”, which was replaced by the term “home industriousness”. Home industriousness was defined as “a task performed by an individual independently or with his family members on the premises of his or her home”. The law also recognised technological advances and did not limit peasant crafts only to manual labor, nor was the use of machinery an obstacle to the recognition of the status of home industriousness (Mohorič 1950/51, pp. 12–16). The above definition also highlighted the essential characteristic of the activities regarded as “home work, home industry, home industriousness, domestic or peasant crafts, or additional peasant activities” as specific methods of integrating different sources of income on farms in the last two centuries in historical sources. These activities were part of the informal sector and rarely statistically monitored. Although less visible, they had a significant impact on the quality of life in the countryside.

2 Long term objectives

Slovenian agricultural policy was based on three main points: the education of farmers, the use of internal reserves, and the gradual and subsidised modernisation of technology in order to increase productivity. Its main objective, the conceptual and technological transformation of agriculture, was formulated for the long term. It was decided that the transformation should involve mid-sized and large farms, as these were the ones that fulfilled the necessary conditions for the transition to an entrepreneurial approach. These farms were expected to be able to leverage their economy of scale or increase production and thus justify the investments required for restructuring. Such measures were also compatible with the reality of the countryside and with the structure of the agricultural sector.

Analyses showed that farms could generally be classified into two categories according to their principle of operation. Anton JAMNIK thus wrote about “subsistence farms”, i.e. small farms that aimed only to provide for the survival of the family, whose members were
also the only workforce. Family members faced heavy, even excessive physical burdens. The market participation of such farms was sporadic and occurred only to the extent that was necessary to satisfy urgent monetary needs (Jamnik 1931, p. 10). Anything more was virtually impossible, as these were small, even tiny farms that dominated the agricultural farm structure at the time. Market-directed production on such farms was essentially impossible; there were no funds to invest in order to increase productivity, and even if there had been, such investments might not have been justifiable. The owners and their families were caught in a kind of a vicious circle of poverty, i.e. of low productivity, low income, low savings and investments and the slow accumulation of capital (if any).

The other type of farms according to Jamnik included those involved with “monetary economics”, i.e. those that were predominantly or at least partly market-oriented. This category included mid-sized (over ten hectares of land) and large farms. In the predominantly fragmented agricultural holding structure, however, such farms were in the minority. Nevertheless, these farms were supposed to lead the transition to the entrepreneurial system of operation (Jamnik 1931, p. 12).

Although Jamnik presents two generalised and idealised types of farms; basically two ends of the spectrum, his analysis underlines the depth of the economic issues faced by the agricultural sector and the social strife faced by the peasants. Let us again point out that as many as 60 percent of the farms at the time had less than five hectares of land. Subsequently, the yields of these farms were very low. The detailed ratios of the yields are presented in Table 1.

<table>
<thead>
<tr>
<th></th>
<th>&gt; 2 ha</th>
<th>2–5 ha</th>
<th>5–10 ha</th>
<th>10–20 ha</th>
<th>20–50 ha</th>
<th>&gt; 50 ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fields</td>
<td>1,150</td>
<td>3,700</td>
<td>7,100</td>
<td>10,700</td>
<td>14,000</td>
<td>31,000</td>
</tr>
<tr>
<td>Meadows and pastures</td>
<td>240</td>
<td>1,430</td>
<td>2,800</td>
<td>5,300</td>
<td>11,000</td>
<td>41,500</td>
</tr>
<tr>
<td>Vineyards</td>
<td>540</td>
<td>1,246</td>
<td>1,500</td>
<td>1,850</td>
<td>2,020</td>
<td>8,000</td>
</tr>
<tr>
<td>Gardens and orchards</td>
<td>180</td>
<td>432</td>
<td>750</td>
<td>1,020</td>
<td>1,380</td>
<td>8,000</td>
</tr>
<tr>
<td>Forests</td>
<td>45</td>
<td>240</td>
<td>420</td>
<td>2,080</td>
<td>5,240</td>
<td>36,600</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,155</td>
<td>7,048</td>
<td>12,570</td>
<td>20,950</td>
<td>33,640</td>
<td>125,100</td>
</tr>
</tbody>
</table>

Source: Uratnik 1938, p. 61

Table 1: Estimated average yearly income of farms in Slovenia in the 1930s in Yugoslav dinars

Profitability increased steeply as farms approached or exceeded ten hectares of land. The profitability of the farms becomes even clearer if we compare it to the average industrial worker’s salary at the time. In the late 1930s, the workers’ average yearly pay was about 9,000 dinars (Kresal 1995, p. 13). These numbers offer a glimpse into the depth, extent and structure of the poverty in the Slovenian countryside. It was estimated at the time that the average peasant family had slightly upwards of five members (Maister 1938, p. 94). Small farms were thus unable to provide anything more than bare subsistence and even that often hung in the balance.
On the basis of these data, the classification of what defined a farmer became an issue for the critical observers in official capacities, and doubts were raised as to whether the official numbers for the 154,628 farms in Slovenia before the Second World War were real at all, as the criterion used for classifying them was precisely their sources of income. If most of these originated from non-agricultural activities, then it seemed to them to be totally unjustifiable to regard the owners of these “farms” and their family members as farmers among the peasant population.

In this regard, the data indicated that on as many as 20 percent of all farms, the primary source of income came from activities outside of agriculture. It was estimated that only 65,000 farms or 42 percent of all farms actually lived off agriculture, which accounted for 55 percent of the total population in rural areas. It was considered that these facts must be recognised in order to formulate the appropriate agricultural and social policies (Bohinjec 1938, pp. 236–237). In light of the data presented above, Anton Pevec called for the abolishment of a half of all the farms in Slovenia, as they were supposedly not economically viable, to which Vinko Möderndorfer added that, due to their dependence on extra-agricultural work, the position of small farmers, particularly those with less than two hectares of land, already approached that of wage workers (Möderndorfer 1938, p. 155).

3 The practice of income integration

We can discern three strategies used to increase income and diversify its sources. One could define these strategies as general methods of overcoming the limited agricultural possibilities of small farms. These methods consisted of temporary work at other farms, seasonal migrations abroad, and participation in various cottage industries.

Farm work for hire was a widespread method of acquiring an additional income and there were plenty of options. On the one hand, there were farms with over ten hectares of land that needed additional manpower during the peak of seasonal activities, as family members were not able to do everything by themselves. On the other hand, there was rural overpopulation, with small farms in particular being able to provide an ample additional workforce. However, due to the lack of data, it is hard to quantify the extent of this phenomenon. According to the 1938 study by Filip Uračnik (the only author to has dealt with these issues) the late 1930s saw about 50,000 to 60,000 people supplementing their income by working at other farms; usually in their immediate neighborhood. In global terms, this amounted to about a tenth of the entire rural population. In line with the low average profitability of the agricultural sector, the wages of hands for hire were low as well. Uračnik estimated that the average daily wage of a farmhand amounted to half of the daily wage of an industry worker (Uračnik 1938, p. 12, pp. 62–76).

Another way of seeking additional income was through “seasonal migration”. It was precisely this type of agricultural migration that was the most common before World War II. In the spring, a significant part of the population took off to work on the farms in Western Europe, returning in the autumn when the crops had been harvested. Seasonal migration was common in the eastern parts of Slovenia, particularly Prekmurje, where overpopulation was the highest and the land holdings were the most fragmented (Lazarčič 1994, p. 74).
The third method of income diversification was through various cottage industries, i.e. the production of items within the household utilising the experience, skills and the working ability of the family. As any other activity, farming is not one-sided. The complexity of farm work offers peasants a starting point for various economic initiatives.

The implemented policies of income integration involved the peasantry and individual peasants in the world of capitalist economics and cleared the path for social modernisation. We can state that these strategies were about the commercialisation of the existing working ability, free time, experience and skills (either previously existing or newly acquired) of the rural population, as well as local resources. Cottage industry was based on low-level technology that required little or no skills to operate. People generally adapted to such handicrafts easily and could usually learn them through practice, acquiring their skills on the job. However, the items produced in such a manner were low-cost, resulting in the work being poorly paid as well. Peasants generally had few problems entering such additional working relationships, so long as the other requirements were met, such as a demand for the items or commercial channels connecting producers with consumers.

3.1 … at the end of the 19\textsuperscript{th} century

The area of cottage industry was broad and influenced the stabilisation of the income situation and the living standard of the rural population. As early as 1875, the ‘Chamber of Commerce, Crafts and Industry of Carniola’ established the prevalence and importance of farm craft production (Statistischer Bericht 1878, pp. 241–252). Ten years later, the story was repeated and the farm production activities were almost the same. In the public debate on agricultural issues in the region of Carniola organised by the ‘Provincial Council’ in 1884, the issue of integrating farm incomes was one of the fundamental issues on the table. The decline in income from these activities (home/domestic industry) had since been recognised as an important cause of the deterioration of the economic and living conditions of farmers. At the time, they were aware that the peasant cottage production was threatened by industrial competition and that adjustments were necessary. They found that there was no county in Carniola in the 1880s, where at least one production activity could not be developed in the countryside, which could be classified as a cottage industry according to the then extant concept thereof, i.e. as a “farm household industry” in the terms of that time.

The review of these activities listed only those that were regarded as standing out in scale or quality, while others were rarely mentioned. The Council, however, was aware that they could not present a detailed examination because there had been no statistical monitoring of this part of production and the data available to them were based on the estimates sent by the municipal authorities. Based on this information, they presented a picture of a variety of farm practices and initiatives for promulgation to promote income growth; a picture of a sort of division of labor and specialisation in different areas of craftsmanship in the various parts of the Land of Carniola (Figure 1).

Stražišče pri Kranju, for example, excelled in sieve making; whereas the prevalent activity in Idrija and its surroundings was lacemaking; straw weaving in the Kamnik county,
basket making and straw carpet production around Ljubljana; the manufacture of wooden products in the central part of the country, especially in the Ribnica and Kočevje areas, while willow basket weaving was widespread along the Sava River and the Ljubljanica River, and partly also around Lake Bohinj. Brooms from birch or other wood were produced throughout the country, but the activity was more prominent in the Polhov Gradec region.

Figure 1: Cottage industries in Carniola at the end of the 19th century

Textile production was also notable, since quality cloth was produced around Idrija, carpets and blankets around Kranj, and flannel and woolen jackets in the countryside surrounding Bled. Linen was woven all over the country, especially in the villages between Kranj, Škofja Loka and Kamnik, and in Kočevje and Metlika. The Kamnik district was also the central point of knitwear and headscarf production. In the latter, they were fol-
ollowed closely by the district of Radovljica and in the settlements around Ljubljana. Stocking production was spread throughout the districts of Idrija, Kranj, Tržič, Bled, Javornik and Jesenice. The manufacture of bandages provided incomes for the people in Smlednik, Gameljne and Mengeš, while slippers were produced mainly in the Kranj district, and brushes in Ribnica.

In addition, it was found that the production of agricultural tools was also widespread. The activities of lace-making, straw-weaving, wood-processing and ceramics production were highlighted as particularly promising ones, since they promised the highest returns and could be raised to a higher price level, given the appropriate support (design and professional education) and aesthetic finishing. It was generally agreed that non-agrarian farm activities were indispensable for a viable level of living in the rural areas (Vošnjak 1884, pp. 32–34; Bericht der K.K. Gewerbe-Inspectoren 1900, pp. 317–345).

### 3.2 … in the interwar period

For insights into the period of half a century later a study by Anton Markun from 1943 is very useful, which gives a detailed presentation of the interwar economic situation in the Velike Lašče district. In the first volume of his work, Markun describes the agricultural activities in this area, while the second volume is dedicated to a detailed presentation of peasant handicrafts and trade. Markun provides a list and descriptions of non-agricultural activities in the countryside and a case study of the district of Velike Lašče. The list presents a wide array of possible economic initiatives and relationships either unconnected to agriculture or stemming from agricultural activities (Figure 2).

In this way, Markun gives us an insight into the range of possibilities available to the peasants to diversify and integrate their incomes. He documented the following economic activities of peasants: linen production, hat making, straw weaving, tailoring, the production of fur clothing, butchery, tanning, shoemaking, joinery, carpentry, wheelwrighting, saddlery, cooperage, milling, key cutting, bucket cooping, sieve making, toothpick production, the production of baskets, rakes and pitchforks, the production of dormouse fur hats, sawmilling, blacksmithing, mob cap making, lime production, masonry, charcoal burning, tree tapping, potash production, the production of clothes hangers, basket weaving, the production of toys and dolls, the production of musical instruments, clogs, rope and brushes. Among the trade activities, Markun lists mixed goods trading, peddling, selling at fairs, trading in wild birds, fruits of the forest, herbs, dormouse fur, treen, and, last but not least, smuggling.

He wrote that the peasants felt it was natural to engage in all the activities listed above, though usually not continuously but rather in parallel to their agricultural activities. Markun paints a picture of village and farm management in the Velike Lašče area (south of Ljubljana), which was dominated by fragmented land holdings, as a multidisciplinary economic space where the chosen type of economic activity parallel to agriculture is dictated by necessity and expected benefits. In the background of his description, one sees an idea of farming households in which peasants pragmatically take up different activities in order to increase and diversify their incomes, wherein they are willing to work
and learn. Markun also records the ascent and decline of individual handicrafts practiced by peasants as determined by the broader social and economic context over a long period of time.

The cottage industry was coupled with a system of distribution, whereby the functional division of labour occurred. The role of local traders as intermediaries between peasants/producers and consumers was indispensable. It is also documented that peasants marketed their products on their own, particularly at fairs. Despite the latter’s ubiquity, however, their economic significance in the interwar period was already declining (Zdovc 2006, pp. 95–103). On the other hand, peddling was still practiced. In the broader sense, peddlers
were local agents for the distribution of goods and a part of the cottage industry system of the division of labour.

One traditional example are the peasants from the Ribnica area who travelled from village to village or fair to fair, selling products made from wood directly to consumers (Trošt 1950/51, pp. 28–67). In the interwar period, potters from Prekmurje kept the tradition alive as well (Novak 1950/51, p. 130). The production of ceramics, i.e. pottery, was widespread in the eastern parts of the country. Potters were numerous, as entry costs were low, and cheap and easily accessible raw materials plentiful (Karlovšek 1950/51, pp. 87–111; Novak 1950/51, pp. 111–130).

However, pottery is a typical example of an activity which was facing tough times, as hand-made items were being replaced by factory-made metal and porcelain dishes. This is only one example of the general trend of industrial progress reducing the number of marketing opportunities for peasant products. The cottage textile industry was another such case, virtually disappearing by World War II, leaving only a few exceptions, as shown by the well-documented case of Bela krajina (Račič 1950/51, pp. 142–158).

Lace-making, however, was spreading geographically, and production was on the increase. The activity had a tradition of being supported by the authorities, who saw to it that training was available and ensured the provision of samples as well as organised marketing opportunities (Kraivos-Lombar 1938, pp. 212–214; Račič 1938, pp. 235–243). Lace-making had a long history and both production and sales were well-established in this field. So much so, that the activity spread to the Gorenjska region as well during the interwar period. In a sense, lace-making was a regulated cottage industry, as lace-makers were provided with samples and patterns created by experts in accordance with the modern aesthetic and artistic criteria of the day and market demand. Artists and professional lace-making teachers were all part of the process of stimulating the production, design and marketing of lace, all with significant support from the authorities.

With some reservations, the case of weaving was similar and shows the long-term effectiveness of the peasants’ strategies and practices of income integration based on local initiatives, the availability of raw materials, and state support – the cases from around Ptuj and Radovljica being proof in point (Ogorelec 1938, pp. 233–234; Patik 1938, 251–256). It was also possible for a handicraft to disappear, as was the case with the cottage textile industry, for example, or for a new one to emerge, which is what happened with toy-making around Velike Lašče after World War I. Toy-making was started deliberately, on the initiative of a couple of enterprising merchants who organised production at farms, provided samples, and then sold the toys on the Yugoslav market (Markun 1943, p. 62).

Cottage industry was thus an important part of the peasants’ extra-agricultural activities. Realistic estimates for the interwar period indicate that cottage industry involved at least 25,000 people working either part-time or full-time (Spominski zbornik 1939, p. 391), i.e. approximately five percent of the entire peasant population. Add to that the work for hire and seasonal migrations, and we can further estimate that the living standard of at least a quarter of the entire peasant population strongly depended on additional incomes from extra-agricultural activities. Such income was important in order for farms, particularly the smaller ones, to be able to balance their budget.
By encouraging the additional education of peasants by means of various professional courses, the authorities effectively supported the processes of income integration (Pretnar 1938, pp. 257–260). Contemporaries had estimated that women formed the majority both in the cottage industries and in work for hire. In combination with activities aimed to improve household-related work and encourage the on-site processing and marketing of agricultural products (Gosak 1939, pp. 433–437), this fact reshaped the perception of the economic value of women’s work. This was an important step towards the gradual emancipation of women within the context of the traditional ideology of relations between the genders and gender-based distribution of labour in agricultural households.

4 Conclusion

In conclusion, we can say that in the unremitting difficult circumstances of rural life, the integration of income sources was an economic and social necessity for the peasants. Due to persistent causes, the integration of different income sources remained indispensable in the interwar period, just as much as it had been at the end of the 19th Century, since the fragmented land holding structure prevented peasants from covering the living costs of their families solely with the income derived from their agricultural activities. This was particularly true for farmers who owned less than five hectares of land.

On the other hand, it is important to note how peasants worked to integrate their sources of income not only from necessity, but also from the desire to improve the stability and quality of their families’ living standards. State and local authorities recognised the seriousness of the situation and actively supported the policies of peasant income integration through professional courses that offered peasants the opportunity to acquire or improve handicraft skills and working experience. At the same time, owners of large farms were expected to lead the way and transform agricultural production according to the entrepreneurial model.

The organisational structure that provided support for income integration had already been in place under the Habsburg Monarchy. The Slovenian authorities in the context of Yugoslavia simply continued using the tested models of applied political, economic and social measures to provide support for income integration, particularly based on cottage industries as an important factor of the economic and social stabilisation of agricultural households.

5 References


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