



# The Shortage of Agricultural Labour in Latvia

by

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*Agriculture in Latvia suffers from a serious shortage of labour, which has made it necessary in recent years to bring in large numbers of workers from other countries. In the following article, the author analyses the causes of the shortage and shows that it is due partly to uneven geographical distribution of the population and partly to maldistribution of labour between farms of different sizes. The article indicates that this problem is particularly acute in Latvia, but the same difficulties exist in many other countries, and not only in Europe. Many readers of the Review will therefore be interested in the latter part of the article where the author describes the variety of measures being taken by the Latvian Government to solve the problem on a national basis and so to make the country less dependent on foreign agricultural labour.*

**L**ATVIA is regarded as one of the countries that suffer from a shortage of labour in agriculture. It may even be said that the shortage is particularly acute there, and this is an anomalous state of affairs in a country in which 66 per cent. of the occupied population is engaged in agriculture. The purpose of the present article is to throw some light on this problem.

## REASONS FOR THE SHORTAGE OF LABOUR

Attention was first drawn to the problem of a shortage of agricultural labour in Latvia in 1875. Five years later, however, the shortage had practically ceased owing to agricultural depression. After 1895 the development of industry in the towns and the emigration of the rural population led to a

renewed shortage of agricultural labour. To meet the difficulty a first attempt was made in 1897 to organise the immigration of agricultural workers from Lithuania. In the years following the war of 1914-1918 the shortage increased sharply, with the result that from 1925 onward agricultural workers were brought in from Lithuania, and from 1928 also from Poland. The number of immigrant agricultural workers rose steadily and by 1937 amounted to about 45,000. Thenceforward restrictive measures were taken, and the number of foreign agricultural workers began to decline. In 1939 it had diminished by about 5,000.

There were several reasons for the shortage of agricultural labour after 1918. During the war Latvia had suffered a substantial loss of population, since military operations continued there without interruption for several years. From 2,550,000 before the war, the population declined to about 2 million.

There were also profound changes in the agricultural employment market in consequence of the radical operation of the agrarian reform scheme.<sup>1</sup> It appears that during the first few years the reform met with some difficulties in this respect, since the wage-paid workers on the estates which were divided lost their jobs. Some of them, however, received land and ceased to be available for employment, and there was soon an increase in the demand for labour, so that the shortage again made itself felt.

Up to the war of 1914-1918 there were in Latvia 1,300 large estates and about 150,000 peasant farms. The Agrarian Reform Act led to the creation of about 100,000 new farms of various types and sizes. According to the results of the agricultural census of 1935, there were in Latvia altogether 275,698 farms, including small holdings lying inside the administrative areas of towns.

Formerly the large estates were cultivated on the extensive system, as is shown by the fact that they employed an average of only five persons per hundred hectares of arable land. There has been a marked change in this respect owing to the agrarian reform, as will be shown later.

Round about 1900 agriculture in the three Latvian provinces of Vidzeme (Livonia), Kurzeme (Courland), and Zemgale,

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<sup>1</sup> Cf. F. W. v. BÜLOW: "Social Aspects of Agrarian Reform in Latvia", in *International Labour Review*, Vol. XX, No. 1, July 1929, pp. 35-66.

occupied about 500,000 persons, of whom 50,000 were on the large estates while the rest worked on peasant farms. According to the census data for 1930, after the agrarian reform had been introduced, the number of persons engaged in agriculture in the same three provinces was 495,800, of whom 198,300 were on the newly-created farms and 297,500 on the old peasant farms. Thus the newly-created farms now give occupation, on the land of the old estates, to four times as many persons as used to be employed there. The figures for the occupied population do not cover the smallest farms of less than one hectare in area. If these were included, the total occupied population would be shown to be even larger. It has been found in other countries also that the average number of workers per 100 hectares of arable land is larger on small farms than on large and medium-sized farms. This is a fact of great importance for the regulation of conditions of employment in agriculture. When farms are divided into smaller holdings, the demand for labour per unit of area steadily rises. It follows that the continued process of breaking up estates and creating new small farms in Latvia cannot fail in present conditions to aggravate the shortage of agricultural labour.

The agrarian reform deprived the existing farms of about one-third of their wage-paid labour. As these farms included a large number of small holdings cultivated by the owners and their families without outside assistance, the loss in paid labour was suffered mainly by the larger peasant farms. Yet there was no decline in the production of these farms, as is shown by the results of the agricultural census of 1929, according to which the area sown and the number of livestock were the same as before the agrarian reform. The agricultural census of 1935 showed that the area sown during that year was 39 per cent. greater than in pre-war years, and 33 per cent. greater than in 1923. The area of arable land and market gardens was 25 per cent. greater than in 1923. The number of livestock increased by 25 per cent. ; the number of horses was 19 per cent. more than in 1913, the number of cattle 39 per cent. more, and the number of pigs and sheep 49 per cent. more. The wheat harvest increased by 45 per cent. and the potato harvest by 133 per cent.

The growth of agricultural production, however, leads to a rapid increase in the demand for labour. Research covering the period 1923-1935 shows that the demand rose by 35 per cent.

for crop raising, by 45 per cent. for stock raising, and by 40 per cent. on an average for agriculture as a whole. This rapid increase in the demand for agricultural labour helped to accentuate the shortage.

Yet Latvia ought not to have had to complain of a shortage of agricultural workers, in view of the large proportion of the occupied population engaged in agriculture. The following data of the total area of agricultural land and the number of workers employed in agriculture are drawn from the results of the agricultural census of 1935.

AREA OF AGRICULTURAL LAND IN 1935

Type of land	Area	
	Hectares	Statistical units <sup>1</sup>
Arable land and market gardens	2,113,684	2,113,684
Meadowland	898,595	359,438
Pastureland	756,053	151,211
Total	3,768,332	2,624,333

<sup>1</sup> The coefficients for calculating the statistical units are: arable land 1.0, meadowland 0.4, pastureland 0.2.

The number of workers over 15 years of age per 100 units of arable land was 31.9 if foreign workers are included, and 30.6 if they are excluded.

The average number of workers, excluding aliens, per 100 units of arable land differed considerably, however, in the different provinces. In Vidzeme the average was 29.8, in Kurzeme 25.8, in Zemgale 22.8, and in Latgale 41.7.

The second table (p. 772) shows that small farms have a surplus of occupied population, while on large farms there is a deficiency of labour. The problem is therefore one of improving the distribution of labour between farms of different sizes.

The table also shows, however, that during the period 1929-1935 there was a marked improvement in the distribution of the occupied population. On small farms of less than 10 hectares the number of occupied persons fell by 32,167, while on farms of more than 10 hectares there was an increase of 27,942. Thus the small farms lost some of their labour, partly to larger farms and partly to occupations outside agriculture.

The efforts made to arrive at a more rational distribution of labour have had appreciable results. In 1935, 18,000 of the workers in the province of Latgale found employment in other

## DISTRIBUTION OF OCCUPIED POPULATION BY SIZE OF FARM

Size of farm (hectares)	Number of persons engaged in agriculture			Number per hundred hectares of agricultural land	
	1929	1935	Difference	1929	1935
Up to 2	105,009	82,033	— 22,976	398.5	311.1
2 to 5	55,544	51,125	— 4,419	79.1	72.8
5 to 10	122,813	118,041	— 4,772	43.4	40.3
Total up to 10	283,366	251,199	— 32,167	74.6	64.5
10 to 20	232,509	245,629	+ 13,120	25.2	24.5
20 to 50	225,931	240,835	+ 14,904	15.9	16.1
50 to 100	88,715	89,095	+ 380	11.1	11.7
Over 100	11,768	11,306	— 462	9.7	10.5
Total over 10	558,923	586,865	+ 27,942	17.1	17.4
Grand total	842,289	838,064	— 4,225	33.7	30.6

provinces, and in recent years the emigration of agricultural labour from this province has been even greater. In 1938 it reached 24,000, and yet the reserves of labour are still considerable.

## THE DISTRIBUTION OF LABOUR

It has been shown that in Latvia the improvement of conditions in the agricultural employment market depends primarily on a widespread and rational scheme for the distribution of agricultural labour, not only between the different provinces of the country — in a horizontal direction — but also between the farms of different sizes — in a vertical direction. These two aspects of the distribution of labour have common features in many respects, since the districts with a labour surplus are very largely those with the smallest farms.

The problem of the rational distribution of labour was raised by the present writer at the beginning of 1934. There is now general agreement that the problem has to be solved. It is realised that by transferring surplus labour from the province of Latgale to other parts of the country the shortage of agricultural labour might be overcome completely, so that it would no longer be necessary to import foreign labour.

A surplus of agricultural labour may have important effects not only on agriculture itself but on the whole life of the nation. Where there is an abundance of agricultural labour, the degree of technical development is ordinarily very low. Technical improvements involve great difficulties, since small farmers rarely feel the need of rationalising the processes of production. Furthermore, agricultural labour is very cheap, so that the introduction of machinery is economically unjustifiable. Conversely, where agricultural technique is primitive, labour is not very productive and the standard of living is low. Persons working on small farms become accustomed to methods that do not call for great effort or much initiative, and often fail to make the best use of the land at their disposal. In areas where the population is dense, cases may frequently be found of arable land that is inadequately cultivated or on which the most necessary improvements are not carried out. Meadow and pasture land is left in the natural state. This lack of initiative and of a desire to raise the standard of living makes it very difficult to promote agricultural development in these areas. It often happens, too, that the inhabitants of the areas cannot make up their minds to leave the country for a town where they might find better conditions of life. And the transfer of surplus labour from areas in which small farms predominate — that is, in which the agricultural population is dense — to other areas meets with great difficulties owing to the fact that the owners of small farms usually refuse to accept paid employment on other people's farms.

In places where there is a shortage of agricultural labour the work is usually more intensive, so that workers transferred there from other parts have to get used to new conditions. Agricultural technique is much more advanced. Another difficulty lies in the fact that the parents of girls do not readily allow them to leave home for places where they are left to their own resources and are not under supervision.

In recent years, special attention has been devoted to the rational distribution of labour between town and country. It has been observed that when seasonal work begins in the countryside there is a certain influx of labour from urban centres. But what is much more important is the movement of the rural population to the towns. This movement is in no way justified and involves a waste of human resources. One thing that has aroused great discontent among farmers is the practice

of recruiting domestic workers from among the rural population for employment in the towns. Considerable restrictions have now been placed on the right of the urban population to recruit workers from the countryside. At present persons in towns may not engage rural workers without the consent of the Central Employment Office, which is given only in approved cases.

## POLICY OF THE GOVERNMENT

### *Rationalisation and Mechanisation*

As the shortage of labour is creating great difficulties for the farmers, both the Government and the Chamber of Agriculture are trying to solve the problem. As already explained, the shortage of agricultural labour in Latvia is due primarily to the structural changes which have followed the agrarian reform. The adjustment of the distribution of agricultural labour to these structural changes necessarily involves changes in production. For example, an effort is being made to transfer the growing of beets and flax, which is regarded as intensive cultivation, to the smallest farms, where the farmer and his family can do all the work without recourse to paid labour. On the larger farms, where paid workers have to be employed, an effort is being made to avoid cultivating crops calling for intensive work, and to equip the farms in such a way that they need less labour. These changes in production have been recommended to farmers in recent years.

One of the most important ways of overcoming the shortage of agricultural labour is undoubtedly a better distribution of work during the summer season. This is very important because of the special conditions prevailing in Latvia. The country is a maritime one, very rich in meadowland, of which there are about 900,000 hectares out of a total of 3,800,000 hectares of agricultural land. In addition, 500,000 hectares of arable land are sown with clover and other fodder plants, so that the meadowland together with land under fodder crops totals 1,400,000 hectares. These large areas have to be mown in a single month, and the rest of the agricultural land has to be dealt with in the remaining five months of the summer season. The demand for labour in the haymaking season is increased by the fact that a large proportion of the meadowland is not much cultivated and does not lend itself to machine mowing. In order to reduce the amount of labour required, special attention

has been devoted in recent years to improving meadowland as rapidly as possible with a view to the use of mowing machines. Another way of saving labour that has been recommended is to refrain from mowing badly cultivated meadowland with a small yield when the work has to be done by hand, and to use this land instead for grazing.

There is yet another problem — that of farms with extensive natural pastureland where livestock has to be looked after. Although this work is usually done by children or old men who cannot undertake other agricultural work, there are many cases in which it occupies persons who could find other employment in agriculture. The Chamber of Agriculture has in recent years conducted a propaganda campaign, with the help of many agricultural experts and periodicals, in favour of enclosing pastureland so as to make it unnecessary to watch the animals. The Government has granted facilities for fencing pastureland and for acquiring the necessary wood from State forests.

Another means recently adopted for saving labour in agriculture is the encouragement of mechanised water supply. In Latvia, the rural population usually lives in separate farms and not in villages, so that each farm has to make its own arrangements for water. Farmers are recommended to use windmills or electric motors for this purpose. In addition, a large hydro-electric station has been erected on the river Daugava, to be put into operation in the autumn of 1939.

Vigorous propaganda has been carried on in the last few years to encourage the mechanisation of agricultural work. Special attention is devoted to the need for introducing modern machinery on the farms. To help the farmers to buy this costly equipment, the Government has introduced a system of subsidies, especially for the purchase of tractors and harvesters. In addition, the Ministry of Agriculture and the Chamber of Agriculture have bought a number of tractors, which may be hired by farmers on very moderate terms. The Government also runs a special experimental station at Platona, which studies the rationalisation of agricultural work.

### *Social Measures*

Apart from rationalisation and mechanisation, an attempt has been made to counteract the movement of the rural population to the towns and to increase employment in agriculture.

The Government enacted provisions on 26 February 1935



to assist families of urban workers to move to the country. Under this measure, any family living in a town and wishing to change to rural employment may be granted a loan of 100 to 200 lats, repayable in four years without interest. The Government and the municipal authorities also help town dwellers to send their children to the country in summer, by paying the children's living expenses. This enables town children to become accustomed to country life and agricultural work from early youth, and so makes it easier for them to settle in the country when they grow up. Children who are old enough to work on farms may conclude contracts with agricultural employers to look after livestock or for other light work.

On 29 April 1937 the Government issued an Act providing for the payment of family allowances to agricultural workers in regular employment. These allowances, which are paid out of State funds, are granted to Latvian nationals engaged by the year for work on farms belonging to the State, the local authorities, or private owners, provided that they live on the farm and have young children dependent on them. The allowance consists of 4 lats per month for each child under 11 years of age. Regular agricultural workers who have dependent parents or parents-in-law over 65 years of age receive a monthly allowance of 6 lats in respect of each of these dependants.

The improvement of the living conditions of agricultural workers is closely connected with the housing problem. On 26 April 1937 the Government issued an Act setting up a housing fund for agricultural workers. The fund is used to make grants and long-term loans to farmers for the construction of workers' dwellings. The fund may also be used to encourage the reconditioning of old houses and the conversion of other buildings into workers' dwellings, and to grant bonuses for the completion of houses in course of construction. The loans may amount to not more than 75 per cent. of the cost of new buildings and 80 per cent. of the cost of reconditioning old buildings. They are granted for periods up to 18 years, at interest of 0.5 to 2 per cent. This measure has already produced substantial results. In the eleven months following the date on which the Act came into force, loans were granted for the construction of 2,170 workers' dwellings and for the conversion of 364 old buildings into dwellings. During the current year the housing fund for agricultural workers will have at its disposal the sum of 1,000,000 lats.

On 10 May 1938 the Sickness Funds Act was amended in order to admit agricultural workers and persons in receipt of State family allowances to membership of the funds. The Act was again amended on 4 May 1939 in order to increase the number of agricultural workers insured by the sickness funds ; it now provides that agricultural workers who have served their employers faithfully for many years, and have received bonuses for their work, shall also be insured by the sickness funds. The whole cost of the sickness insurance of agricultural workers is met by the State.

During the last few years, an organised effort has been made to encourage secondary school children and university students to spend some time in the country in order to help the farmers. The results have been satisfactory, and in 1939 a large number of these young people took part in agricultural work.

#### REGULATION OF EMPLOYMENT

All these measures have succeeded in reducing the agricultural labour shortage, so that it is no longer necessary to increase the number of workers brought in from abroad. The campaign entered a new phase in the autumn of 1938, when the President of the Republic declared that every country should meet its own needs with its own labour. From that date the efforts to overcome the shortage of agricultural labour in Latvia were intensified. Among other things it was necessary to avert the difficulties from which Latvian agriculture might suffer if restrictions were placed on the immigration of foreign workers in the event of an international crisis.

The programme drawn up by the President of the Republic raised the problem of rationalisation not only in agriculture but in other spheres, and especially in industry. It is considered necessary to reduce the demand for labour as much as possible in all branches of activity outside agriculture.

To give effect to this programme, an Act was passed on 8 December 1938 setting up an Economic Rationalisation Institute, to enquire into questions of production with a view to improving working methods and plans and increasing output in industry, commerce, and agriculture. The expenditure of the Institute is covered by the State.

In accordance with plans drawn up by the Economic Rationalisation Institute, an Act setting up a rationalisation fund was

issued on 2 May 1939. This fund grants loans on very advantageous terms for the rationalisation of industrial and other undertakings.

With a view to promoting the rational distribution of labour, an Act to regulate employment was promulgated on 4 May 1939. Under this Act, a Central Employment Office was set up to organise the national labour supply so as to maintain the balance of production. The Office is to act as intermediary between employers requiring labour and workers looking for employment, and to secure a fair distribution of labour. It is the only body authorised by law to initiate placing activities or to supervise the engagement of workers by employers, except in the case of persons over 65 years of age. One of its objects is to counteract the tendency of the rural population to move to the towns without valid reason.

The same Act placed restrictions on the engagement of domestic workers in towns. For example, women under 22 years of age may not be engaged for domestic service in any town unless they have lived in the town for at least five years. It is anticipated that these provisions will help to mitigate the labour shortage in agriculture.

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Such are, in brief, the methods by which the Latvian Government has endeavoured to promote a rationalised use of labour, not only in agriculture but also in industry, handicrafts, and all other branches of employment. The results already obtained by the Government's policy show that the country possesses the labour resources which it needs. Rational utilisation of these resources would probably make it possible to develop agriculture to the point of satisfying all the demands of the home market and even those of the export trade.