

Peasants, Land, and Work: Structures of Peasant Economy in Slovenia in the Interwar Period

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<https://doi.org/10.26493/978-961-293-399-9.55-75>

Structures

In the interwar period, Slovenia was a predominantly agrarian society, with agriculture still contributing half of the national income. About 60 percent of the population depended on agricultural income (Erjavec 1928, 12). As an economic and social group, peasants were crucial to social stability. Agriculture itself struggled with numerous difficulties related to the intensification of production. Although the obstacles were many, contemporaries focused on the fragmentation of land ownership and the geographic characteristics of the environment, as well as agrarian overpopulation as a ratio between population size and disposable income. The above factors determined the economic and social conditions in the countryside.

In 1931, Alojzij Jamnik published a book entitled *The Causes of Our Poverty (Vzroki našega siromaštva)*, in which he tried to answer the essential question of the reasons for the crisis in the countryside. The Great Depression, which affected almost everyone in Slovenia at that time, was not the reason for his reflections. He had already started writing the book before the outbreak of the Great Depression, and its publication merely coincided with it. Jamnik analysed the problems over a longer period and identified the structural weaknesses of Slovenian agriculture as the main cause of rural poverty. In his opinion, these weaknesses included the fragmentation of farms, low productivity, and, consequently, low re-

Murayama, S., Ž. Lazarević, and A. Panjek, eds. 2024. *Changing Living Spaces: Subsistence and Sustenance in Eurasian Economies from Early Modern Times to the Present*. Koper: University of Primorska Press.

turns from agricultural labour. Combined, these phenomena expressed themselves in the agrarian overpopulation. Jamnik also emphasized that peasants were not sufficiently educated. His assertions were no exception, for he was merely repeating what was already the public consensus. Jamnik distinguished himself by emphasizing entrepreneurship, the principle of which was to become the basis of the peasant economy. He did not claim that peasants lacked entrepreneurship, but rather that this quality should be much more emphasized. According to his concept, peasants should use all possible sources of income, regardless of whether these came from the agricultural or non-agricultural part of their activity.

The analyses have shown that, in general, two types of farms can be distinguished in terms of the principle of management. Thus, Jamnik distinguished first the small 'subsistence' farms, whose goal was to ensure the basic survival of the family members, who were the only labour force, and who had to perform hard, even excessive physical labour. Access to the market was sporadic and limited to satisfying immediate cash needs (Jamnik 1931, 10). These farms, prevalent in the contemporary land ownership structure, did not have the potential for more because they were small or even extremely small. Market-oriented production was virtually impossible on such farms, as they lacked the resources to invest in productivity improvements, which were also difficult to justify economically. The landowners and their families were trapped in a kind of vicious circle of poverty, i.e. low productivity, low income, low savings and investment, and slow (nonexistent) capital accumulation.

The second type of farms, according to Jamnik, included those that were integrated into the 'monetary economy', i.e. the economy that was mainly or at least partially dependent on the market. This type included medium-sized (more than ten hectares) and large farms, which were rare in the prevailing fragmented agricultural land ownership structure. These farms were to be the protagonists of entrepreneurial farming. Jamnik set the bar extremely high with his criteria. Thus, he counted only a few farms in the second group because such a farm requires from its owner a considerable degree of general and professional education, skill, ability to divide labour, rationalization, possession of money, desire to speculate, entrepreneurship, ability to draw up relatively complicated business plans for a very intensive exploitation of all production possibilities and means, knowledge of commercial circuits, understanding and aptitude for the production of high-value, very valuable and easily tradable goods (Jamnik 1931, 12).

Although Jamnik referred to two generalized and idealized types of farms (two extremes), his analysis illustrates the severity of economic problems in agriculture and the social plight of the peasant population. The first type of farm was highly prevalent in the countryside. They had extremely low yields. Income from agriculture was insufficient to meet the needs of social and economic modernization. New income could only be generated through non-agricultural activities.

In the countryside, all these processes occurred spontaneously, automatically and slowly. It was a generally accepted fact that the agrarian economy involved a combination of different, complementary, knowledge and experiences, and thus also formed the basis for the economic initiatives of the peasant population in different directions when opportunities arose or there was a demand in the wider economic area. Like any other activity, agriculture is not one-sided. Farms and rural areas as a community are a microcosm in which various economic and inter-branch relationships intertwined (Lazarević 2014b, 46–62). Measures to diversify farm income further tied peasants as communities and individuals to the world of the capitalist economy. It also allowed them to imagine the world beyond agricultural self-sufficiency and provided space for social modernization, which was one of the fundamental drivers of economic modernization and income diversification.

It was normal for the agricultural population to be engaged in various aspects of the economy – not necessarily all the time, but in parallel with agricultural activities. Farms were thus a multifaceted economic space in which necessity or expected utility dictated the choice of economic activities in addition to agriculture. In such a context of the peasant economy, peasants pragmatically pursued various activities to increase and diversify their income. To achieve this goal, they were not only willing to work and learn, but also to change the organization of sales activities. The dynamics of change were also present. In the long run, individual non-agricultural activities appeared or disappeared, depending on the social and economic context of the wider environment.

Land Ownership Structure

In the interwar period, the fragmentation of land ownership was one of the basic facts that determined the results of agricultural work, the structure of the agrarian economy and the standard of living in the countryside. Half of the entire Slovenian territory was devoted to agriculture (fields, gardens, meadows, pastures, vineyards); 45 percent of the territo-

Table 1 Land Ownership Structure in Slovenia in 1931

Size of farm in ha	Number in %	Land area in %
up to 0.5	11.8	0.4
0.5 – 1	8.5	0.8
1 – 2	12.7	2.3
2 – 5	24.4	9.8
5 – 10	18.7	16.2
10 – 20	15.8	26.9
20 – 50	7.0	24.0
over 50	1.1	19.6

Source Tomasevich 1955, 287.

ry was forests, while 5 percent of the land was not suitable for cultivation (Lavrič, Mal, and Stele 1939, 327).

The structure of land ownership shows that the distribution of land was very uneven. On the one hand, many peasants owned tiny plots of land, and on the other hand, very few peasants owned large tracts of land. In this context, it should be emphasized that in the case of Slovenia, one cannot speak of large landholdings with a lot of arable land, since large farms usually included extensive forest areas. In such cases, the management of forest potential was the main activity. The 1931 farm survey showed that one-third of farms were smaller than two hectares, while one-fourth were up to five hectares in size. The distribution of land also posed a significant problem for adequate cultivation of the fields. Most farmers did not own a homogeneous piece of land, but small plots in different locations. There were 1,882,245 plots in Slovenia, far more than the population. The structure of forest ownership was equally fragmented. Before World War II forests were distributed among 140,000 owners of a total of 680,922 hectares of forest. Forest ownership larger than 50 hectares was rare (only 0.5 percent) and accounted for 30 percent of the total forest area. Most of the forests were owned by farmers who possessed less than five hectares of forest (Šivic 1939, 344) - in fact, on average only 3.8 hectares (Cimperšek 2016, 147).

In the case of agricultural and forest land, the structure of land ownership was not the only problem. The structure of forest land was even more worrisome. Few farmers owned a homogeneous piece of land. Usually, their agricultural or forest holdings consisted of various small parcels of land in geographically separate locations. All these posed challenges to proper management of fields and forests. Unsurprisingly, it was found that small farms were the least profitable and that forests owned by peas-

Table 2 Agrarian Overpopulation in Slovenia

	1921	1931	1938
Agricultural population (in thousands)	639	690	722
Cultivated land (in thousands of hectares)	324	362	375
Livestock in animal units (in thousands)	639	558	544
Agricultural population per single hectare of cultivated land	1.97	1.91	1.93

Source Tomasevich 1955, 322.

ants were the worst managed, since the main goal of management was short-term yield.

At the level of public discourse, agriculture and forests represented the indispensable element of rural survival. The desire for a political intervention that would ensure a more balanced structure of land ownership was constantly present, especially to ensure land and forest ownership of sufficient size for small and micro farms. According to the prevailing opinion, the ideal farm consisted of about five hectares and had a production potential that ensured the survival of a farm family. Due to political pressure, agrarian reform was introduced after World War I, but it did not bring the expected results. Reality and political illusions could not be reconciled. This was due, on the one hand, to the small number of large estates with extensive arable or forest land and, on the other hand, to their uneven geographical distribution (where there was a lot of forest, arable land was scarce and vice versa).

When the results of agrarian reform were analysed in the late 1930s, it was found that they had little or no effect on land tenure. On average, interested small farmers received only 0.66 ha of arable land, and even that only in the eastern parts of Slovenia. For 22,000 peasants who owned hardly any land, the reform certainly represented an important advantage, as it partially eased their situation: they could now produce somewhat more food. However, this was hardly enough for bare survival, and they had to look for other sources of income to keep up with the demands of social modernization.

Agricultural overpopulation posed an acute economic and social problem in the countryside. By World War II, this problem was exacerbated as population growth outpaced increases in agricultural productivity. In addition, opportunities for non-agricultural activities were limited.

Agrarian overpopulation had negative effects on agriculture. The decline of livestock and the expansion of cultivated land were related to the need to increase food production to keep pace with population growth

(Tomasevich 1955, 337). The abundance of labour also did not encourage intensification of production. Growth in agricultural productivity was too slow. This was not the optimal solution for agriculture, because livestock was its most profitable branch.

Profitability of Agriculture

As a relative term, agricultural overpopulation also depended on the profitability of agricultural labour. In this context, we have the data on the average profitability of farms of different sizes. The profitability data are calculated per farm with the average structure of farm and forest. The calculation does not consider the information on the profitability of livestock production. The statistical data on cattle production show that the number of cattle increases with farm size. On average, farms smaller than five hectares owned two cattle per farm. Farms that were even smaller typically owned one animal or not even that (Uratnik 1938, 61). The data on average income per farm indicates unfavourable conditions.

The income of farms was modest. The differences between types of farms were significant. It was only on farms of nearly ten hectares or more that profitability began to increase, and its level becomes more meaningful and realistic when compared to the wages of workers at that time. The average annual wage of workers in the second half of the 1930s was about 9,000 dinars (Kresal 1995, 13). The figures are revealing in themselves and give an indication of the depth, scope, and stratification of poverty in the Slovenian countryside. We come even closer to a realistic assessment of the circumstances of poverty if we also consider the average number of family members. The estimated average size of peasant families was slightly more than five members (Maister 1938, 94). Except for bare survival (and even that barely), the small farms did not ensure anything else. This is also confirmed by other data. Given the cost of living, the agricultural production of small farms (up to two hectares) was sufficient for only one person, while farms between two and five hectares were sufficient for 3.32 people on average. Only farms of ten hectares or more could support more people living in an average rural family (Uratnik 1938, 61).

This shows very clearly that small farms (up to two hectares) were not sufficient for even the basic existential needs of all family members. Even at the average level, the statistics reflected reality. To meet the food needs of their entire family, farmers had to look for additional land and labour. In the category of farms up to one hectare, leased land accounted for 27 percent, while in the category between one and two hectares it was 17

Table 3 Estimated Average Annual Income of Farms in the 1930s in Dinars

	Under 2 ha	2–5 ha	5–10 ha	10–20 ha	20–50 ha	Over 50 ha
Fields	1,150	3,700	7,100	10,700	14,000	31,000
Meadows and pastures	240	1,430	2,800	5,300	11,000	41,500
Vineyards	540	1,246	1,500	1,850	2,020	8,000
Gardens and orchards	180	432	750	1,020	1,380	8,000
Forests	45	240	420	2,080	5,240	36,600
Total	2,155	7,048	12,570	20,950	33,640	125,100

Source Uratnik 1938, 61.

percent. Even among farms up to five hectares in size, the percentage of leased land was 10 percent. Only among the larger farms was this percentage statistically insignificant (Uratnik 1938, 53).

The dilemmas of agriculture were presented without any embellishment by Anton Pevc (1924, 5), who wrote the following: ‘In Slovenia it will be necessary either to increase agricultural production or to reduce the peasant population by half’. He was also convinced that this would happen by itself, but that such an outcome should be prevented by agricultural policies that would ensure the restructuring of Slovenian agriculture for the purpose of more efficient production and an increase in the size of farms. He was convinced that small farms did not meet the conditions for long-term economic survival. Meanwhile, another contemporary of Pevc wrote that small farmers who owned up to two hectares of land had already approached the position of wage labourers (Möderndorfer 1938, 155).

It was more than obvious that smallholders desperately needed other sources of income to meet investment or social modernization needs. Even with leased land, farming was not enough as a main activity. In light of this information, critical observers questioned who a farmer was in the first place. They wondered whether the official figures of 154,628 farms in Slovenia before World War II were even close to being realistic. The criterion they used was precisely the source of income. If most of the peasants’ income came from non-agricultural activities, then, according to the critics, it was completely unjustified to count the owners of such ‘farms’ and their family members, among the agricultural population. Half of all farms, the majority of whose income came from non-agricultural sectors, were smaller than a single hectare (Uratnik 1938, 54). This was followed by farms up to two hectares in size, and then farms between two and five hectares in size. Of the total number of all farms whose main income came from the non-farm sector, 84 percent were no larger than five

hectares of land. The main source of income of 20 percent of all registered farms was not agriculture. The information that almost 12 percent of Slovenian farms officially measured only up to half a hectare of land convinced these observers that the data on the number of farms were exaggerated. They were convinced that for this 12 percent, most of the income was generated through wage labour on other farms or off-farm, as well as through various production activities. Based on the economic calculations and the structure of farms, they estimated that only 65,000 farms, or 42 percent of all farms included in the statistics, actually made a living from farming, representing 55 percent of the total rural population (Bohinjec 1938, 236–7).

Hidden Unemployment

The agrarian overpopulation raised other questions as well. It was more than obvious that the problem was hidden unemployment or underemployment in the countryside. I use the term ‘hidden unemployment’ to refer to the lack of employment on farms, but this was not officially measured or recorded. According to the study conducted in the second half of the 1930s, there was a gap between the available labour force and the amount of labour available on farms. The number of labourers exceeded the amount of available labour in agriculture. The study was based on evaluations and averages, and days off were also considered. Nevertheless, the results were very indicative of the extent of social hardship in rural areas – especially on small farms that could barely provide full employment for farm household members.

The data presented include only the work directly related to agricultural activities. Hrvoj Maister, the author of the study, added to the presented figures several agricultural activities related to domestic work and livestock breeding. The data on the active farming population showed that the potential number of working days was 83,444,000. The difference testifies to the ‘unemployment’ or underemployment of the peasant population, which varies seasonally. In the summer – i.e. the period of greatest workload – it was about 8 percent. In winter, however, it was much more pressing, reaching 37 percent. These abstract figures must be translated into everyday life. According to this criterion, 63,000 people in summer and 155,000 people in winter did not have full employment (Maister 1938, 105). The study was conducted at the level of Slovenia as a whole and refrained from highlighting regional specifics, although the author did point out regional differences. In general, the pattern that

Table 4 Workload at Farms in Workdays

Sector		Workdays used per year		
		Summer	Winter	Total
A	Farming	2,563,000	601,000	3,164,000
	Vineyards	6,625,000	875,000	7,500,000
	Gardens	4,180,000	770,000	4,950,000
	Pastures	4,180,000	195,000	4,950,000
	Fruit cultivation	1,978,000	419,000	2,397,000
	Total	35,982,000	4,750,000	40,732,000
	10% correction*	3,598,000	475,000	4,073,000
		39,580,000	5,225,000	44,805,000
B	Forestry	3,419,000	2,151,000	5,570,000
	Hunting	167,000	83,000	250,000
	Gathering**	750,000	-	750,000
		4,336,000	2,234,000	6,750,000
A+B	Total (A+B)	43,916,000	7,459,000	51,375,000
	5% correction***	2,196,000	373,000	2,569,000
	Total	46,112,000	7,832,000	53,944,000

Source Maister 1938, 97–105.

Notes * Required due to deficient statistics. ** Gathering dry firewood, mushrooms, forest fruits, raking leaves, etc. *** Required due to deficient statistics.

emerged was that the more fragmented the land ownership, the greater the overcrowding in agriculture and the extent of insufficient employment of the farming population.

Addressing Underemployment

The insufficient employment of the peasant population posed an urgent social, economic and political problem. The way it was addressed varied and, above all, was long-term. In his study of agricultural development in interwar Yugoslavia, Jozo Tomasevich wrote that agricultural overpopulation was a complex social and economic phenomenon that required a balanced and long-term approach if its consequences were to be mitigated. It was the underemployment of a significant percentage of the agricultural population that posed the most acute problem in the countryside. Numerous processes helped to reduce overpopulation in agriculture and increase employment among the rural population. The difficulties were alleviated by emigration, employment in industries other than agriculture, declining births, increased acreage, growth in productivity, reduced livestock, and agricultural crafts and industrialization (Tomasevich 1955,

Table 5 Possibilities for Increased Employment of the Peasant Population

Process	Duration	Potential
Emigration	long term	significant
Increase in arable areas	short term	limited
Employment in industries other than agriculture or at other farms	long term	significant
Reduction of births	long term	significant
Increased productivity	long term	significant
Reduction of livestock herd	short term	limited
Agricultural crafts	short term	significant
Industrialization	long term	significant

327–43). These processes can be divided into those with short-term effects and those with long-term effects and distinguished according to their potential to reduce agricultural overpopulation.

The breakdown presented indicates that the processes were interdependent and that, in fact, they raised the question of the development model of society. The measures that alleviated the situation were mostly of a long-term nature. Economic growth, the process of industrialization, a decline in the birth rate, and an increase in agricultural productivity had already been occurring since the 1890s. These trends continued in the interwar period. However, population growth still exceeded economic growth. In the interwar period, the increase in arable land (15 percent) was short-lived. The process was not only limited in its possibilities, but also had unfavourable consequences. As arable land continued to increase, pasture land shrank and livestock consequently decreased. Livestock numbers were reduced by 15 percent (Tomasevich 1955, 334). As a result, the potential income of farmers also decreased. Agricultural productivity increased gradually and in the long term, but it was too slow compared to population growth (Maček 1993). Consequently, the potato began to gain importance in the structure of crops. No cereal could compete with the economic value of the potato, i.e. its high yield, nutritional value, and versatility. Given the growing demand for food, this was very important. Employment in non-agricultural industries – in the service sector of the urban economy – was also limited. The growing agricultural population exceeded the absorptive capacity of the service sector. Meanwhile, industrialization was only in its early stages.

Rural areas were thus caught in a snare of acute short-term social crises and the inertia of the long-term perspective. In the mitigation of the problems of small farms in the short term, we can distinguish between three strategies that were used to increase the employment of the popu-

Table 6 Sources of Income Other than Agriculture

Source of income	Farm size				
	0–1 ha	1–2 ha	2–5 ha	Over 5 ha	Total ha
Cottage industry	801	462	692	1,537	3,492
Wage labour at other farms	9,988	4,294	4,466	2,585	21,333
Various wage labour	1,269	696	832	697	3,945
Employment in craft industry	2,303	944	1,140	911	5,298
Total	14,361	6,396	7,130	5,730	33,717

Source Uratnik 1938, 67.

lation. Income was diversified, and different sources of income were integrated. These were not new approaches, but those that had been tried in the period before World War I and had already been documented in the era of the Habsburg Monarchy. These strategies can be defined as general ways to overcome the income constraints of small farms. We should also highlight another phenomenological feature. In general, income diversification strategies mostly depended on the framework of the informal economy. Initiatives and practices were territorially dispersed, were rarely taxed, and were not statistically tracked. The integration of different sources of income had a significant impact on alleviating the daily hardships of the peasant population, as it contributed to a better farm balance.

Wage labour on other farms, seasonal migration abroad and the so-called cottage industry (agricultural production of various goods) represented the first type of income diversification. In this context, we may well hypothesize that these strategies involved the commercialization of existing surplus labour capacity, leisure time, certain experience and skills (available or acquired along the way), and local raw materials. Cottage industries were based on undemanding technologies that required little or no skill. It was relatively easy to adapt to such crafts, since it was enough to learn on the job. However, these products were cheap and, accordingly, the pay was modest. If the other conditions were met – i.e. demand or, in the case of production, trade channels that brought producers and consumers together – it was relatively easy for farmers to enter into additional employment.

Emigration

Emigration to the United States of America and other European countries contributed significantly to reducing agricultural overpopulation

and insufficient employment. It was mainly the agricultural population that emigrated (Valenčič 1990, 43–82). According to some sources, 23 per cent of the population left the Slovenian territory in the period before the First World War (Peternel 2003, 29). Slovenia is undoubtedly one of the countries with the highest emigration rate from the second half of the nineteenth century. On the European average, the proportion of emigrants in relation to the population was 12.3 percent (Massey 1988, 385–6). In the long run, emigration did not solve the problem of agricultural overpopulation until the First World War, but it did alleviate it to such an extent that a partial restructuring of agriculture became possible. Indeed, emigration contributed to a reduction in the pressure on farm income. While maintaining the same standard of living, farmers were able to allocate some of their resources to much-needed investments, which, along with agricultural policies and the growth of financial intermediaries, allowed for an improved standard of living (Lazarević 2015, 62–73). With the new borders and changing attitudes toward migration on a global scale, the opportunities for permanent emigration were severely limited after World War I. The so-called seasonal migrations became frequent. It was precisely this kind of agrarian migration that was the predominant form of foreign migration prior to World War II. In the spring, a large portion of the population set out for farms throughout Western Europe and returned in the fall as soon as the harvest was in. Seasonal migrations were typical of eastern Slovenia, the region of Prekmurje, where overpopulation was highest and land ownership was most fragmented (Lazarević 1994, 74). In the interwar period, internal migrations also gained importance. These resulted from ongoing industrialization and the accompanying urbanization and involved the resettlement of the population from the countryside to the emerging Slovenian industrial centres (Slovenska novejša zgodovina 2005, 495–7). However, industrialization was not so pronounced that it completely solved the problem of overpopulation in the countryside.

The large-scale migration from the countryside contributed to a reduction in supply on the agricultural labour market. It partially alleviated the problems stemming from the agrarian overpopulation and inadequate employment of the peasant population and also provided additional sources of income. The remittances sent by back home emigrants to their families or relatives were an important contribution to alleviating social and economic circumstances in the countryside (Lazarević 2017, 49–66).

Table 7 Employment in Agriculture and Forestry

Types of employment	Number of employees
Permanently employed at farms	50,000
Wage labour on farms	50,000–60,000
Wage labour in vineyards	14,000
Wage labour in forests	7,000
Total	121,000–131,000

Source Uratnik 1938, 12.

Wage Labour

Wage labour was by far the most important category for earning additional income on small farms. There were many opportunities, but even contemporaries emphasized that the supply of labour exceeded the demand. On the one hand, farms larger than ten hectares already needed additional labour during the peak season, as family members could not do everything on their own. On the other hand, smaller farms also had a surplus of labour available due to the problem of agricultural overpopulation.

As for employment in agriculture and forestry, we should distinguish between two categories. The first was permanent employment, where people did all the work in agriculture, forestry or the household. As a rule, permanent employees were not married. They belonged to peasant households and lived on the farms where they worked. They were paid in kind – with food, clothing and shelter. Only occasionally did they receive modest monetary payments. The second type of employment was not permanent, but rather temporary, when seasonal work in the agricultural sectors required a larger number of workers. In the interwar period, this type of work was paid almost exclusively in the form of money. These workers, paid according to working days, were mostly hired by the owners of the larger farms, i.e. those that owned more than ten hectares of land. According to the calculations, the hours spent by farmers and their families on farms smaller than five hectares working and securing resources for survival represented only 40 percent of their total available working time. To secure additional resources for survival or for investment in economic and social modernization, they had to resort to off-farm labour. For a significant portion of the rural population, wage labour was therefore crucial. According to the 1938 study by Filip Uratnik – the only researcher to address these issues – between 121,000 and 131,000 people were said to have earned additional income by work-

ing on other farms, mostly in their immediate vicinity, toward the end of the 1930s. Altogether, these people made up one-third of the peasant population. If their dependent family members are taken into account, these figures increase dramatically. Because of the prevailing low average income in agriculture, the wages of temporary workers were correspondingly modest. Filip Uratnik estimated that the average daily wage of temporary workers was half that of industrial workers (Uratnik 1938, 5–12; 62–76).

Cottage Industry

The list of agricultural crafts shows a wide range of potential economic initiatives and relationships that are outside of agriculture or derived from agricultural activities. It offers a number of opportunities for farmers in the process of income diversification – a variety of options for integrating the different sources of income that offered themselves as parallel or complementary economic activities. For example, in the Velike Lašče district, the following economic activities of peasants were registered before World War II: production of linen, hats and straw hats, tailoring and dressmaking, furriery, butchery, leather industry, shoe-making, carpentry, carts, saddles and barrels production, milling, locksmithery, production of tubs, production of wooden goods, toothpicks, baskets, rakes and pitchforks, manufacture of hats from hazel dormouse fur, sawing, blacksmithing, manufacture of hoods, masonry, manufacture of lime, charcoal, resin and potash, manufacture of hangers, wicker baskets, toys, dolls, musical instruments, wooden shoes, ropes and brushes. Among trading activities were listed trade in mixed goods, peddling, selling at fairs, trade in wild birds, forest fruits, medicinal herbs, dormouse skins, wooden goods, and even smuggling (Markun 1943, 60–2).

In discussing cottage industry, we must distinguish between two types of crafts: the more sophisticated and the less sophisticated cottage industry. The former possessed more aesthetic elements and was sometimes even artistic in nature, while the latter was characterized mainly by its utilitarian character. Thus, lace-making belongs to the former, while the latter includes a range of everyday products made of wood (buckets, baskets, toothpicks, spoons, ladles, sieves, etc.) and straw (baskets, mats, etc.) or pottery, to name just a few examples. It is obvious that the latter type of peasant production was based on the easily accessible and cheap raw materials that were abundant in the countryside and were available

either on the farms themselves or in their vicinity. After all, Slovenia was a country with more than 60 percent forest cover. Clay was equally accessible throughout the Slovenian territory. Straw was a by-product, as grain was the most important crop. On this basis, the production of straw hats began in Domžale as early as the end of the nineteenth century. After the First World War, production increased, which gave many peasants from central Slovenia the opportunity to participate in this process by making the straw braids needed for straw hats (Moder 1962, 73–84).

The agricultural cottage industry was supplemented by a distribution system, and a functional division of labour established itself. The role of local merchants as intermediaries between farmers/producers and consumers was indispensable. There were a few examples of cooperatives, to take care of collective sales and raise the price of products (Mohorič 1950–51, 23). However, the results were not encouraging, despite the examples of good practices and government support. These cooperatives, too often constrained by local conditions, were unable to achieve the economies of scale necessary for their existence and operations to influence existing distribution and price relationships. Moreover, they were preoccupied with themselves in the 1930s because of the constant threat of illiquidity. Documents show that farmers sometimes marketed their products themselves, especially at fairs, whose economic importance gradually declined in the interwar period despite their large numbers. Nevertheless, the practice of peddling persisted (Zdovc 2006, 95–103). In a broader sense, peddlers were local product intermediaries who were part of the system of division of labour in cottage industries. Peasants from the Ribnica area were a classic example: they moved from village to village or from fair to fair, selling retail wooden products directly to consumers (Trošt 1950–51, 28–67). In the interwar period, potters from the Prekmurje region also continued this tradition (Novak 1950–51, 130). The ceramic craft or pottery was mainly present in the eastern parts of the country. There were many potters there, as the initial conditions for this activity were modest, while the raw materials were abundant, cheap and easily accessible (Karlovsšek 1950–51, 87–111; Novak 1950–51, 111–30). Pottery was a typical example of an activity in decline, because kitchen utensils made of metal and porcelain had already begun to displace traditional pottery. This was only one specific example of the general trend of increasing industrialization, which affected the market opportunities of the craft. Another example was peasants' textile production, which – with a few exceptions, as the precisely documented example of

Bela Krajina shows (Račić 1950–51, 142–58) – had already practically disappeared before World War II.

On the other hand, handicrafts with added value in the form of aesthetic or even artistic connotations (e.g. lace-making) continued to flourish. The scope and volume of lace-making continued to increase. This craft already traditionally enjoyed strong support from the authorities through organized and planned training, as well as the procurement of patterns and organized marketing (Kravos-Lombar 1938, 212–4; Račić 1938, 235–43). Lace-making had a long tradition. The production and sale of lace was already well established, and in the interwar period these activities spread to Upper Carniola as well. In a way, lace-making was a regulated craft, as lace makers were provided with product samples and design made by professionals according to contemporary aesthetic and artistic criteria as well as market requirements. Artists and professional lace makers were an integral part of the process of promoting the production, design and marketing of lace, all with generous support from the government. The basketry example was similar in some ways: it shows how effective agricultural income diversification strategies and practices, combined with local initiatives, readily available raw materials, and government support, can be in the long run. The examples from around Ptuj and Radovljica bear witness to this (Ogorelec 1938, 233–4; Patik 1938, 251–6). However, cottage industries could also disappear, as the example of agricultural textile production shows. On the other hand, they could also reassert themselves, as seen in the example of toy production around Velike Lašče after the First World War. The planned toy production was the initiative of a few enterprising merchants who organized production among the farmers, procured models and sold the toys on the Yugoslav market (Markun 1943, 62).

Cottage industry certainly represented a significant share of the employment of the agricultural population – with differences across the regions and strata, naturally. For the interwar period, realistic estimates indicate that at least 25,000 people were permanently or periodically employed in craft production (Lavrič, Mal, and Stele 1939, 391), 5 percent of the total agricultural population. If we also take into account hired labour and seasonal migration, we can make an additional estimate that before World War II the standard of living of at least a quarter of the agricultural population depended heavily on additional income from activities other than farming. This income was crucial to the economic equilibrium of small farms. By encouraging the additional education of the

farming population through various vocational trainings, the authorities supported the process of income diversification (Pretnar 1938, 257–60). At this point, we must draw attention to another aspect of the policy of income diversification in agriculture: women were very much involved in this process. Contemporaries estimated that the proportion of women was dominant in both cottage and wage labour. Together with activities to improve domestic labour and the processing and commercialization of agricultural products on the farms themselves, this affected the perception of the economic value of women's labour (Gosak 1939, 433–7). Consequently, this also influenced the social emancipation of women in the context of the traditional ideology of gender relations and the gender division of labour in the agricultural economy.

Forests played an important role in integrating different types of income. The economic potential of forests was considerable, and the population was heavily dependent on forest resources. The role of forests in income integration was multifaceted, and people met some of their food needs through foraging. Forests were also important for livestock – for grazing or for the care of animals. On the other hand, wood was of great importance as a raw material. It enabled a large part of the Slovenian population, including peasants, to participate in the timber trade and therefore represented an important and relatively stable source of income. As a raw material, it was also needed for the development of various production activities in the countryside. For a long time in the twentieth century, the population depended on the use of wood as the main energy resource. Before World War II, an average household is said to have consumed at least 7.3 m³ of logs or wood, especially hardwood, for heating and cooking. Even then, the data was controversial, as it was very difficult to estimate the consumption of firewood in the countryside, where farmers mostly owned forest land. It was also noted that the market was supplied mainly by farmers who owned small forests, and that the preparation and sale of firewood was an important element of agricultural income (Sunčič 2015, 93–140).

Conclusion

The insufficient employment of the agricultural population due to rural overpopulation constituted one of the most urgent problems of agriculture before World War II. In this context, it is also necessary to take into account the fragmented land ownership structure, which resulted in low average profitability of agricultural labour. Small farmers urgently needed

sufficient sources for their survival and for social and economic modernization, but the fragmented land structure made it impossible for all the vital needs of the farmers and their families, as well as their life goals, to be met solely by agricultural income. There was a gap between the available labour force and the amount of labour available on farms: the number of laborers exceeded the amount of labour available in agriculture. Overpopulation as an abstract concept took the form of widespread unemployment or underemployment of the rural population in everyday life; precisely such a situation was one of the crucial problems in rural areas. With additional employment, which also brought additional income, there arose not only the survival of peasant families, but also the possibility for small investments, and economic and social modernization. In order to overcome the constraints of unfavourable land tenure, peasants had to find additional employment, thus the various sources of income. This was the only way they could meet their cash needs to finance the rising cost of living and keep pace with economic and social modernization. Diversification of agricultural income was therefore a social and economic necessity. Farmers who owned up to five hectares of land were in a particularly difficult position. However, farmers or the agricultural population did not practice income diversification or integration only because they had to – of course, the desire for a higher income or greater income stability and an improvement in the family's standard of living was also extremely important. Emigration, employment on other farms, and agricultural production of various commodities were among the most important measures for integrating the various sources. All these processes improved the situation in the short term and thus also contributed to economic and social stabilization in the countryside before World War II. The concept of the integrated peasant economy proved to be appropriate to interpret the economic and social processes and development trends in rural areas.

Acknowledgement

This study is the result of the research programme Economic and Social History of Slovenia (P6-0280, 2014–2021) and of the bilateral project Sustainable living spaces: a comparative approach to modernization in rural Japan and Slovenia during the Anthropocene (1800-present) (BI-JP/19-21-003, 2019 – 2022), supported by the Slovene Research Agency (ARRS).

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