

The Incomes of the Population of the Czech Lands Between the Two World Wars

Tereza Krcek

University of Economics in Prague

ABSTRACT

The paper offers a unique income analysis of the population of the first Czechoslovak Republic. It examines the incomes of army officers, teachers, and families of minor officials, blue-collar households and white-collar households. Individual items of income are scrutinized for selected professions. The paper considers the amount of income in relation to the economic situation during the period, addressing such basic issues as: What were the earnings of certain types of household and selected professions? What were the earnings of the middle classes? Based on an analysis of the available materials in the State Statistical Office and a review of the literature, the paper concludes that white-collar households and those of minor officials (whose income in absolute terms was significantly lower) could live on the earnings of the head of household, whereas blue-collar households also depended on the gainful employment of women and children. The middle classes were formed by state administration employees, teachers, clergymen, doctors, writers, lawyers, artists and army officers.

Introduction

The Czechoslovak Republic was heir to between 60 and 75 percent of the industrial and 27 percent of the agriculture capacity of the former monarchy.¹ Its leading industries included porcelain,

¹ See B. Tomka, *A social history of twentieth-century Europe*, London-New York, Routledge, 2013, p. 110

glass and ceramics, sugar refining, jute products, black coal mining, textiles, chemicals, basic metals, paper, food products, and engineering.² During the interwar period industrial workers made up a larger portion of the population than in Poland or Hungary.

The economy of Czechoslovakia was on roughly on a par with that of Western Europe,³ but it comprised areas at very different levels of development. The Czech lands were industrial and also had a relatively advanced agricultural sector and very productive sugar industry. Slovakia was agricultural and productivity was very low there, while in Ruthenia agriculture was underdeveloped and there was practically no industrial production. Czechoslovakia had to make investments in these backward areas. The government sought to reduce the territorial disparities, assigning teachers and civil servants to Ruthenia and Slovakia; the results of this effort were visible by the end of the first Czechoslovak Republic.

After the First World War, the victorious Allies established the borders between states in eastern Europe with the treaties of Versailles with Germany, Saint Germain with Austria, and Trianon with Hungary.⁴ For the first Czechoslovak Republic (1918-1938), the Treaty of Saint Germain of 10th September 1919⁵ guaranteed the rights of national minorities, adherence to the Covenant of the League of Nations, and national borders. This article examines the economic development of the Czech lands under the first Czechoslovak Republic, a successor state to the Dual Monarchy, whose territory had embraced southern Poland, the south-western Ukraine,

² Textiles and clothing, engineering, and the residual category of “miscellaneous” accounted for a large share of industrial output. See S. Broadberry, A. Klein, “When and why did eastern European economies begin to fail? Lessons from a Czechoslovak/UK productivity comparison, 1921-1991”, in *Explorations in Economic History*, 2011, 48(1), p. 48.

³ See Tomka, p. 132.

⁴ A. Klimek, E. Kubů, *Československá zahraniční politika 1918-1938*, Institut pro středoevropskou kulturu a politiku, Prague 1995, p. 29.

⁵ A peace treaty between the Allied and Associated Powers and Austria, signed at Saint-Germain-en-Leye on 10th September 1919. In: 507/1921 Sb., see *Ottův slovník naučný nové doby*, Vol. 2 (Br-Dej), pp. 1111-2.

north-western Romania, the northern parts of what became Yugoslavia, parts of northern Italy, and the whole of Slovakia, the Czech lands, Hungary and Austria.⁶

After the war, the new Czechoslovakia faced a lack of foreign currency, difficulty in obtaining supplies of foodstuffs, significant trade problems and economic instability. The prospect of a strong currency was feared by companies that depended on exports.⁷ On 20th February 1919 the separation of customs, duties and monetary circulation was undertaken by Alois Rašín, the finance minister, with the support of Živnostenskábanka, a major commercial bank, contrary to the views of Karel Engliš and Vladislav Brdlík, who opposed a strong currency.⁸ The newly adopted monetary reform⁹ was aimed at stabilizing the economy by printing half the volume of the Austro-Hungarian currency. Ultimately, 29 percent of banknotes were printed; the reform encountered headwinds. Holders of banknotes received half the printed amount in the exchange. The other half consisted in a forced loan at one percent interest. The new currency, the Czechoslovak koruna, replaced the old koruna at a ratio of 1:1.¹⁰ The circulation of banknotes and coins was regulated by Act 87/1919 Coll. of 10th April 1919.¹¹ The currency was managed by the Banking Bureau under the Ministry of Finance and, from 1926, by the Czechoslovak National Bank headed by Karel Engliš.

In the field of social legislation, Act 91/1918 Coll. introduced the eight-hour workday.¹² Legislation was passed regulating working

⁶ R. Millward, J. Baten, "Population and living standards, 1914-1945", in *The Cambridge Economic History of Modern Europe*, Vol. 2, p. 253.

⁷ *Ottův slovník naučný nové doby*, Vol. 2 (Br-Dej), pp. 1113.

⁸ V. Průcha, *Hospodářské a sociální dějiny Československa 1918-1992*, Brno: Doplněk, 2004-2009, p. 60.

⁹ A. Ritschl, T. Straumann, "Business cycles and economic policy, 1914-1945", in *The Cambridge Economic History of Modern Europe*, p. 164.

¹⁰ Z. Kárník, *České země v éře první republiky (1918-1938)*, I., pp. 60-63.

¹¹ *Zákon 87/1919 Sb. ze dne 10. dubna 1919, jímž se upravuje oběh a správa platidel v československém státě*. (Act 87/1919 Coll. of 10th April 1919, on the management of currency circulation in Czechoslovakia).

¹² *Zákon 91/1918 Sb. ze dne 19. prosince 1918 o 8 hodině době pracovní*. (Act 91/1918 Coll. of 19th December 1918, on the eight-hour workday).

hours, working breaks, overtime, night work, work of young employees, and work of people employed in households. Unemployment benefits were adopted on 1st September 1920 pursuant to Provision 519/1920 Coll. by the Standing Committee of the National Assembly of Czechoslovakia under § 54 of the Constitution.¹³ In 1925 the Ghent system of unemployment benefits, envisaged by Act 267/1921 Coll. of 19th July 1921, came into force, restricting eligibility for such benefits to union members only.¹⁴

The deflationary trend of the Czechoslovak koruna halted in 1921 and the Ruhr crisis of 1923 effaced some of the negative effects of deflation. The post-war crisis of 1922-1923 slowed economic recovery. The pre-war level of industrial production and trade was surpassed in 1924. Banking laws were issued to stabilize the economy. Act 76/1927 Coll. provided for the reform of direct taxes.¹⁵ Industrialists, entrepreneurs and merchants paid lower taxes.

Czechoslovakia was first hit by the effects of the Great Depression through its dependence on agricultural exports, notably sugar and cereals. Farmers suffered, failing to find new markets for their products. Slovakia and Ruthenia were predominantly agricultural, and the crisis was consequently very deep in those regions. Industry's turn came next. The markets for industrial products collapsed, production slumped, and product prices and wages fell. Often, entire whole factories were shuttered, especially in textiles and the glass industry. By 1933, industrial production had fallen by 40 percent, international trade by 71 percent. Between the years 1932-1933 more than a million unemployed were registered, and they represented only part of the population out of work. Among the jobless, many were not registered with employment agencies and therefore were not eligible for unemployment benefits. The government subsidized industries and agriculture, paid unemployed benefits, and

¹³ The measure regulated Act 63/1918 Coll. of 10th December 1918 on unemployment benefits.

¹⁴ Updated by 4/1925 Coll., 74/1930 Coll., 161/1933 Coll., 78/1936 Coll., 366/1938 Coll.

¹⁵ Including income tax.

endeavoured to assist non-union workers who were excluded from unemployment benefits under the Ghent system. Still, there were protests by the unemployed and strikes.¹⁶ Miners demanded an end to layoffs and wage cuts.

Families found themselves without an income, while a large percentage of businesses disappeared for good. Before the crisis, small businessmen considered themselves part of middle class, but after 1933 a large part of that class was destroyed. Officials and teachers lost their jobs or suffered salary reductions. Social inequality increased, with an elite formed by the owners of healthy banks on the one hand and a rising share of the population with practically no income on the other.¹⁷ Czechoslovakia was in the throes of the Depression until 1936. Industrial production, agriculture and GDP growth in the first Czechoslovak Republic never regained the pre-crisis levels.

This paper investigates the incomes of officers, non-commissioned officers in the army, minor officials, blue-collar households and white-collar households, drawing on all available statistics on salary scales and wages and providing a unique analysis of income during the first Czechoslovak Republic.

On household income by social category

A common measure of the degree of economic equality or inequality is the Gini index, which indicates income disparities. A more accurate and comprehensive gauge would have to take account of factors beyond just income and the available information on wealth. Household income may vary from year to year, and so it is difficult to assess income inequality solely on its basis; account must also be taken of total assets, the proceeds therefrom, consump-

¹⁶ V. Průcha, *Hospodářské a sociální dějiny Československa 1918-1992*, p. 172; see in *Statistická ročenka republiky Československé 1935*, *Statistická příručka republiky Československé*, 1932.

¹⁷ J. Rákosník, *Odvrácená tvář meziválečné prosperity: nezaměstnanost v Československu v letech 1918-1938*. V Praze: Karolinum, 2008.

tion volumes and habits, and the possibility to save money.¹⁸ The habit of saving has a significant impact on individuals' overall wealth. In the first Czech Republic, the capacity to save was a characteristic of the middle and upper classes.

Relevant statistics are available for 1921-1922 and then from 1929 on, permitting us to determine which sections of the population could save money and afford good housing and how much heads of households earned. Data from the State Statistical Bureau and previous studies are used to determine the amount of income of selected professions.

An initial review of the material sufficed to highlight striking differences in the distribution and sources of income between the households of minor official, blue-collar households and white-collar households. The income of the latter depended on job position, whereas that of blue-collar households depended on sector of industry and place of employment. The lowest wages were consistently found in the textile industry. The average wage specified for the whole industry depended on the proportion of women and children in the industry's entire workforce. The differences between the various parts of Czechoslovakia were very great. This paper limits its discussion of income distribution to the Czech lands; the relevant data for Slovakia and Ruthenia are lacking.¹⁹

The government calculated gross earnings according to the Income Act and levied taxes only on relatively wealthy residents. On the basis of Government Decree 75/1927 Coll. of 20th December 1927, Section 57, the general earnings tax rates for residents were set as follows: "The normal tax rate applies to earnings in excess of CZK 15,000. The tax base of CZK 30,000 will attract the full tax rate of 0.5%, i.e. with tax amounting to CZK 150. The tax base of CZK 100,000 will be taxed as follows: the first CZK 30,000 at the rate of

¹⁸ M. Jindra, "The Dilemma of Equality and Diversity", in *Current Anthropology*, Vol. 55, No. 3, June 2014, p. 317.

¹⁹ The State Statistical Office performed surveys of incomes and expenditures in households of minor officials, blue-collar households and white-collar households in the Czech lands only.

0.5%, i.e. tax in the amount of CZK 150; the remaining CZK 70,000 at the rate of 2.5%, i.e. tax in the amount of CZK 1,750, for a total of CZK 1,900. The tax base of CZK 200,000 will be taxed as follows: the first CZK 30,000 at the rate of 0.5%, i.e. tax in the amount of CZK 150; the next CZK 110,000 at the rate of 2.5%, i.e. tax in the amount of CZK 2,750; the remaining CZK 60,000 at the rate of 4%, i.e. tax in the amount of CZK 2,400, with total tax amounting to CZK 5,300.”²⁰

A country's wealth can be measured by GDP per capita. The richest country in Europe before the First World War was Great Britain,²¹ followed by Switzerland, Belgium, the Netherlands, Denmark, Germany, France, and Austria.²² In Austria and the Czech lands, there was a very modest increase in GDP between 1913 and 1938. However, for the period we are interested in GDP growth is not a satisfactory term of comparison, given the very high rate of growth we can observe in Russia and the relatively low rates recorded in Britain or Germany. A comparison of conditions in interwar Europe should factor in education, purchasing power parity, health and living standards. According to the Human Development Index (HDI), which measures living standards taking account of life expectancy, education levels, and purchasing power, the Czech lands was among the areas with high HDI scores.²³

The Human Development Index records significant progress in the interwar years, with a clear convergence of eastern and southern Europe towards the levels of north-western Europe. Income growth was the fundamental factor. More important is the question: How were incomes spent and what did governments do? Infant mortality decreased significantly, and this benefited life expectancy. Between the two world wars governments increased their spending on health

²⁰ *Vládní nařízení 75/1927 Sb. ze dne 20. prosince 1927, kterým se provádí zákon aze dne 15. června 1927, č. 76 Sb. z. a n., o přímých daních; Hlava II. – všeobecná daň vý dělková, § 57, odst. (2); (Government Regulation 75/1927 Coll. of 20th December 1927, regarding direct taxes, Part II).*

²¹ Per capita GDP of \$ 5,000 in 1990 dollars.

²² Between \$ 3,500 and \$ 4,500.

²³ R. Millward, J. Baten, "Population and living standards, 1914-1945", in *The Cambridge Economic History of Modern Europe*, Vol. 2, pp. 254-6.

care, housing and support for mothers with children. Infant mortality consequently declined and mothers had fewer children. There was a steep reduction in child labour in agriculture. Children could attain a basic level of education. Countries in eastern and southern Europe were unable to catch up with northern and western Europe and experienced a greater decline in the traditional industries.²⁴

Several views on individual income of residents

For statistical purposes, the typical blue-collar household was assumed to have five members and the typical white-collar household four. A precondition for comparing the statistics on expenditure by blue-collar and white-collar households is to have comparable input data on incomes calculated by the State Statistical Office.

General statistics on household income per capita do not consider the differing degree of physical maturity of the household members or distinguish between men and women. All members have the same weight. A more appropriate measure for comparing statistical data is the consumer unit, which gauges the individual's consumption capacity. The classic consumer unit consists of an adult male. The consumer capacity of other members of the household is calculated as a fraction of that of an adult male. For male children, this fraction increases with age. The consumer capacity of an adult woman is put at four-fifths that of an adult man. Despite efforts to express the consumer unit as accurately as possible, the consumption statistics provide only approximate values. The State Statistical Office wanted to include a large number of households from the Slovak Republic and Ruthenia in the survey, but this proved impossible, so the data refer to the Czech lands only.²⁵

In Czechoslovakia there was a marked lengthening of life ex-

²⁴ *Ibid.*, pp. 258.

²⁵ *Statistický přehled o Československé republice 1936, Rozbor stavu a vývoje, Státní úřad statistický, Prague 1936, p. 277.*

pectancy for both sexes. Between 1920 and 1930, it increased from 47.7 to 50.7 years for men and from 50.8 to 57.5 years for women.²⁶

TABLE I
The size of the consumer unit

Age	Male	Female
19 years and over	1	0.8
17-18 years	0.9	0.7
15-16 years	0.7	0.6
13-14 years	0.5	0.5
10-12 years	0.4	0.4
7-9 years	0.3	0.3
4-6 years	0.2	0.2
0-3 years	0.1	0.1

Source: *Statistická příručka republiky Československé 1920-1932*, Vol. II, pp. 638.

The survey conducted by the State Statistical Office covered a total of 18 blue-collar and 22 white-collar households for 52 weeks between the years 1921 and 1922. In the period 1922-1923 it had 15 blue-collar and 8 white-collar respondents. The survey period did not coincide with a calendar year, but the twelve months were spread over period (i) from the beginning of the 1921 to the first half of 1922 and (ii) from the beginning of 1922 to the first half of 1923, with the data distributed over an 18-month span.

Owing to the change in the exchange of the Czechoslovak koruna during the 1922, we can only make comparisons across tables using the percentage composition of income. For the average consumer unit, in accordance with the original Viennese study made in 1912, we have taken a 19-year-old male. This age is the basis for further calculation of the consumer units.²⁷

²⁶ B. Tomka, *A social history of twentieth-century Europe*, London-New York, Routledge, 2013, pp. 26-28.

²⁷ *Statistická příručka republiky Československé 1920-1932*, Vol. II, p. 638.

TABLE 2
Annual income of blue-collar households and white-collar households in Prague (1921-1922), in CZK: the consumer unit and income per capita

Individual items of income	Blue-collar household		White-collar household	
	The consumer unit	Income per capita	The consumer unit	Income per capita
Earnings of the head of household	5,112.60	3,278.30	9,688.76	6,768.79
Earnings of women	197.15	126.41	8.95	6.25
Earnings of children	638.23	409.25	54	37.73
Transfers or benefits	297.44	190.70	0	0
Donations	10.35	6.64	41.71	29.14
Interest	175.59	112.57	969.84	677.55
Other income	28.78	18.46	154.28	107.79
Other	176.79	113.35	807.15	563.89
Total revenue	6,636.93	4,255.68	11,724.71	8,191.14

Note: The survey involved 18 blue-collar and 22 white-collar households. The blue-collar households averaged 4.7 members, the white-collar households 4.4, giving rise to differences between the consumer unit and income per capita. The former makes for better statistical comparison between blue-collar and white-collar households.

Source: *Statistická příručka republiky Československé 1920-1932*, Vol. II, pp. 638.

In both survey periods the average blue-collar household's income, in terms of the consumer unit, was significantly lower than that of the average white-collar household. In the 1921-1922 survey period, the proportion of the former to the latter was about 57 percent, while in the 1922-1923 survey period it was 49 percent. This large change can be ascribed to the very small number of respondents sampled. Looking at the data more closely, we find that transfers were absent and earnings of women and children practically so in the income of the sample of eight white-collar households.

Despite the small number of sample households, we can see significant differences in the percentage composition of income. In the blue-collar household, the head of household contributed some 70-77 percent of total household income. In the white-collar household, the corresponding figure is as much as 90 percent. For blue-collar households, the earnings of women and children and transfer payments were also important income items.

TABLE 3
Annual income of blue-collar households and white-collar households in Prague (1922-1923), in CZK: the consumer unit and income per capita

Individual items of income	Blue-collar household		White-collar household	
	The consumer unit	Income per capita	The consumer unit	Income per capita
Earnings of the head of household	4,223.31	2,821	10,813.92	7,284.75
Earnings of women	465.19	310.73	0	0
Earnings of children	863.26	576.62	0	0
Transfers or benefits	139.81	93.39	0	0
Donations	6.23	4.16	31.08	20.93
Interest	103.58	69.18	561.47	378.23
Other income	28.33	18.93	190.74	128.49
Other	152.24	101.7	467.69	315.06
Total revenue	5,981.95	3,995.71	12,064.90	8,127.46

Note: The survey involved 15 blue-collar and 8 white-collar households. The blue-collar households averaged 5.3 members, the white-collar households 4.

Source: *Statistická příručka republiky Československé 1920-1932*, Vol. II, r. 1925, p. 639.

TABLE 4
Income of blue-collar and white-collar households in Prague (1921-1923): the consumer unit in percent

Individual items of income	Blue-collar household		White-collar household	
	1921-22	1922-23	1921-22	1922-23
Earnings of the head of household	77.0	70.6	82.6	89.6
Earnings of women	3	7.8	0.1	0
Earnings of children	9.6	14.4	0.5	0
Transfers or benefits	4.5	2.3	0	0
Donations	0.2	0.1	0.4	0.3
Interest	2.6	1.7	8.3	4.7
Other income	0.4	0.5	1.3	1.6
Other	2.7	2.5	6.9	3.9
Total revenue	100.0	100.0	100.0	100.0

Source: Author's calculations.

In 1922 the average size of the blue-collar households in the data set was 4.7 members, as against 4 members for the white-collar households. A key indicator for comparing the two groups in the consumer unit – the percentage composition of income – shows that the earnings of heads of households accounted for around 70 percent of the total in the blue-collar households, while in the white-collar households the corresponding share was more variable but always exceeded 80 percent. In the blue-collar households, earnings of women and children contributed on average 15 percent, while in the white-collar households the figure ranged between nil and 3 percent. Transfers and benefits always exceed 2 per cent of total income in the blue-collar households but are negligible in the white-collar households. Income from interest and donations account for between 3 and 8 percent in the latter and around 2 percent in the former.

In 1930, average household size stood at 3.8 members. The ensuing sharp decline reduced average household size to 3.3 members at mid-century.²⁸

The State Statistical Office carried out additional surveys of household income in the periods (i) 1929-1930, (ii) 1930-1931 and (iii) 1931-1932. The surveys covered blue-collar households, white-collar households and households headed by minor officials. The annual income of blue-collar households amounted to between 40 and 80 percent of that of white-collar families, depending on the status of officials and the region of residence. Differences can be observed in the individual income components.

For white-collar households, the earnings of the (male) head of household provided almost all the income per consumer unit. Other items were negligible, especially earnings of women and children or transfers and benefits, whereas among blue-collar families these items were significant.

²⁸ B. Tomka, *A Social History of Twentieth-Century Europe*, London-New York, Routledge, 2013, p. 62.

TABLE 5
Annual income of blue-collar households, white-collar households
and households of minor officials in Prague (1929-1930), in CZK:
the consumer unit and income per capita

Individual items of income	Blue-collar household		White-collar household		Household of a minor official	
	The consumer unit	Income per capita	The consumer unit	Income per capita	The consumer unit	Income per capita
Earnings of the head of household	4,992.7	3,285.27	10,352.31	7,308.07	6,393.66	4,393.50
Earnings of women	403.94	265.80	196.86	138.97	215.81	148.19
Earnings of children	539.25	354.84	226.95	160.21	174.57	119.87
Transfers or benefits	157.13	103.39	76.99	54.35	104.64	71.85
Donations	110.75	72.88	293.07	209.01	166.21	114.13
Interest	24.24	15.95	32.81	23.16	15.10	10.37
Other income	582.33	383.18	721.96	509.66	754.25	517.92
Total	6,810.34	4,481.31	11,903.95	8,403.43	7,824.24	5,372.63
Total revenue*	7,114.35	4,701.08	12,840.99	9,064.92	8,272.80	5,680.63

Note: The research examined the schedule of income and expenditure of 291 white-collar and 262 blue-collar households in 1929-1930. * Total revenue includes other income, loans and goods on credit, withdrawn savings, cash and inventories.

Source: *Statistická příručka republiky Československé 1920-1932*, Vol. IV., pp. 155-163.

The data collected by the State Statistical Office are revealing as regards income inequalities between the categories of household.

TABLE 6
Annual income of blue-collar households, white-collar households
and households of minor officials in Prague (1930-1931), in CZK:
the consumer unit and income per capita

Individual items of income	Blue-collar household		White-collar household		Household of a minor official	
	The consumer unit	Income per capita	The consumer unit	Income per capita	The consumer unit	Income per capita
Earnings of the head of household	4,592.18	3,114.64	10,448.44	7,344.12	6,298.95	4,357.18
Earnings of women	340.55	230.98	267.94	188.33	191.27	132.31
Earnings of children	558.23	378.62	334.65	235.22	222.01	153.57
Transfers or benefits	124.70	84.58	79.73	56.05	57.52	39.79
Donations	118.40	80.30	296.33	208.29	178.44	123.43
Interest	29.04	19.70	102.06	71.74	25.23	17.45
Other income	639.80	433.94	833.97	586.19	578.80	400.37
Total	6,402.90	4,342.76	12,363.12	8,689.94	7,552.22	5,224.10
Total revenue	6,848.78	4,645.18	13,412.68	9,427.66	8,080.16	5,589.23

Note: The research examined the schedule of income and expenditure of 341 white-collar families, 127 households of minor officials and 331 blue-collar families in 1930-1931. White-collar households averaged 3.27 members, households headed by a minor official 3.43 and blue-collar households 3.63. The average total income of the three types of household was, respectively, CZK31,034.15, CZK 19,435.34 and CZK 17,382.93. (Author's calculations).

Source: *Statistická ročenka republiky Československé 1935*, pp. 152-3.

From 1931 onwards it is possible to see a slight decline in revenue for all three types of household, but the data are only approximate. According to the research, total annual income averaged CZK 16,238 for blue-collar households, CZK 30,589 for white-collar households and CZK 20,438 for households of minor officials. The lion's share of income came from the earnings of the head of household.

TABLE 7
Annual income of blue-collar households, white-collar households and households of minor officials in Prague (1931-1932), in CZK: the consumer unit and income per capita

Individual items of income	Blue-collar household		White-collar household		Household of a minor official	
	The consumer unit	Income per capita	The consumer unit	Income per capita	The consumer unit	Income per capita
Earnings of the head of household	4,097.91	2 981.56	9,524.37	7,211.89	6,127.32	4,531.61
Earnings of women	268.18	195.12	322.52	244.21	166.04	122.80
Earnings of children	423.37	308.04	335.95	254.39	258.42	191.12
Transfers or benefits	184.84	134.49	80.57	61.00	60.77	44.94
Donations	115.58	84.09	328.89	249.03	229.84	169.98
Interest	22.35	16.26	30.81	23.33	24.19	17.90
Other income	594.72	432.7	693.31	524.98	537.43	397.47
Total	5,706.95	4,152.26	11,316.42	8,568.83	7,404.01	5,475.82
Total revenue	6,137.71	4,465.68	12,358.44	9,357.86	8,053.15	5,955.91

Note: The research examined the schedule of income and expenditure of 379 white-collar families, 155 households of minor officials and 414 blue-collar families in 1931-1932. White-collar households averaged 3.27 members, households headed by a minor official 3.43 and blue-collar households 3.63. The average total income of the three types of household was, respectively, CZK 30,589.58, CZK 20,438.38 and CZK 16,238.24. (Author's calculations).

Source: *Statistická ročenka republiky Československé 1937*, pp. 168-9.

A better comparative overview of the three time periods and three types of household is given by the schedule of income expressed in percent.

TABLE 8
**Schedule of income of blue-collar households, white-collar households
 and households of minor officials in Prague (1929-1932), in %**

Individual items of income	1929-30			1930-31			1931-32		
	BC	WC	MO	BC	WC	MO	BC	WC	MO
Earnings of the head of household	70.2	80.6	77.3	67.1	77.9	78	66.8	77.1	76.1
Earnings of women	5.7	1.5	2.6	5	2	2.4	4.4	2.6	2.1
Earnings of children	7.6	1.8	2.1	8.2	2.5	2.7	6.9	2.7	3.2
Transfers or benefits	2.2	0.6	1.3	1.8	0.6	0.7	3	0.7	0.8
Donations	1.6	2.3	2	1.7	2.2	2.2	1.9	2.7	2.9
Interest	0.3	0.3	0.2	0.4	0.8	0.3	0.4	0.2	0.3
Other income	8.2	5.6	9.1	9.3	6.2	7.2	9.7	5.6	6.7
Total	95.7	92.7	94.6	93.5	92.2	93.5	93	91.6	91.9
Total revenue	100	100	100	100	100	100	100	100	100

Key: BC – blue-collar households, WC – white-collar households, MO – households of minor officials

Source: Author's calculations.

In the 1930s the share of the head of household in income decreased and that contributed by the earnings of women and children increased.

Earnings from children meant child labour in factories, most often in the textile and food industries, where wages were very low and the work not so arduous. Under Act 115/1884 on employment in the mining industry,²⁹ children aged at least 12 were permitted to work in mining, but only on the surface and with parental consent. Ministerial Decree 146/1907 ordained that the employment of children had to ensure the correct distribution of working hours, could not hinder school attendance and had to comply with mandatory work breaks. Children were barred from working between the hours of 8 p.m. and 5 a.m. Girls less than 18 years of age were allowed to work only on the surface.³⁰

²⁹ According to governmental findings, in 1907 there were 18 children working in the mining industry, in 1908 just 5.

³⁰ K. Malý, *Dějiny českého a česko-slovenského práva do roku 1945*. 3. vydání. Prague: Linde Praha, a.s., 2003, p. 297.

Legislation adopted during the First Republic was linked to previous legislation, above all the General Austrian Civil Code (ABGB) from year 1811. Act 91/1918 Coll. introduced the eight-hour workday. It also brought some benefits for children and adolescents, laying down that persons under age 16 could not perform night work. In the period 1918-1921 other regulations were published concerning women's and child labour, the protection of wages and paid vacation.

The landmark Act 420/1919 Coll. on child labour prohibited work by children under 12 years old.³¹ There were exceptions to that principle for children older than 10 employed in agriculture or helping out on farms. Children between 12 and 14 years were allowed to work within limits, consistently with preservation of their physical and mental wellbeing and their school attendance. The law distinguished between own children (those who lived in the same household with the employer, including adopted or foster-children) and outsiders.

Child labour was defined as the use of children for any regular activity for wages or even without special rewards. The law contained a list of jobs and establishments where child labour was totally banned; these included stone quarries, mines, distilleries, metal polishing shops, operator driving machines, cutting and splitting wood, work in ovens or otherwise involving fire. Children also were barred from employment in the trade of innkeeper and were not allowed to speak in public performances.

The Child Labour Act also contains restrictions on working hours. During school holidays, children could work only four hours in agriculture and not more than six in the household. On school days, they were not allowed to work more than two hours before school and had to have a break of at least one hour before starting work. Rest between the hours of 8 p.m. and 7 a.m. was made mandatory for working children. For work in agriculture and domestic em-

³¹ Zákon č. 420/1919 Sb. z. a n., o práci dětí (*Act. 420/1919 Coll., on child labour*).

ployment, the law required 10 hours of uninterrupted rest between 8 p.m. and 6 a.m. There were exceptions for emergency work of a temporary nature or in the case of urgent demands. An employer of an outside child had to report this to the municipal office. This Act regulated the matter until 1965, when the Labour Code was adopted.

The statistical difference between the groups went deeper. This was mainly due to the lagged decline in wages for blue-collar households and the lasting reduction in expenditures for items of daily consumption. Consumers wanted to buy cheaper goods, assuming declining wages. The prices of goods fell significantly until after 1933. White-collar households had a higher saving rate. Workers' wage in the capital city of Prague had increased since 1920, but prices and the cost of living had done likewise. Marked disparities in the statistics reflect different standards of living in the regions. Women's wages were about half those of men, often only 40 percent. This can be explained by large wage differences in some regions, notably, for example, in northern Bohemia in textile factories.³²

Table 9 shows that the nominal index of hourly wages increased between 1914 and 1930 to stand at 1,020. The data in nominal wage indices reflect the rate of inflation, rising prices, economic cycles, war or monetary reform. Given the fundamental monetary reform of 1919, it is preferable to compare hourly or weekly real wages or indices in gold. Such a comparison shows that the average wage rate did not increase dramatically in the wake of the reform. Indeed, it fell between 1922 and 1923, after which it trended upwards. The data indicates the results of collectively agreed minimum wage rates, time wages for 374 professions in 32 industries in Prague. The investigation focused on hourly wage rates. The statistics are adjusted for holiday bonuses for employees, different working hours, payment for overtime, and partial payments of bonuses. They do not

³² Almost 2,700 textile factories were registered in that region before the First World War. The textile industry was centred in Liberec, Rumburk and Decin. J. Mareš, *Vývoj rozmístění československého průmyslu*. Vol. II. Tabulky a mapy (separát), Geografický ústav ČSAV Brno, 1976.

include special bonuses. Payroll averages are calculated on the basis of weighted average wages.³³

TABLE 9
The average hourly rate for 32 industries and trades in Prague (1919-1931)

Year	Average hourly rate				Nominal index*		Real index*	
	Per hour in CZK	Per week in CZK	Per hour in gold	Per week in gold	Per hour in CZK	Per week in CZK	Per hour in gold	Per week in gold
1919	2.04	98.10	0.30	14.34	464	413	68	60
1920	3.45	165.66	0.50	24.22	784	698	114	102
1921	4.27	205.16	0.62	29.99	970	865	141	126
1922	4.44	213.23	0.65	31.17	1009	899	148	131
1923	3.90	187.03	0.57	27.34	886	788	130	115
1924	3.94	188.85	0.58	27.61	895	796	132	116
1925	3.99	191.36	0.58	27.98	907	806	132	118
1926	4.04	194.06	0.59	28.37	918	818	134	120
1927	4.06	194.80	0.59	28.48	923	821	134	120
1928	4.26	204.38	0.62	29.88	968	861	141	126
1929	4.37	209.98	0.64	30.70	993	885	145	129
1930	4.47	214.75	0.65	31.40	1016	905	148	132
1931	4.49	215.65	0.66	31.53	1020	909	150	133

Note: * 1914 = 100.

Source: *Statistická příručka republiky Československé 1920-1932*, Vol. IV., p. 340.

The data in Table 10, for the years 1930-1936, show an increase in the hourly rate in gold relative to the base year 1929. Wages rose by several percent.

The statistical reports on the salaries at middle-class levels underscore the differences between individual job positions. Table 11 offers an overview of the monthly salary and annual bonus salary of officials and employees in the state administration and army officers. The annual bonus, equal to between one and two monthly salary payments, was awarded for proper performance of duties.

³³ *Statistická ročenka republiky Československé 1934*, *Statistická příručka republiky Československé 1920-1932*, Vol. IV., pp. 340.

TABLE 10
Minimum wage rates for 32 industries and trades in Prague (1930-36)

Year	Average hourly rate		Nominal index		Real index		
	Per hour in CZK	Per week in CZK	Per hour in CZK 1914 = 100 ²	Per week in CZK 1914 = 100 ²	Per hour in gold 1929 = 100 ¹	Per hour in gold 1914 = 100 ²	Per week in gold 1914 = 100 ²
1930	4.47	214.75	1016	905	104	136	121
1931	4.49	215.65	1020	909	110	143	127
1932	4.49	215.48	1020	908	112	146	130
1933	4.47	214.55	1016	904	112	147	131
1934	4.37	209.76	993	884	112	145	129
1935	4.34	208.32	986	878	107	140	125
1936	4.33	207.84	984	876	106	138	123

Note 1: Average minimum hourly rate in 1929: CZK 4.37 = 100.

Note 2: Average minimum wage rate in July 1914: K0.44 hourly = 100, K23.73 weekly = 100.

Source: *Statistická ročenka republiky Československé 1937*, pp. 142-3.

TABLE 11
Monthly salaries and annual bonus salaries of officers and officials in the state administration (1926-1938)

Category	Monthly salary in CZK	The annual bonus salary in CZK
High official, off the salary table	8,333*	—
Officer, first salary scale	6,000-6,500	15,000
Officer, third salary scale	3,250-4,125	3,636-7,200
Officer, seventh salary scale	750-1,500	2,148-3,900
Minor official	525-1,167	1,656-3,000

Note: * Yearly CZK 100,000.

Source: Z. Kárník, *Kúloze středních vrstev v éře první republiky. Jeden dva výseky z komplexu středních vrstev a jejich osudy*, p. 126.

In 1926, a wage reform introduced a new classification of salaries and also created a higher level of salaries for officers and workers in the state administration. This system applied unchanged until 1938. The stagnation of wages during the span of the reform was due first to the very slow rise in the cost of living in the second half of the 1920s and then to the onset of the Great Depression.³⁴

³⁴ *Vládní nařízení ze dne 7. července 1926 o úpravě služebních a platových poměrů státních za-*

Salaries in the army, at least at lower levels, were more or less in line with those at the corresponding levels in the state administration.

TABLE 12
Monthly salaries and annual bonus salaries of
commissioned officers (1926-1938)

Category	Monthly salary in CZK	The annual bonus salary in CZK
Commissioned officer, first salary scale	6,000-6,500	15,000
Commissioned officer, third salary scale	3,250-4,125	3,636-7,200
Commissioned officer, eighth salary scale	850-1,450	2,640-4,800
Career petty officer	600-1,375	1,824-3,300

Source: Kárník Z. *Kúloze středních vrstev v éře první republiky. Jeden dva výseky z komplexu středních vrstev a jejich osudy*, p. 127.

The situation of the middle classes worsened with the Depression. Teachers and university and secondary-school graduates faced unemployment. Suddenly, 50,000 were jobless. For the middle classes of the Czech lands, this meant that professional earnings no longer sufficed to maintain their standard of living.³⁵

Traditionally, while most members of the middle classes needed to work, they were also able to save money and could spend more on leisure-time activities, their wardrobe and other amenities. The middle classes included people who owned their own flat or could afford to rent better housing, and whose children had access to good education. In the first Czechoslovak Republic the hallmark of middle-class families was that the earnings of the male head of household were enough to support the family and did not have to be supplemented by transfer payments or by the earnings of women or children.³⁶

městnanců v pomocné kancelářské službě. § 210 zákona ze dne 24. června 1926, č. 103 Sb. z. a n., o úpravě platových a některých služebních poměrů státních zaměstnanců (platového zákona); (Government regulation of 7th July 1926, modifying the salaries and wages of government employees).

³⁵ J. Matějček, *Dlouhodobé tendence a tempa vývoje profesní, sociální a osobnostní kultivace v Českých zemích v 19. a 20. století*, in *České země a moderní dějiny Evropy, Studie k dějinám 19. a 20. století*, 2010, pp. 138-9.

³⁶ J. Keller, *Vzestup a pád středních vrstev*, Prague, Sociologické nakladatelství, 2000, p. 11.

The definition of the middle class is most accurate when applied to a given geographical area, e.g. a city, county, region or state.³⁷ The concept is not identical in the same time period across all parts of Europe. In the period in which we are interested, different groups fell within its compass in France, Britain, Germany, the USSR, Poland and Czechoslovakia. In Germany,³⁸ the term extended from the bourgeoisie to civil society. In Czechoslovakia, a bourgeoisie comprising rich farmers and tradesmen belonged to the middle classes. Jürgen Kocka defines the middle classes as self-employed persons (entrepreneurs, rentiers, doctors, lawyers, clergy and other professionals), flanked by academics, civil servants, etc.³⁹ More specifically, in interwar Czechoslovakia they consisted of civil servants such as postmasters, career army officers, politicians, employees in the transport sector and sound enterprises, the clergy, creative intelligentsia, political elites, middle peasants, members of the liberal professions, sole traders, mid-sized and small entrepreneurs, and industrial managers and technicians.⁴⁰

TABLE 13
Monthly salaries and annual bonus salaries of university professors, high school teachers, and teachers (1926-1938)

Category	Monthly salary in CZK	Annual bonus salary in CZK
University professor	3,250-5,500	4,464-9,600
High school teacher	1,250-3,250	3,960-7,200
Teacher	750-2,550	2,148-7,200

Source: Z. Kárník, *K úloze středních vrstev v éře první republiky. Jeden dva výseky z komplexu středních vrstev a jejich osudy*, p. 128.

³⁷ M. Turková, *Továrnídělníci – střednívrstvamalého města?*, in *Studie k sociálním dějinám*, Vol. 10 (2002), p. 23.

³⁸ Wirtschafts- und Bildungsbürgertum, Bildungskleinbürgertum. N. Pavelčíková, *Zánik středních vrstev v českých zemích. Poznámky k procesu likvidace středních vrstev totalitární mřížiny dvacátého století*, p. 46, in *Studie k sociálním dějinám*, Vol. 10/2, Opava 2002.

³⁹ J. Kocka, *The Middle Classes in Europe*, in *The Journal of Modern History*, Vol. 67, No. 4, 1995, p. 783.

⁴⁰ *Ibid.*, pp. 785.

TABLE 14
Overview of the monthly salaries and annual bonus salaries
(1928-1936, effectively paid earnings)

Category	Minimum annual income ¹	Minimum annual income	Minimum monthly income	Maximum annual income ¹	Maximum annual income	Maximum monthly income
High official, off the salary table	100,000	100,000	8,333	100,000	100,000	8,333
Officer, first salary scale	84,000	72,000	6,000	91,000	78,000	6,500
Officer, third salary scale	45,500	39,000	3,250	57,750	49,500	4,125
Officer, seventh salary scale	10,500	9,000	750	21,000	18,000	1,500
Minor official	7,350	6,300	525	16,338	14,004	1,167
Commissioned officer, first salary scale	84,000	72,000	6,000	91,000	78,000	6,500
Commissioned officer, third salary scale	45,500	39,000	3,250	57,750	49,500	4,125
Commissioned officer, eighth salary scale	11,900	10,200	850	20,300	17,400	1,450
Career petty officer	8,400	7,200	600	19,250	16,500	1,375
University professor	45,500	39,000	3,250	77,000	66,000	5,500
High school teacher	17,500	15,000	1,250	45,500	39,000	3,250
Teacher	10,500	9,000	750	35,700	30,600	2,550

Note 1: Includes annual bonus salary.

Source: Own calculations and comparisons.

The overview of monthly and annual incomes of selected professions shows that minor officials and career petty officer ranked at the bottom, high officials at the top.

In 1931 there was also a wage reduction for government employees, who numbered 376,000 in 1932. The annual wage bill came to about CZK 5,645 million. However, the annual salary of 300,547 (80 percent) of these employees was less than CZK 24,000, of some 291,000 less than CZK 18,000, of 200,400 less than CZK 12,000 and of 78,000 less than CZK 8,000. A small fraction of officials were paid more than CZK 42,000 per year. There were 10,115 high officials whose salaries amounted to CZK 532 million.⁴¹

⁴¹ E. Štern, *Krise a nezaměstnanost*, Prague: Čin 1932, pp. 74, see in: Z. Deyl, *Sociální vývoj Československa*, pp. 133. Calculations in the sources are entered incorrectly in relative terms.

TABLE 15
Number of employees and pay scale (1932)

Number of employees		Wage scale			
		Yearly		Monthly	
Number	%	From	To	From	To
78,000	20.7	–	8,000	–	667
122,400	32.6	8,001	12,000	667	1,000
90,600	24.1	12,001	18,000	1,000	1,500
9,547	2.5	18,001	24,000	1,500	2,000
65,338	17.4	24,001	52,595	2,000	4,383
10,115	2.7	52,596	–	4 383	–
376,000	100		Total		

Source: Own calculations.

The largest group – more than a third of the total – consists of employees whose annual pay ranged between CZK 8,001 and CZK 12,000. Those who drew between CZK 12, 001 and CZK 18,000 per year made up a quarter of the total and those paid less than CZK 8,000 per year a fifth. More than half of state employees had monthly salaries of CZK 1,000 or less.

Generally, 1929 is taken as the base year. Workers' wages fell throughout the first half of the thirties. In 1935, they were down to 63.8 percent of their 1929 level.

TABLE 16
Workers' earnings (1929-35)

Year	Average number of employees	Average daily wage in CZK	Average annual earnings in CZK	Average monthly earnings in CZK	Index: average annual earnings in CZK
1929	1,506,000	19.11	5,733	477.75	100
1930	2,446,000	19.13	5,739	478.25	99.89
1931	2,313,000	18.66	5,598	466.5	97.65
1932	2,069,000	17.72	5,316	443	92.73
1933	1,888,000	16.72	5,016	418	87.49
1934	1,879,000	16.30	4,890	407.5	85.30
1935	1,919,000	15.93	4,779	398.25	83.36

Source: Z. Deyl, *Sociální vývoj Československa*, pp. 131-32. Author's calculations.

Workers' average annual earnings plummeted from CZK 5,739 in 1930 to CZK 4,779 in 1935. There are large differences between workers' earnings and those of government employees. In 1932, workers' average monthly earnings came to CZK 443. By contrast, the most numerous group of government employees had a monthly salary of between CZK 667 and CZK 1,000.

Conclusion

The article examines data of surveys conducted by the State Statistical Office for interwar Czechoslovakia regarding the Czech lands. Other regions of Czechoslovakia were excluded because the requisite statistics were lacking. The surveys, which involved a small sample of blue-collar households, white-collar households and households of minor officials and were carried out in 1921-1923 and 1929-1932, provide a comparison of unique individual data on household incomes. The article points up differences in the components of household incomes. The total amount of income indicates which households can be assigned to the middle classes and which not. From the standpoint of the composition of income, the middle classes included white-collar but not blue-collar households. Given the smallness of the survey sample, it is possible that some blue-collar households actually were part of the middle classes, but this is unlikely on the whole.

White-collar households and those headed by minor officials display characteristic typical of the middle classes. Both are able to save money, and the earnings of the (male) head of household can support the whole family.

A comparison of individual household income is made in terms of income per capita and the consumer unit. The latter is a better basis for comparison in that it considers not only the number of household members but also their sex and age.

The global economic crisis hit Czechoslovakia in the 1930s, driving up unemployment and depressing real wages. Yet, despite the

economic problems and widespread joblessness, Czechoslovakia went in the right direction. During the interwar years, strong restrictions were placed on child labour, healthcare was improved and more children attended school. These results were in part a reflection of rising living standards in the Czech lands and the gradual accession of more people to the middle classes.

References

- BROADBERRY S.S., KLEIN A. (2011), "When and why did eastern European economies begin to fail? Lessons from a Czechoslovak/UK productivity comparison, 1921-1991", in *Explorations in Economic History*, 48(1), pp. 37-52.
- DEYL Z. (1985), *Sociální vývoj Československa 1918-1938*, Academia.
- (1995), "Demografický vývoj a profesní, národnostní a sociální složení obyvatelstva", in *Dějiny hospodářství českých zemí od počátku industrializace do současnosti*, Vol. 3, období první Československé republiky a německé okupace 1918-1945, Prague, Karolinum.
- HAUPT G. (2003), *Konsum und Handel: Europa im 19. und 20. Jahrhundert*, Vandenhoeck & Ruprecht.
- KLIMEK A., KUBŮ E. (1995), *Československá zahraniční politika 1918-1938*, Institut pro středoevropskou kulturu a politiku, Prague.
- KÁRNÍK Z. (2000), *České země v éře první republiky (1918-1938)*, I. díl, Vznik, budování a zlatá léta republiky (1918-1929), Libri, 2000.
- (2002), "K úloze středních vrstev v éře první republiky. Jeden dvavýseky z komplexu středních vrstev a jejich osudy", in *Studie k sociálním dějinám*, 10.
- JINDRA M. (2014), "The Dilemma of Equality and Diversity", in *Current Anthropology*, Vol. 55, No. 3, Jun.
- KELLER J. (2000), *Vzestup a pád středních vrstev*, Prague, Sociologické nakladatelství.
- KOCKA J. (1995), "The Middle Classes in Europe", in *The Journal of Modern History*, Vol. 67, No. 4.

- MALÝ K. (2003), *Dějiny českého a česko-slovenského práva do roku 1945*. 3. vydání. Prague: Linde Prague, a.s.
- MATĚJČEK J. (2010), "Dlouhodobé tendence a tempa vývoje profesní, sociální a osobnostní kultivace v Českých zemích v 19. a 20. století", in *České země a moderní dějiny Evropy, Studie k dějinám 19. a 20. století*.
- MAREŠ J. (1976), *Vývoj rozmístění československého průmyslu*. Díl II. Tabulky a mapy (separát), Geografický ústav ČSAV Brno, 1976.
- MILLWARD R., BATEN J., "Population and living standards, 1914-1945", in *The Cambridge Economic History of Modern Europe*, Vol. 2.
- PAVELČÍKOVÁ N. (2002), "Zánik středních vrstev v českých zemích. Poznámky k procesuliquidace středních vrstev totalitárními režimy dvacátého století", in *Studie k sociálním dějinám*, Vol. 10/2, Opava.
- PRŮCHA V. (2004-2009), *Hospodářské a sociální dějiny Československa 1918-1992*, Brno, Doplněk.
- RÁKOSNÍK J. (2008), *Odvracená tvář meziválečné prosperity: nezaměstnanost v Československu v letech 1918-1938*. V Praze, Karolinum.
- RITSCHL A., STRAUMANN T., "Business cycles and economic policy, 1914-1945", in *The Cambridge Economic History of Modern Europe*.
- ŠTERN E. (1932), *Krise a nezaměstnanost*, Prague, Čin.
- TOMKA B. (2013), *A Social History of Twentieth-Century Europe*. London-New York, Routledge.
- TURKOVÁ M. (2002), "Tovární dělníci – střední vrstva malého města?", in *Studie k sociálním dějinám*, Vol. 10.

Laws and regulations

- Vládní nařízení 75/1927 Sb. ze dne 20. prosince 1927, kterým se provádí zákon ze dne 15. června 1927, č. 76 Sb. z. a n., o přímých daních; Hlava II. – všeobecná daň výdělková, § 57, odst. (2).
- Vládní nařízení ze dne 7. července 1926 o úpravě služebních a platových poměrů státních zaměstnanců v pomocné kancelářské službě. § 210 zákona ze dne 24. června 1926, č. 103 Sb. z. a n., o úpravě platových a některých služebních poměrů státních zaměstnanců (platového zákona).

Zákon 91/1918 Sb. zedne 19. prosince 1918 o 8 hodinné době pracovní.

Zákon 63/1918 Sb. zedne 10. prosince 1918. o podpoře nezaměstnaných.

Zákon 87/1919 Sb. zedne 10. dubna 1919, jímž se upravuje oběh a správa platidel v československém státě.

Zákon č. 420/1919 Sb. z. a n., o práci dětí

Statistical sources

Statistická příručka republiky Československé 1920-1932, Vol. II.

Statistická příručka republiky Československé 1920-1932, Vol. IV.

Statistická příručka republiky Československé 1932.

Statistická ročenka republiky Československé 1934.

Statistická ročenka republiky Československé 1935.

Statistický přehled o Československé republice 1936, Rozbor stavu a vývoje, Státní úřad statistický, Prague 1936.