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Wartime and Post-war Societies (Spain)

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A certain consensus exists in Spanish historiography regarding the First World War, one that connects the level of social conflict to a radical economic transformation. The economy grew spectacularly, but not everyone benefited from this boom since the massive exports of foodstuffs and raw materials provoked a continual subsistence crisis and a general increase in the cost of living that greatly harmed wage earners. This prompted intensive social mobilization, both during the war and as the economy returned to more normal patterns in the post-war years. Nevertheless, in spite of these conflicts, the Great War clearly accelerated the modernization of both the Spanish economy and society.

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Introduction

"The European war, which is unsettling the foundations of the most solidly constituted states, is also throwing up into the air the pile of rubble on which the Spanish state had sustained itself", declared the republican newspaper *La Lucha* in June 1917.^[1] Spain did not enter the war given that the conservative government of Eduardo Dato (1856-1921) had proclaimed the country's neutrality two days after the conflict broke out. However, the Great War did indeed have an impact on Spain. It did so in a manner so intense that it created convulsions in the economy, prompted major social change, contributed to the crisis of the political system instituted in 1876, mobilized the country's intellectuals, and created a rift across Spain between pro-Allied *aliadófilos* and pro-German *germanófilos*, to such a point that the historian Gerald Meaker (1926-2012) has described the situation as a "civil war of words".^[2]

The Great War and the Expansion of the Spanish Economy

The first moments of the First World War transformed the habitual pattern of the Spanish economy. The established flows and channels that had been followed by international trade and migratory networks collapsed. Thousands of Spanish citizens were expelled from the countries at war: over 42,000 returned from France through the border crossing at Irún in the Basque Country. Initially, fear and uncertainty provoked a momentary collapse in economic activity. However, this shock lasted only a few weeks; overall, the conflict unleashed a state of feverish activity in the economy, which launched itself into external markets. The majority of the warring nations had been exporters of agricultural or industrial products, but as their own economic activities became focussed on the war effort, they were obliged to import large amounts of goods to supply their troops or to meet the civilian needs on the home front.

The businessmen of neutral countries discovered magnificent opportunities in these markets, and Spaniards were no exception. Agricultural producers, industrialists and financiers, together with adventurers and entrepreneurs drawn by the promise of inordinate profits, all grew rich from supplying the combatants. As exports increased and diversified, agricultural production grew by some 27 percent between 1913 and 1917. The textile plants of the belligerent countries were not sufficient to supply their soldiers with blankets and uniforms, and so the Spanish textile industry helped to meet these needs and those of the warring powers' domestic markets.

Due to the poor quality of Spanish coal, Spanish industry had traditionally imported coal from abroad, but when the numbers of shipments of foreign coal collapsed domestic mines were required to supply the country, and their production rose from 3.78 million tons in 1913 to 6.13 in 1918. Equally, since domestic coal was more expensive to produce than the previously imported product, it was necessary to develop alternative sources of energy with lower costs, such as hydroelectric power. Between 1914 and 1918 exports of Spanish iron and steel were double the corresponding figures for 1910-13. The chemical industry, previously weak, mushroomed. There was also a spectacular expansion in shipping; between 1917 and 1919 52 new shipping companies were created. Banking too went through a period of unheard-of expansion; the number of institutions in the field doubled between 1916 and 1920.

The Other Side of the Coin: Shortages, Inflation, a Subsistence Crisis and Popular Mobilization

The war, however, did not benefit everyone equally. Exports of items considered relative luxuries, such as citrus fruits, wines or quality liqueurs, all suffered. Nearly all Spain's steel was destined for the belligerent countries, and its scarcity in the domestic market paralysed construction, throwing large numbers of unskilled urban workers out of work. Industrialists and agricultural producers raised their prices to whatever level the warring nations were ready to pay, and only sold their goods into the Spanish market if they found a similar offer. Liberal newspapers, the republican left and workers' organizations denounced hoarding and speculation.

The result was a shortage in supplies of foodstuffs and raw materials, the prices of which, moreover, doubled. Although employment and wages increased in the sectors favoured by the new circumstances, overall the index of prices rose between 1913 and 1918 from a base of 100 to 218, while the index of wages rose only from 100 to 125, so that as a whole manual workers and the middle classes dependent on salaries lost purchasing power. Different governments sought to restrain the exports of raw materials and foodstuffs in order to maintain supplies to Spanish markets and contain prices; from 3 August 1914 the export of coal, gold, silver, livestock, cereals, vegetables, meat and poultry, rice and potatoes were all prohibited, and another ruling reduced import duties on wheat in the hope of reducing grain prices. However, these and subsequent similar directives were all ineffective.

Governments could do little to alleviate the effects of social imbalances, for the state did not obtain increased revenues from the sudden economic expansion. The tax system, which had survived almost unchanged since the 1840s, was rigid and inefficient, lacked real direct taxes on incomes and encouraged an unjust distribution of the tax burden that exempted the holders of the largest fortunes. In addition, it permitted a high level of fraud, due to a weak administration and the perverse effects of *caciquismo* – the domination of politics and administration at local level by corrupt local bosses or *caciques* – and its associated clientelism, which allowed those with greater political, economic or social influence to avoid paying tax in general. In fact, the overall tax burden fell from 9.9 to 6.3 per cent of GDP between 1913 and 1918, reaching its lowest level since the mid-nineteenth century.

As in other neutral countries during the war, the combination of shortages and high prices, together with the growth in unemployment in sectors such as construction that had previously generated a high demand for labour, set off an intense process of social mobilization, which accelerated from 1916 and above all 1917 onwards. The annual number of strikes doubled: if in 1913 there were around 200 strikes during the year, in 1919 there were more than 400. In the cities the atmosphere was explosive. They were, moreover, more crowded, because the war, by obstructing maritime traffic across the Atlantic, had restricted emigration to the Americas, traditionally an escape valve for the excess population that could not be absorbed by the sickly Spanish labour market. While around a million and a half to two million people had left Spain entirely between 1900 and 1914, after the war had begun migration was reoriented to a movement from rural areas to the country's cities.

A wave of local protests had already begun in 1914: riots against the high prices of basic necessities, strikes in specific trades, stoppages in large and small companies. In 1916 the two largest labour organizations in the country, the Socialist *Unión General de Trabajadores* (General Workers' Union, UGT) and the anarchist *Confederación General del Trabajo* (General Confederation of Labour, CNT), called a joint one-day general strike in protest against the cost of primary necessities and the level of unemployment. Held on 18 December, it was a notable success. Stoppages of work extended to all the major cities and, while it inspired generalized unease among more established citizens, the strike enjoyed the sympathy, and sometimes the collaboration, of broad sectors of small and medium-scale shopkeepers, white-collar workers, and the middle classes.

The positive results of the 1916 general strike and the accelerating deterioration in living conditions inspired the unions to raise the stakes. In August 1917, they called for an indefinite general strike that pursued both social and political objectives. Alongside demands related to the cost of living, unemployment, and shortages of basic needs, it also had as a declared aim the overthrow of the monarchy. The Socialists formed the central axis of a grand insurrectionary coalition, for while in the union field they had made a pact with the anarchists, in the political sphere they had had an electoral alliance with republicans since 1910. The strike was centred in urban, industrial and mining communities rather than rural areas, although there were some riots and burnings of local archives and courthouses in small villages in Extremadura, Andalusia, and Valencia. It began on 12 August and continued for five days. Support was uneven, and the result was a chaotic, disorganized movement that was less dangerous to the government than had been expected. The cabinet of the Conservative prime minister Eduardo Dato responded with extreme severity. The strike led to around 80 deaths across the country, of which a dozen were members of the security forces, as well as 150 cases of serious injury and 2,000 arrests.

After the failure of the 1917 general strike there was no diminution in the level of labour conflict, which intensified in the post-war years. The intense agrarian mobilization in Andalusia between 1918 and 1920, spearheaded principally by anarchist militants, was given the name *trienio bolchevique*, the "Bolshevik three years". Levels of conflict were also intense in the Basque iron and steel industry and the mining districts of Asturias, areas where Socialists predominated among the labour unions.

Public employees – both civilian and military – organized themselves in committees (*juntas*) that combined professional and financial demands. The *Juntas de Defensa Militar* or "Military Defence Committees" expressed the discontent of military officers based in mainland Spain over the loss of buying power of their salaries and the promotion of their colleagues who had been fighting in Morocco due to merits gained in battle, which delayed their own rise up the hierarchy. During 1917 these *Juntas de Defensa* forced the collapse of two consecutive governments, and from that time up to Miguel Primo de Rivera's (1870-1930) *coup d'état* in 1923 they would be among the leading protagonists of Spanish politics, contributing greatly to political instability.

Political and social conflict was also intense in Catalonia. The *Mancomunidad* or joint administration of the four Catalan provinces, the first regional government institution covering the whole of Catalonia

since the 18th century, had been created in April 1914, with the aim of coordinating the activities of the four provincial administrations. During the early years of the war, the *Lliga Regionalista* had sought, unsuccessfully, to endow it with political and economic powers, but the two major Spanish parties – Conservatives and Liberals – resisted conceding any greater level of real autonomy to Catalonia. In response, the *Lliga* undertook a campaign of parliamentary obstruction between 1915 and 1916. For this reason, the governments of the Liberal Party decided to close the Madrid *Cortes* for an extended period in 1917.

With the parliamentary route blocked, the *Lliga* had opted for the path of insurrection, backing the demands of the military *Juntas* who challenged the government in June 1917 and organizing an "Assembly of Parlamentarians" – an unofficial assembly of all opposition deputies barred from meeting by the suspension of the Madrid parliament – in Barcelona in July the same year. In October 1917, however, Alfonso XIII, King of Spain (1886-1941) realized that the Catalanists would not permit the normal operation of the *Cortes* so long as the Conservatives and Liberals continued to govern in exclusivity, and brought to an end the system of the *turno* or alternation in power of the two major parties – in operation since 1876 – with the formation of a coalition government made up of a range of groupings, among them two ministers from the *Lliga*. Once in government, and with the support of the *Mancomunidad* (which it controlled), the *Lliga* sought to extend the autonomy of Catalonia. In November 1918, the *Mancomunidad* presented a draft proposal setting down the basic outlines for full Catalan autonomy to the Madrid *Cortes*, which unleashed an aggressive Spanish-nationalist campaign of opposition and was not even put to debate, in the face of its flat rejection by the Castilian deputies.

In December, the government, led by Álvaro de Figueroa, Count of Romanones (1863-1950), attempted to redirect the situation more positively by creating an extra-parliamentary commission to draw up proposals for a statute of Catalan autonomy, but ultimately this commission's text proposed only a timid form of decentralization. At the same time, the *Mancomunidad* also prepared its own draft statute, which would have granted a broad level of autonomy to Catalonia. However, this was scarcely even debated in the Madrid parliament; faced with the risk of violence, the government once again closed the *Cortes*, on the pretext of the renewed intensification of social conflict. It was undoubtedly the case that the level of social violence in Catalonia relegated the demands for autonomy to a secondary level. However, the failure of all these initiatives did provoke a political changeover within Catalonia. The conservative Catalanists lost support, and subsequently the republican left would take the lead in presenting nationalist demands, including groups that openly called for independence.

The Post-war Years: Economic Crisis and Nationalist Reaction

In Catalonia, the growth in the number of strikes proceeded in parallel with the rise in armed violence between gangs made up of anarchist gunmen and others on the payroll of employers' organizations and the police. The intense level of social conflict and violence seen in these confrontations had grave repercussions for national politics; it led to the fall of more than one government, the uninterrupted suspension of constitutional rights and guarantees in Catalonia for three years between 1919 and 1922, and a reinforcement of corporatist and anti-liberal sentiments among the military garrisons stationed there. It was no accident that it was from Barcelona that General Miguel Primo de Rivera launched the coup d'état of September 1923 that liquidated the liberal monarchy.

It was not surprising that social tensions intensified 1918 onwards. As the economies of the countries formerly at war returned to a degree of normality, the Spanish economy once again had to confront foreign competition. Exports fell by 39 percent between 1919 and 1922, and Spanish products lost the positions they had recently gained in European markets. In part this was due to the revival of conventional economic activity in the states that had been engaged in the war, and in part to the fact that the currencies of many of these countries had depreciated, making Spanish products still less competitive.

Thanks to both these factors, imports returned to levels similar to those seen before 1914, and the businesses that had grown so rapidly under the influence of the conflict experienced a shattering crisis of over-production. Many companies closed; between 1919 and 1923 more than 6,000 companies went into liquidation, almost as much as half the total of all new businesses that had been founded during the war. Unemployment increased, above all in textiles, the metallurgical industries, and the branches of mining that had seen most expansion, such as coal. Prices fell, though never as far as the levels seen before the war; by 1920 Spain's general price index still stood at roughly double the level of 1913.

The sectors that were hit hardest in the post-war years carried great weight in the Spanish economy, brought together both large and small business-owners, and generated a great deal of employment. For this reason, a depressed and catastrophist mood spread through economic circles in the years following the conflict. Business interests reinforced their corporate organizations and, in a powerfully nationalistic reaction, demanded protection from the state against competition from other countries. This was necessary most of all, in their view, because the old customs duties that had given partial protection to Spanish producers before the war had been rendered obsolete, since their rates were set at specific percentages that had been devalued by inflation. Between 1920 and 1921 these rates were raised, in some cases by 100 percent.

However, there was still no clear consensus among Spanish producers on what the degree of state protection needed to be, nor on which goods it should cover. In 1922 Francesc Cambó (1876-1947), the then finance minister and a figure close to the Catalan textile industry, approved by decree a new set of tariffs with high rates that predominantly protected the Asturian mines, Basque iron and steel, and the textile sector. This measure met with the opposition of organizations that represented traders and retailers, since it made articles of everyday consumption more expensive, and from the leading spokesmen for agrarian interests, because it obstructed the import of machinery, fertilizers, gasoline, and other items necessary for the further development and modernization of agriculture. In the following months, the tariff was softened by means of bilateral treaties with the countries with which

The Great War and the Modernization of the Spanish Economy and Society

That there was a crisis after the war does not mean there was also a recession. Spain's real GDP did not decline, because the convulsions did not have the same effect on every front. The activities that suffered the most were those that had grown most vertiginously in the course of the war: agricultural production, coal, textiles, iron and steel and shipping. However, other sectors that had been held back during the war, such as construction or the export trade in citrus fruits, soon regained their earlier levels of activity.

New industries also grew stronger and expanded, such as chemical industries, the electrical sector, and the manufacture of capital goods. The fact that 1921 was the year in which most machinery was imported into Spain in the whole first half of the twentieth century indicates that the Spanish economy maintained a notable vitality in spite of the post-war crisis. These investments were possible thanks to the accumulation of capital that had occurred in the preceding years. At the same time, the service sector grew in size and diversified. Banks and insurance companies registered an exponential rise, which required new employees, while the growth of cities demanded more members of the professions. "Modern women" began to enter the liberal professions.

Despite the recovery of maritime traffic, Spanish emigration to the Americas never returned to the levels seen before the war, because the country's <u>cities</u> had more capacity to absorb the excess rural labour force. In 1900, while the majority of the population still lived in small rural communities, some 5.9 million people, representing 32 percent of the total population, were living in towns and cities of more than 10,000 people; by 1930 this figure had almost doubled, to 10.1 million, equivalent by then to 43 percent. Between these same dates Barcelona and Madrid both doubled in population, going from each having around half a million people in 1900 to a little over a million in the first case and just under a million in the latter. By 1930, between 40 and 60 percent of the population of Spain's provincial capitals had been born outside the respective cities. Migration to the cities transformed the structure of the working population. In 1900 66 percent had worked in agriculture; by 1930 this figure had fallen to 45.5 percent. At the same time, the proportions of workers in industry and construction had grown from 16 to 26.5 percent, and those of service sector employees from 17.7 to 28 percent.

Conclusion

Despite the country's declaration of neutrality, the Great War strongly impacted the Spanish economy. A notable degree of consensus exists in Spanish historiography on the existence of a causal relationship between the economic changes and the social transformations that occurred in this period. The belligerent countries, which had traditionally been exporters, had to pour all their strength into the war effort, and became importers of raw materials, foodstuffs and manufactured goods. Spain, like other neutral countries, went through a process of import substitution, as products Wartime and Post-war Societies (Spain) - 1914-1918-Online

that had previously been acquired from abroad began to be made in the country in large quantities. The Spanish economy experienced extraordinary growth.

Not everyone, however, benefitted from this boom. The massive exports of foodstuffs and raw materials and the increase in prices aided by speculation provoked constant shortages of basic necessities and a rise in living costs that was highly damaging to wage-earners. At the same time, activities that had generated high levels of employment, such as construction, were paralysed by the increased exports of basic materials, and large reservoirs of the unemployed were created. Against this background, levels of social conflict grew considerably during the Great War, and gave rise to two major general strikes. Conflicts and social tensions would remain acute during the post-war period, when the traditional channels of global trade and production were re-established, and many of the companies that had experienced sudden growth during the war were obliged to close down or reduce their work forces.

Nevertheless, beyond the harsh effects of the post-war crisis, the Great War had given a considerable impulse to a process of economic and social modernization. Many years ago, historians of culture coined the phrase the "Silver Age of Spanish Culture" to describe the intellectual and literary environment in the first third of the twentieth century. In addition, and in spite of the many shadings of dark and light in the period, the historians Albert Carreras and Xavier Tafunell have suggested that the First World War also marked the beginning of a "silver age for the Spanish economy".^[3] Ten years after the war's end the percentage of workers employed in the agricultural sector across Spain fell for the first time below 50 percent, an unequivocal sign of modernization.

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Notes

- 1. † Quoted in Burgos y Mazo, M.: Vida política española. Páginas históricas de 1917, Madrid 1919, p. 174.
- Meaker, G.H.: A Civil War of Words. The Ideological Impact of the First World War on Spain, 1914–1918, in: Schmitt, H.A.: Neutral Europe between War and Revolution, 1917–1923. Charlottesville 1988, pp. 1-66.
- 3. ↑ Carreras, A. / Tafunell, X.: Historia Económica de la España contemporánea. Barcelona 2003, p. 223.

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