

Social Welfare Policies in  
Non-Democratic Regimes:  
The Development of Social Insurance  
Schemes in Franco's Spain  
(1936-1950)

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*For María José*

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# Abstract

In the 1930s and 1940s, different social welfare models were at the disposal of policy-makers of non-democratic countries. However, although social security models were being debated and advocated by experts and policy-makers, the non-democratic regimes of Latin America and Southern Europe only set up limited social insurance schemes, aimed at protecting particular groups of people, resulting in very fragmented management systems.

Neither the welfare state literature nor the research on non-democratic regimes have attempted to explain why non-democratic regimes failed to set up comprehensive social security systems. Drawing on so-far unknown primary sources, this thesis examines the development of Social Insurance Schemes in Franco's Spain between 1936 and 1950. It studies the policy processes that led to the passing of each social insurance scheme and the evolution of the institution in charge of the social insurance system, the *Instituto Nacional de Previsión (INP)*.

By using a framework for the analysis of the policy-making process in non-democratic regimes, this thesis will show how political institutions of the Francoist regime shaped the resources of those actors (mainly Falangists and Social Catholics) involved in the power struggle for the control of the social insurance system. These institutions were: 1) the ministerial decrees and orders as the methods of passing legislation, 2) the bypassing of the Council of Ministers, 3) the absence of regulations within the Ministry of Labour, 4) the marginalisation of the Council of State and 5) the lack of formal procedures to resolve jurisdictional conflicts, and 6) the possibility ministers had to pass regulations.

These permitted Falangist Labour Minister Girón de Velasco to manoeuvre to achieve *Falange's* goals at the time the party was being put at the service of the state. The National Office of Syndicates competed with the *INP* for control of the social insurance system. The result was a highly complex and fragmented system of overlapping schemes provided by several organisations rather than a comprehensive social insurance scheme.

# Glossary



<b>Academy of Judicial Law and Legislation</b>	<b>Academia de Jurisprudencia y Legislación</b>
<b><i>ACNdeP</i> –Catholic National Association of Propagandists</b>	<b>Asociación Católica Nacional de Propagandistas</b>
<b>Additional Provisions</b>	<b>Disposiciones Adicionales</b>
<b>Alfonsines</b>	<b>Alfonsinos</b>
<b>Anti-tuberculosis National Fund</b>	<b>Patronato Nacional Antituberculoso</b>
<b>Associated Funds</b>	<b>Cajas Colaboradoras</b>
<b>Autarky</b>	<b>Autarquía</b>
<b>Birth Prizes</b>	<b>Premios a la Natalidad</b>
<b>Black Two Years of the Second Republic</b>	<b>Bienio Negro de la Segunda República.</b>
<b>Board of Trustees of the <i>INP</i></b>	<b>Consejo de Patronato del INP</b>
<b><i>BOE</i> –Official Bulletin of the State</b>	<b>Boletín Oficial del Estado</b>
<b>Cabinet Committees</b>	<b>Comisiones Delegadas del Gobierno</b>
<b>Carlists</b>	<b>Carlistas</b>
<b>Castilian Groups of Hispanic Action</b>	<b>Juntas Castellanas de Actuación Hispánica</b>
<b>Central Service of Labour Mutual Aid Insurance Institutions</b>	<b>Servicio Central de Mutualidades y Montepios Laborales</b>
<b>Charity Protection Fund</b>	<b>Fondo de Protección Benéfico Social</b>
<b>Chief of Administration</b>	<b>Jefe de Administración</b>
<b>Chief of Government</b>	<b>Jefe de Gobierno</b>
<b>Chief of State</b>	<b>Jefe de Estado</b>
<b>Chief of the National Movement</b>	<b>Jefe del Movimiento Nacional</b>
<b>Chief of the National Service of Social Insurance</b>	<b>Jefe del Servicio Nacional de Previsión</b>
<b>Children Mutual Insurance Institutions</b>	<b>Mutualidades Escolares</b>
<b>Civil Governor</b>	<b>Gobernador Civil</b>
<b>College of Dentists</b>	<b>Colegio de Odontólogos</b>
<b>College of Practitioners</b>	<b>Colegio de Practicantes</b>
<b><i>CNPS</i>- National Commission for Social Insurance</b>	<b><i>CNPS</i>- Comisión Nacional de Previsión Social</b>
<b>Commander-in-Chief of the Armed Forces</b>	<b>Generalísimo de las Fuerzas Armadas de Tierra, Mar y Aire</b>
<b>Commission of Social Reforms</b>	<b>Comisión de Reformas Sociales</b>
<b>Company Committees of Employers and Employees</b>	<b>Comités Paritarios</b>
<b>Company Juries</b>	<b>Jurados de Empresa</b>
<b>Comprehensive Social Insurance Scheme</b>	<b>Seguro Total</b>
<b>Conference on People's Social Insurance</b>	<b>Conferencia sobre Previsión Popular</b>
<b><i>Cortes</i> –The Francoist Parliament</b>	<b>Las Cortes</b>
<b>Council Delegate</b>	<b>Consejero-Delegado</b>
<b>Council of Charity</b>	<b>Consejo Superior de Beneficencia</b>
<b>Council of Health</b>	<b>Consejo Superior de Sanidad</b>
<b>Council of Hispanic Identity</b>	<b>Consejo de la Hispanidad</b>
<b>Council of Ministers</b>	<b>Consejo de Ministros</b>
<b>Council of National Economy</b>	<b>Consejo de Economía Nacional</b>
<b>Council of National Education</b>	<b>Consejo de Educación Nacional</b>
<b>Council of Public Works</b>	<b>Consejo de Obras Públicas</b>
<b>Council of Regency</b>	<b>Consejo de Regencia</b>
<b>Council of State</b>	<b>Consejo de Estado</b>
<b>Council of the Kingdom</b>	<b>Consejo del Reino</b>
<b>Conquest of the State, the Decree</b>	<b>La Conquista del Estado</b>
<b>Decree-Law</b>	<b>Decreto</b>
	<b>Decreto-Ley</b>

<b>Decree of the Presidency of the Government</b>	<b>Decretos de la Presidencia de Gobierno</b>
<b>Development Plans</b>	<b>Planes de Desarrollo</b>
<b>Diplomatic Cabinet Office</b>	<b>Jefatura del Gabinete Diplomático</b>
<b>Executive Committee of the <i>INP</i></b>	<b>Junta de Gobierno del INP</b>
<b><i>Falange –The Phalanx</i></b>	<b>Falange</b>
<b><i>Falange's</i> Syndical Council</b>	<b>Consejo Sindical de Falange</b>
<b>Family Plus</b>	<b>Plus Familiar</b>
<b>Family Subsidies Scheme</b>	<b>Subsidios Familiares</b>
<b><i>FET de las JONS</i>- Spanish Traditionalist Phalanx of the Groups for the National Syndical Offensive</b>	<b>FET de las JONS – Falange Española Tradicionalista de las Juntas de Ofensiva Nacional Sindicalista</b>
<b><i>FET de las JONS</i> National Council</b>	<b>Consejo Nacional de FET de las JONS</b>
<b>First Draft of a Bill</b>	<b>Anteproyecto de Ley</b>
<b>Foreign Affairs Office</b>	<b>Secretaría de Relaciones Exteriores</b>
<b>Fundamental Laws</b>	<b>Leyes Fundamentales</b>
<b>General Assembly of the <i>INP</i></b>	<b>Asamblea General del INP</b>
<b>General Commissariat of Resources and Transport</b>	<b>Comisaría General de Abastecimientos y Transporte</b>
<b>General Council of Doctors</b>	<b>Consejo General de Médicos</b>
<b>General Council of Pharmacists</b>	<b>Consejo General de Farmacéuticos</b>
<b>General Director</b>	<b>Director General</b>
<b>General Director of Social Insurance</b>	<b>Director General de Previsión</b>
<b>General Director of Labour</b>	<b>Director General de Trabajo</b>
<b>General Directorate</b>	<b>Dirección General</b>
<b>General Directorate of Charity</b>	<b>Dirección General de Beneficencia</b>
<b>General Directorate of Health</b>	<b>Dirección General de Sanidad</b>
<b>General Directorate of Labour</b>	<b>Dirección General de Trabajo</b>
<b>General Directorate of Private Insurance</b>	<b>Dirección General de Seguros</b>
<b>General Directorate of Social Insurance</b>	<b>Dirección General de Previsión</b>
<b>General Directorate of Studies and Programmes</b>	<b>Dirección General de Estudios y Planteamientos</b>
<b>General Secretary of the Chief of State</b>	<b>Secretaría General del Jefe del Estado</b>
<b>General Secretary of the Movement</b>	<b>Secretario General del Movimiento</b>
<b>General Secretariat of the Movement</b>	<b>Secretaría General del Movimiento</b>
<b>Governing Body of the <i>INP</i></b>	<b>Consejo de Administración del INP</b>
<b>Ibero-American Social Security Organisation</b>	<b>Organización Iberoamericana de Seguridad Social</b>
<b>Industrial Tribunals</b>	<b>Magistraturas de Trabajo</b>
<b><i>INP</i> –National Institute of Social Insurance</b>	<b>INP – Instituto Nacional de Previsión.</b>
<b>Institute of Agrarian Reform</b>	<b>Instituto de Reforma Agraria</b>
<b>Institute of Medicine and Security at Work</b>	<b>Instituto de Medicina y Seguridad en el Trabajo</b>
<b><i>IRS</i> –Institute of Social Reforms</b>	<b>IRS – Instituto de Reformas Sociales</b>
<b><i>JONS</i>- Groups for the National Syndical Offensive</b>	<b>JONS- Juntas de Ofensiva Nacional Sindicalista</b>
<b>Labour Charter</b>	<b>Fuero del Trabajo</b>
<b>Labour Mutual Aid Insurance Institutions</b>	<b>Mutualidades Laborales</b>
<b>Labour Regulations</b>	<b>Reglamentaciones de Trabajo</b>
<b>Labour Tribunal</b>	<b>Magistratura de Trabajo</b>
<b>Labour Universities</b>	<b>Universidades Laborales</b>
<b>Law for Regulating the Referendum</b>	<b>Ley de Referéndum Nacional</b>
<b>Law of Bases of the Syndical</b>	<b>Ley de Bases de la Organización Sindical</b>



<b>Organisation</b>	
<b>Law of Forced Expropriation</b>	Ley de Expropiación Forzosa
<b>Law of Industries of National Interest</b>	Ley de Industrias de Interés Nacional
<b>Law of Jurisdictional Conflicts</b>	Ley de Conflictos Jurisdiccionales
<b>Law of Litigious-Administrative Jurisdiction</b>	Ley de Jurisdicción Contencioso-Administrativa
<b>Law of Local Authorities</b>	Ley de Bases de Régimen Local
<b>Law of Modification of the General Administration of the State</b>	Ley de Modificación de la Administración General del Estado
<b>Law of Organisation and Defence of the Industry</b>	Ley de Ordenación y Defensa de la Industria
<b>Law of Political Responsibilities</b>	Ley de Responsabilidades Políticas
<b>Law of Repression of Masonry and Communism</b>	Ley de Represión de la Masonería y el Comunismo
<b>Law of State Security</b>	Ley de la Seguridad del Estado
<b>Law of Succession</b>	Ley de Sucesión
<b>Law of Syndical Unity</b>	Ley de Unidad Sindical
<b>Law of the Legal System of the State Administration</b>	Ley de Régimen Jurídico de la Administración del Estado
<b>Leader</b>	Caudillo
<b>Leader of the National Movement</b>	Jefe del Movimiento Nacional
<b>Management Committees</b>	Comisiones Gestoras
<b>Military Uprising</b>	Alzamiento
<b>Minister-General Secretary of the Movement</b>	Ministro-Secretario General del Movimiento
<b>Minister Under-Secretary of the Office of the Government of State</b>	Ministro-Subsecretario de la Presidencia
<b>Ministerial Orders</b>	Órdenes Ministeriales
<b>Ministry of Agriculture</b>	Ministerio de Agricultura
<b>Ministry of Air Force</b>	Ministerio del Aire
<b>Ministry of Army</b>	Ministerio de Tierra
<b>Ministry of Education</b>	Ministerio de Educación
<b>Ministry of Finance</b>	Ministerio de Hacienda
<b>Ministry of Foreign Affairs</b>	Ministerio de Asuntos Exteriores
<b>Ministry of Home Affairs</b>	Ministerio de Gobernación
<b>Ministry of Industry and Commerce</b>	Ministerio de Industria y Comercio
<b>Ministry of Justice</b>	Ministerio de Justicia
<b>Ministry of Public Works</b>	Ministerio de Obras Públicas
<b>Ministry of Labour</b>	Ministerio de Trabajo
<b>Ministry of Navy</b>	Ministerio de la Armada
<b>Ministry of Tourism and Information</b>	Ministerio de Información y Turismo
<b>Ministry of Syndical Organisation and Action</b>	Ministerio de Organización y Acción Sindical
<b>Mutual Aid Insurance Institutions</b>	Mutualidades y Montepíos
<b>National Advisory Commission of Employers and Workers</b>	Comisión Asesora Nacional Patronal y Obrera
<b>National Board of Trustees for Fighting Tuberculosis</b>	Patronato Nacional de Lucha Antituberculosa
<b>National Central Syndicates</b>	Centrales Sindicales Nacionalistas
<b>National Confederation of Institutions of Social Insurance</b>	Confederación Nacional de Entidades de Previsión Social
<b>National Chief of Law and Propaganda of <i>FET de las JONS</i></b>	Jefe Nacional de Prensa y Propaganda de FET de las JONS
<b>National Chief of the <i>SOE</i></b>	Jefe Nacional del SOE
<b>National Council of the Movement</b>	Consejo Nacional del Movimiento



<b>National Defence Council</b>	Junta de Defensa Nacional
<b>National Delegate of Ex-Combatants</b>	Delegado Nacional de Ex-Combatientes
<b>National Delegate of Syndicates</b>	Delegado Nacional de Sindicatos
<b>National Fund Against Unemployment</b>	Caja Nacional contra el Paro Forzoso
<b>National Fund of Family Subsidies</b>	Caja Nacional de Subsidios Familiares
<b>National Fund of Professional Illnesses Insurance Scheme</b>	Caja Nacional de Seguro de Enfermedades Profesionales
<b>National Fund of the Old Age and Disability Insurance Scheme</b>	Caja Nacional de Seguro de Vejez e Invalidez
<b>National Fund of the Sickness Insurance Scheme</b>	Caja Nacional de Seguro de Enfermedad
<b>National Fund of Working Injuries Insurance Schemes</b>	Caja Nacional de Seguros de Accidentes del Trabajo
<b>National Institute of Housing</b>	Instituto Nacional de la Vivienda
<b>National Institute of Industry</b>	Instituto Nacional de Industria
<b>National Institute of Settlement-Building</b>	Instituto Nacional de Colonización
<b>National Office of the <i>SOE</i></b>	Jefatura Nacional del SOE
<b>National Office of Syndicates</b>	Delegación Nacional de Sindicatos
<b>National Schemes for Social Insurance</b>	Regímenes Nacionales de Previsión (Argentina)
<b>National Secretariat of Charity</b>	Secretariado Nacional de Caridad
<b>National Service for Wheat Production</b>	Servicio Nacional de Trigo
<b>National Service of Employment and Labour Force Organisation</b>	Servicio Nacional de Colocación y Encuadramiento
<b>National Syndicate of Insurance</b>	Sindicato Nacional del Seguro
<b>National Working Injuries Scheme Fund</b>	Caja Nacional de Seguros de Accidentes del Trabajo
<b>Occupation-based Insurance Schemes</b>	Seguros Profesionales
<b>Office of the Chief of Government</b>	Presidencia de Gobierno
<b>Official Property Chambers</b>	Cámaras Oficiales de la Propiedad
<b>Old Age Homage Prize</b>	Homenajes a la Vejez
<b>Old Age Compulsory Retirement Scheme</b>	Retiro Obrero Obligatorio
<b>Old Age Insurance Scheme</b>	Seguro de Vejez
<b>Orders agreed at the Council of Ministers</b>	Órdenes acordadas en el Consejo de Ministros
<b>Pay-as-you-go</b>	Régimen de Reparto
<b>Political Committee of <i>FET de las JONS</i></b>	Junta Política de FET de las JONS
<b>Power to issue regulations</b>	Potestad Reglamentaria
<b><i>Procuradores</i> –Deputies, Members of Parliament</b>	Procuradores de las Cortes
<b>Professional Illnesses Insurance Scheme</b>	Seguro de Enfermedades Profesionales
<b>Provincial Advice Councils</b>	Consejos Asesores Provinciales
<b>Provincial Offices</b>	Delegaciones Provinciales
<b>Regenerationism</b>	Regeneracionismo
<b>Regulations</b>	Reglamentos
<b>Regulations of Activities of Assistance</b>	Estatuto de la Función Asistencial
<b>Regulation of Services of the Ministry of Labour</b>	Reglamento de Servicios del Ministerio de Trabajo
<b>Restoration</b>	La Restauración
<b>Royal Academy of Medicine</b>	Real Academia de Medicina
<b>Royal Academy of Moral and Political Sciences</b>	Real Academia de las Ciencias Morales y Políticas
<b>Rural Brotherhood Associations</b>	Hermandades Rurales
<b>Savings Banks</b>	Cajas de Ahorro

<b>Secretary General</b>	<b>Secretario General</b>
<b>Self-Employed Workers</b>	<b>Trabajadores Autónomos</b>
<b>Sickness Insurance Scheme</b>	<b>Seguro de Enfermedad</b>
<b>Social Insurance</b>	<b>Previsión Social</b>
<b>Social Insurance Schemes</b>	<b>Seguros Sociales</b>
<b>Social Institute of Fishermen</b>	<b>Instituto Social de la Marina</b>
<b>Social Insurance Reservoirs</b>	<b>Cotos Sociales de Previsión</b>
<b>Social Question</b>	<b>La Cuestión Social</b>
<b>SOE- Compulsory Sickness Insurance Scheme</b>	<b>SOE- Seguro Obligatorio de Enfermedad</b>
<b>SOVI- Old Age and Disability Insurance Scheme</b>	<b>SOVI –Seguro Obligatorio de Vejez e Invalidez</b>
<b>Spanish People's Charter</b>	<b>Fuero de los Españoles</b>
<b>Spanish University Syndicate</b>	<b>Sindicato Español Universitario</b>
<b>Special Office of the National Plan of Hospital Building of the SOE</b>	<b>Comisaría Especial del Plan Nacional de Instalaciones Sanitarias del SOE</b>
<b>Special Scheme for Household Workers</b>	<b>Régimen Especial de los Trabajadores Domésticos</b>
<b>Special Scheme of Social Insurance for Fishermen</b>	<b>Régimen Especial de Seguros Sociales a los Pescadores</b>
<b>Special Scheme of Subsidies and Insurance for the Agricultural Sector</b>	<b>Régimen Especial de Subsidios y Seguros Sociales en la Agricultura</b>
<b>State Technical Committee</b>	<b>Junta Técnica del Estado</b>
<b>Sub-Committee</b>	<b>Ponencia</b>
<b>Subsidy against Forced Unemployment</b>	<b>Subsidio contra el Paro Forzoso</b>
<b>Syndical Central Committee</b>	<b>Junta Central Sindical</b>
<b>Syndical Council</b>	<b>Consejo Sindical de Falage</b>
<b>Syndical Foundation</b>	<b>Obra Sindical</b>
<b>Syndical Foundation for Fighting Unemployment</b>	<b>Obra Sindical de Lucha contra el Paro</b>
<b>Syndical Foundation for Housing</b>	<b>Obra Sindical del Hogar</b>
<b>Syndical Foundation for Settlement-Building</b>	<b>Obra Sindical de Colonización</b>
<b>Syndical Foundation for Social Insurance</b>	<b>Obra Sindical de Previsión Social</b>
<b>Syndical Foundation of 18 July</b>	<b>Obra Sindical 18 de Julio</b>
<b>Syndical Organisation</b>	<b>Organización Sindical</b>
<b>Tax on Inheritance</b>	<b>Recargo sobre las Herencias</b>
<b>Technical General Secretary</b>	<b>Secretario General Técnico</b>
<b>Temporary Provisions</b>	<b>Disposiciones Temporales</b>
<b>Traditionalist Communion</b>	<b>Comunión Tradicionalista</b>
<b>Under-Secretary</b>	<b>Subsecretario</b>
<b>Under-Secretary of Labour</b>	<b>Subsecretario de Trabajo</b>
<b>Under-Secretary of the Office of the Government of State</b>	<b>Subsecretario de la Presidencia de Gobierno</b>
<b>Unemployment Benefit Insurance Scheme</b>	<b>Seguro de Paro</b>
<b>Unemployment Law</b>	<b>Ley contra el Paro</b>
<b>Vertical Syndicates</b>	<b>Sindicatos Verticales</b>
<b>Vice-Presidency</b>	<b>Vicepresidencia de Gobierno</b>
<b>Youth Front</b>	<b>Frente de Juventudes</b>
<b>War Secretary</b>	<b>Secretaría de Guerra</b>
<b>Women's Section</b>	<b>Sección Femenina</b>
<b>Working Injuries Clinic</b>	<b>Clínica de Accidentes del Trabajo</b>
<b>Working Injuries Insurance Scheme</b>	<b>Seguro de Accidentes del Trabajo</b>

***\*\*Please note that, when I quote from Spanish-language source books, I am using my own translations only, for reasons of brevity.***

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# Introduction

In the decades of 1930s and 1940s, there was a wave of social reform all over the world, provoking the development of institutions of social welfare that were already in place as well as the introduction of new means of social insurance. Thus, Bismarckian social insurance schemes expanded, aiming to cover more people and more social risks, becoming more generous and better co-ordinated each one of them with the rest of the schemes in administrative terms. At the same time, the idea that, ultimately, the aim of social welfare is to protect the entire population against all possible social risks by the implementation of comprehensive and complete social security systems, gained ground. The best-known plan which put in place this idea was drafted by William Beveridge, but it was not, however, the only one considered at the time.

So it was then that countries started following what can be broadly described as two different paths of social protection: one provided by social insurance schemes (independent of each other, fragmented management undertaken by several frequently competing organisations, low coverage of population and social risks and relying solely on workers' and employers' contributions) and another by a social security system (comprehensive with regard to social risks, administratively unified, covering the entire population and with high levels of state funding via state-provided contributions additional to those of workers and employers or via general taxation).

This wave of social reform was widespread, in part thanks to the enthusiastic work of international organisations that spread ideas among social and political elite groups around the world. The entry of these innovative ideas and policy solutions into national political agendas led in many cases to new legislation and the implementation of policies. This happened not only in developed western democracies but also in countries which, at the time, were suffering with non-democratic political regimes, or were developing countries whose low economic and social conditions made the setting up of public modern social welfare systems a highly difficult enterprise.

All the non-democratic regimes that were then in place in Latin America and Southern Europe set up (or, at least, tried to set up) social welfare systems. Policy

innovations implemented around the world were known about and different elite groups advocated different social welfare systems –from the more conservative and minimal to the most radical and generous in terms of benefits, coverage and organisation. But, although different policies and solutions were known about and alternative plans were proposed and discussed, none of those political regimes ended up implementing social security systems but social insurance schemes along Bismarckian lines, of modest coverage, fragmented management, separation of social risks and very limited state participation in their funding (relying basically on workers' and employers' contributions).

This thesis will focus only on one case-study –the Francoist regime in Spain- and will explain why the regime pursued the introduction of social welfare measures, but most importantly, why the social insurance model was implemented instead of the social security one. Although reality is always much more complex than our scientific accounts, the most satisfactory explanation points to the role of non-democratic institutions shaping the policy-making process.

The literature on the origins and development of the welfare state has offered multiple theories and explanatory models. My research starts by reviewing this literature. However, these theories and hypotheses have arisen from the study of wealthy western democracies, so their usefulness here is quite limited. Non-democratic regimes have not attracted the interest of researchers of the welfare state. However, my second aim when looking at this literature is to find at least some way of approaching the topic, even if the literature itself has not done it. The Neo-Institutional approach offers, in my opinion, the best way of explaining the processes of non-democratic welfare states origin and development, providing us with a sound theoretical and analytical framework.

The very first obvious hypothesis is that the nature of the political regime and its political institutions bear some kind of responsibility for policy outputs and outcomes. The institutions of the political regime become, therefore, the independent variable. This way, we can study the Francoist policy process that led to the creation of social insurance schemes. How did the policy process within the regime occur and how did it shape policy outputs?



What was the reason for the creation of several social insurance schemes instead of a unified social security system? Thus, progressively, my research moves from the literature on the welfare state to the public policy discipline, in order to develop my theoretical model. The debate among the Schools within the discipline has moved around the three major elements that form the policy process: ideas, the interests of the actors and institutions. My choice is that, although I acknowledge the role of ideas and the power of interests, these two interact within a framework of institutions. In addition, previous institutions (such as laws, policies, public bodies or traditions) set the path for future political developments -what is known as path-dependence.

The next step is to identify the basic *institutions* that constitute the non-democratic political regime, when compared to a democratic political regime. The literature on political regimes seems to agree on the democratic characteristics which a non-democratic regime lack, which basically are:

- Lack of formal and real civic and political rights;
- Lack of free and public political elections;
- Lack of free public discussion (free media, the right to defend political ideas in public);
- Lack of free political parties which compete in elections for power;
- Lack of legal and real separation of powers (through a proper system of check and balances).

But this same literature cannot agree on the non-democratic characteristics that make up the non-democratic regime. The level of political pluralism, the role of the single party, the centralisation of power in a charismatic leader, the method of interest aggregation and elite recruitment, the role of the army, the freedom of the media, the use of political repression and violence or the ideological commitment of the regime are the elements around which endless debates have dominated the field.

However, I believe it is necessary to go one step down along the scale of abstraction and identify how these “absences” (of rights, elections, public opinion, parties and separation

of power) are translated in each particular case. By themselves, these characteristics just point to very abstract effects on the policy process and are not very useful in attempting to understand it. In regard to the debates, it is my belief that we do not need to engage with them in this thesis. I am not trying to prove that “authoritarian” regimes created a concrete model of social welfare, while “totalitarian” ones opted for another model and “democracies” implemented social security systems. My division is between democratic and non-democratic regimes and how characteristics of non-democratic political institutions shaped the policy process to produce certain policy outputs. I believe that these characteristics change from one regime to another or within the same regime over time. Actually, the example of the Francoist regime given above shows that the same regime set up first social insurance schemes and twenty years later a social security system. In the meantime, political institutions changed the way the policy process performed. My concern is with those specific political institutions which may very well vary among non-democratic regimes.

Thus, what has been said up to now forms the theoretical section of the thesis. Chapter One gives a comparative overview of social welfare policies in the 1940s around the world, mainly in Latin America and Europe. Chapter Two reviews the literature on the theory of the welfare state, while Chapter Three develops a theoretical framework which will be later used to analyse the non-democratic policy process of the case study and reviews the literature on political regimes. The rest of the chapters (Four to Eight) deal with the empirical part, the analysis of the case study -the creation of Francoist social insurance schemes between 1936 and 1950.

The main reason for my choice of just a single case study is the limitations imposed by the lack of similar research. My review of the literature on the welfare state, on policy processes and on political regimes shows that my study is quite unique. I am exploring a topic that, to my knowledge, has not been researched to any degree with regard to other non-democratic regimes. Thus, although truly believing in the possibilities of my research for comparative purposes, I myself cannot undertake it at this stage.

The case-study of this thesis, as I have already said, will be the social insurance schemes created by Franco's regime in Spain between 1936 and 1950. Why did Francoism adopt such a social welfare model instead of the Social Security system that was being discussed elsewhere and that was being advocated by some elite groups within the regime? My argument is that the non-democratic nature of Francoism explains this choice for a model of social insurance schemes with limited coverage, low social benefits, uncoordinated schemes and management fragmented among several institutions.

I thus apply the theoretical model developed in Chapter Three to the Spanish case. For the Neo-Institutional approach, there are path-dependence effects of previous institutions that shape the prevailing policy process. Chapter Four narrates the history of the Spanish welfare state since 1900 when the first social insurance scheme was introduced. The Francoist regime received institutional legacies with regard to social insurance, particularly a few social insurance schemes and the public body in charge of the whole system, the *INP* (*Instituto Nacional de Previsión*- National Institute of Social Insurance)

Francoism was a coalition of social groups that held different and in many cases opposed interests. These groups are commonly known as the "families" of the regime. Each family battled for power and control of different policy sectors at different moments, motivated by changeable interests. The social policy sector was the battleground for the power struggle between Falangists and Social Catholics, each one controlling different institutions of the regime. Falangists controlled the Ministry of Labour and the Syndical Organisation, while Social Catholics were present in the *INP*. Other institutions such as the General Directorate of Health or the National Board of Trustees for Fighting Tuberculosis had fewer resources in this struggle. Even more, individuals also played a crucial role and it is necessary to identify the personal motivations of people like José Antonio Girón de Velasco, the Minister of Labour, or Luis Jordana de Pozas, General Director of the *INP* during almost the whole period studied here.

Foreign ideas for social reform also squeezed into these elite groups and institutions, providing policy solutions and innovations. Contrary to what we might have thought, elite



groups within the regime in the most autarkic phase of Francoism were well aware of policy developments across the world. Thus, Chapter Five studies both the role of ideas and interests of the actors.

Chapter Six is dedicated to the analysis of political institutions. It starts by reviewing the historical evolution of governments and cabinet reshuffles from 1936 to 1951. Then, it looks at political institutions of the regime such as the Chief of State and Chief of Government, the position of Ministers in the policy process and the Council of Ministers, the National Movement and the Syndical Organisation and the most important consultative bodies.

Thus, the Francoist regime put in place a set of political institutions that were clearly a reflection of its non-democratic nature. In Franco's Spain, political parties were banned and no elections were held. There was no such a thing as free public opinion. Political repression and violence was used against any possible political opposition. There was no separation of power, as Franco retained both legislative and executive powers. But more specific institutions shaped more directly the policy process, which was highly centralised in the Minister for each policy sector and was very ill-defined when it came to roles and jurisdictional competence. The most important section of this chapter spells out what I consider to be the six institutions which shaped the process of social insurance policy-making:

1. The absence of regulations within the Ministry of Labour.
2. The report by the Council of State was not a compulsory requirement for passing legislation.
3. The Council of Ministers performed a technical-administrative function.
4. The use of decrees and ministerial orders as the method of passing legislation.
5. The lack of formal procedures for resolving jurisdictional conflicts among departments and public bodies.
6. Ministers were granted the prerogative of passing regulations.

The outputs – that is, the social insurance schemes set up – are described in Chapter Seven. The first section of the chapter analyses each particular insurance scheme and other voluntary schemes that were established. In addition, it also considers the path-dependent effect of the taxation system as it imposed limitations on the possibilities of expanding the social welfare model. In the second section, by consulting fundamentally primary sources, I have reconstructed the evolution of the INP between 1936 and 1950 and the power struggles for their control. The *FET de las JONS* fought hard to monopolise the Francoist social welfare system, through the Ministry of Labour after it fell into the hands of Falangist José Antonio Girón de Velasco. Another Falangist organisation, the Syndical Organisation, dreamt of fully controlling the whole management of the social welfare system. As it is described in Chapter Five, *FET de las JONS* was trying to acquire spheres of influence within the state, at the same moment the party and its dependent institutions were being put at the service of the state. The way of doing this was by duplicating the state institutions and public bodies with its party parallels. This explains the duplication and fragmentation of social welfare institutions as analysed in Chapter Seven.

The same struggle can be seen when analysing the policy processes that led to the passing of each social insurance scheme. This is the aim of the last chapter of the thesis. Again, by drawing from original and unpublished materials, I explain how the five non-democratic political institutions shaped the policy processes.

In doing this, the thesis will also review some of the hypotheses that the literature on the Spanish welfare state holds as most probable (and that will be explained in Chapter Four with detail). The first one is that the Catholic Church cannot be made responsible for the backwardness of the Spanish welfare state. On the contrary, Catholic thought and Social Catholic people were very pro-active in developing welfare institutions.

Secondly, Falangist Minister Girón de Velasco cannot take all the merit and the only merit for the creation of social welfare institutions during these years of the Francoist regime. Analysis of his motivations reveals that he held a political agenda (the conquest of spheres of influence for *Falange* within the state) that developed as much as blocked the

development of a modern social welfare system. He might have pushed for the creation of the Compulsory Sickness Insurance Scheme, for example, but by allowing the Syndical Organisation to take part in the running and implementation of the scheme, he fragmented the management into different institutions. The Labour Mutual Aid Insurance Institutions and other examples show this ambivalent role of Minister Girón de Velasco.

Thirdly, what in my opinion explains the inability of the Francoist social welfare system to imitate the innovations producing a more comprehensive and universal Social Security model was not factors such as the Catholic culture, the dire economic situation after the Civil War or the lack of a labour movement. Above all, what explains the Francoist regime was being held up on the social insurance model was the role exerted by political institutions of the non-democratic regime, which shaped the power struggle between families of the regime.

# **Chapter 1**

## **Social Security and Social Insurance Models in the 1940s**



During the late 1930s and 1940s, the world saw a proliferation of ideas and plans of social welfare<sup>1</sup>. It was a sort of “soup of ideas” that attracted the attention of many policy makers and led to the establishment of different welfare institutions in countries with very different political regimes. If at the end of the nineteenth century and the beginning of the twentieth a first wave of social reform had already occurred in Europe, a second one was now coming with more impetus, reaching more countries, involving international organisations and producing a wider spectrum of initiatives, thus expanding the choices at the disposal of policy-makers.

The type of policy reforms varied along a continuum that ranged from a social risk-centred system of social welfare for workers, with multiple and independent insurance schemes and fragmented management organisation to a universalistic, integrated and citizenship rights based system of social welfare under the control of a single public institution. The former resembled the social insurance schemes introduced by Bismarck in Germany by the end of the nineteenth century. The latter, in what came to be called “social security”, was based on radically different principles.

The setting up of modern social insurance schemes and even more, social security systems, meant a radical departure from the way state and society related, in the understanding of the role and functions of the state (mainly state intervention in new spheres

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<sup>1</sup> Concepts like “social welfare”, “social protection”, “welfare policy”, “social security” and “social insurance” will frequently appear in this essay. When referring to the general aim of states and society in order to protect the welfare of their individuals, the term “social welfare” will be used. When more specifically, the tool used to achieve that general aim is meant, “welfare policy” or “social policy” will be used. In this sense, all modern countries (no matter whether they are democracies or non-democracies) have a sort of “social welfare” aim, whatever it may be, and have implemented their own “welfare policies”. Although the type and number of welfare areas available to the state to intervene has increased especially in the last fifty years, the primitive core of “social welfare” has been the protection of individuals against the risk of income loss (for example, due to sickness, old age, unemployment). This public system of workers’ income maintenance, health assistance and certain personal social services (Guillén, 1997: 151) has been called since the beginning of the twentieth century “social prevision” (as it is the case in Spain, Portugal or all of Latin America). Nowadays, we call this “social insurance”. It was from the 1940s onwards when a more comprehensive and advanced system of income maintenance, health assistance and social services developed in different countries, receiving the name of “social security”. My concern here is not with housing, education, labour policies or family policies (all of them considered today to be, together with “social security”, within the scope of the “welfare state”). Instead, I will be referring mainly to “social insurance schemes”.



of the economic and social life) and the public administration. At a more practical level, things such as the way of organising tax revenue and contributory systems, generating statistical information and distributing benefits for a growing number of citizens also changed.

As the new “social security” model started to be successfully implemented in some affluent democracies from the mid 1940s onwards, policy learning and diffusion processes commenced to spread among countries within the same geographical area or with common cultural and historical roots. The more successful these new experiences were in protecting the citizens against social risks (and in raising popular support for these policies which in the case of a democracy means votes), the more they created a desire for imitation. The aim of establishing such a comprehensive welfare system spread all over the world, or in the words of one Spanish policy-maker at the time, ‘the desire for social security dominates the world’<sup>2</sup>. North European countries were the pioneers in establishing universalistic social security systems, with mainly Britain and Sweden leading the way.

However, the wave of social reform was not unique to democratic political systems. Totalitarian regimes such as Nazi Germany, Fascist Italy and Stalinist Russia planned advanced social security systems for their citizens. Nor was it restricted to the developed world, but reached developing countries of different continents. In fact, in some cases, social welfare projects were more advanced in the latter than in the wealthy nations of the old Europe. Central European countries, even before becoming communist countries, were already active in the promotion of social welfare systems. South European countries such as Spain, Portugal and Greece, despite the economic underdevelopment and their non-democratic political systems, established social welfare systems.

In virtually all Latin American countries, a debate regarding the need to create social

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<sup>2</sup> Gascón y Marín, M., ‘El Ansia de Seguridad Social domina el Mundo’, *Boletín de Información del INP*, November 1943, No. 11, pp. 15-33.

security systems or to expand existing social insurance systems took place, however successful or unsuccessful they were in actually introducing such measures.

Therefore, the wave of social reform ideas travelled the world, affecting countries differently. While in some cases, a social security system was successfully established, in others not more than limited adjustments took place and major reforms had to wait until new opportunities would arise in the following decades. However, the delay or failure of the reforms must not obscure the fact that projects for introducing social security systems and advocates supporting them actually existed. Regardless of the political cultures of the country, ideas for universal coverage of population and risks and for a unified administrative system were on the agenda of politicians and decision-makers.

The purpose of this chapter is to show how social risks and the protection against them were real concerns for many political leaders in Europe and Latin America in the 1940s and how there was a real burst of ideas and programmes for social welfare reforms. Without doubt, the most popular of all social policy innovations was William Beveridge's plan for reforming the British social insurance schemes and social services. Many democratic countries in Europe and around the world later transformed their social welfare systems, adopting Beveridge's model of social security. The chapter will then review the distinctive social welfare measures set up by non-democratic regimes. Non-democratic regimes during the 1940s, although engaging in major social reforms, failed to create extended and comprehensive social security systems, such as the ones established by democracies. In spite of the fact that advocates of such systems existed and the debate was on the political agenda, only social insurance schemes were set or expanded.

## 1.1. Social Welfare Policies in Europe

Among all the proposals for social reform, the Beveridge program stands as the most influential since it was presented in a first Report of 1942 and later, with the 1944 Report<sup>3</sup>. Beveridge's social security system core idea was the provision of flat subsistence benefits as well as flat contributions, irrespective of earnings, to all citizens. The entire population, conveniently organised in professional categories, was entitled to get a pension, receive medical care or use social services. The benefits, however, were deliberately set at a minimum, thus granting the citizen a right to be covered but not a right to live at the state's expense.

In Beveridge's model, all social risks were covered. Medical care was provided as a national health service. A universal system of family subsidies was established. And when these social welfare schemes did not apply to certain cases, a complementary social assistance service was created. The social security system was funded by contributions from the employer, the employee and the state. The latter paid for a sixth of the cost of the insurance schemes, for a big part of the national health service and for the entire family-subsidies scheme (Baldwin, 1992). The employee made a single economic contribution to cover all social risks and, in case of need, received the income maintenance transfer in a single payment. Finally, regarding organisation, the system was centrally organised, run and managed. There was a central fund and regulations were unified.

Beveridge's model soon attracted attention from all over the world, becoming without any doubt the most popular innovation regarding social policy of the time. It was equally comparable to the impact of Bismarck's social insurance plans. In 1942, Beveridge's view was that the best way of protecting citizens against the vicissitudes of modern life was by creating a comprehensive and integrated scheme, which provided universal coverage,

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<sup>3</sup> The first report was entitled *Social Insurance and Allied Services*. The report of 1944 was entitled *Full Employment in a Free Society*.



with a much higher involvement of the state as direct provider of social services. As mentioned previously, this system became known as social security. A new term for a new concept<sup>4</sup>, to mark the contrast to the Bismarckian social insurance schemes.

Beveridge's proposals were enacted in the UK in the National Insurance Act of 1946. In that same year, the National Health Service Act was passed, although the health program became operative later, in 1948. Other laws were the Family Allowances Act of 1945, the Industrial Injuries Act of 1946 and the National Assistance Act of 1948. However, the difficulty in implementing Beveridge's plan must not be ignored nor the way its more universalistic claims were softened. The study of the social legislation-making process shows the struggle of competing interests among social groups and the bitter opposition to universal protection from groups within the Public Administration, especially the Ministry of Labour (Baldwin, 1992: 196).

For Mishra, 'in the immediate post-war years the Welfare state was generally regarded as an almost exclusively British phenomenon' (Mishra, 1981: 9). However, Beveridge's model was not the only one available in the 1940s for politicians and policy-makers. Different social welfare systems were being created in many other countries in Europe and around the world<sup>5</sup>. In 1946, Sweden established a universal pension system, much more generous than the British one, together with a national health service, a family subsidies plan and complementary social assistance services for the poor. A distinctive note of the Swedish model was the way the welfare complex was financed. If Beveridge's Plan relied on the contributive principle, in Sweden the system was financed by taxes on consumption. As Baldwin (1992) notes, direct taxation (with a more economic distributive

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<sup>4</sup> Although commentators have traced the use of the concept to earlier plans, in particular the Roosevelt's US New Deals of the 1930s, the concept became common in the decade later, and soon attached to the new model of social welfare.

<sup>5</sup> New Zealand established, by the Law of 14 September 1938 a very comprehensive social insurance system that granted medical assistance and small old age pensions (called *universal superannuation*) to any national citizen without special condition of entitlement apart from being a national citizen (but no discrimination for the type of work, the number of years contributing to the system or the amount of income). The insurance scheme was financed by taxes and covered the following social risks: sickness, old age, disability, death (widowhood), unemployment and reparation to the civil population for war destruction.

effect) would have not been accepted by the affluent social classes<sup>6</sup>. Other countries followed later, Germany<sup>7</sup> and France catching up in their reforms during the 1950s. But the “desire for social security” was not exclusive to the democratic nations. European totalitarian countries, such as Germany during Nazism, Italy during Fascism and Russia during Stalinism, had also created some sort of social welfare systems.

In Hitler’s Germany, social policy became a tool for social control, serving the aims of the totalitarian state. Thus, it was designed to achieve labour control, promote demographic policies (family formation and population growth) and racist strategies and pursue nationalistic ambitions. By a law of July 1934, the former deliberative assemblies for running the insurance schemes were abolished. Social welfare became a contentious political issue between the party and the Ministry of Labour, the latter formerly in charge of the social insurance schemes.

The Nazi party and its syndical organisations had designed universal social security plans, which slightly resembled those of Beveridge (Baldwin, 1992: 308). In 1940, Robert Ley-Plan, the head of the Labour Front, ‘advocated a comprehensive and uniform system of pensions for all disabled and all those reaching age 65 who have done their duty to the community. Ley was opposed to a system in which contributions determined benefits. The state was to consider taking care of the disabled and the aged as its most primordial duty and was to meet the cost out of general revenue. The pension level was intended to be high enough to secure a standard of living natural for a German but not so high as to discourage private saving. Those disabled in industrial accidents or in war would be entitled to a special

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<sup>6</sup> There existed a much more revolutionary proposal of social reform although it never had the smallest chance of catching the eye of political leaders and social policy-makers. It was the Basic Minimum Income plan proposed by Lady Juliart Evangeline Rhys Williams (Harris, 1981). It was designed to provide a minimum income for the entire population, children and rich people included, and to be financed by a single flat-rate specific tax. As I say, it was completely ignored by politicians and specialists, Beveridge himself refusing to read it.

<sup>7</sup> Baldwin noted that the delay in Germany developing a universal social security system could be explained by the fact that Nazis had designed a similar social security plan, and post-war Germany rejected even the slightest resemblance to their policies (Baldwin, 1992: 308).

bonus. The “enemies of the state” and the “unsociable minority” (Jews) were to be excluded from the program altogether’ (Rimlinger, 1971: 134).

Power was centralised in the hands of the party or party officials: ‘Hitler abolished effective administrative participation by employers and workers and everywhere introduced the leadership principle. This meant that social insurance decisions were now in the hands of individuals picked by the Nazi party and devoted to their aims’ (Rimlinger, 1971: 133).

Therefore, social security was used to secure loyalty to the party: ‘the result would be the destruction of social rights as an attribute of citizenship and the creation of a system of paternalistic favours dependent on the zeal demonstrated in supporting the objectives of the ruling party’ (Rimlinger, 1971: 134).

The Nazis introduced changes not by enacting new laws but by issuing ordinances, making the system highly complex and overloaded with special provisions designed to support wartime manpower policies (Rimlinger, 1971: 135). Germany’s defeat in the Second World War avoided the establishment of this comprehensive program.

The Italian Fascist regime<sup>8</sup> created the Fascist National Institute of Social Insurance to run the Fascist social insurance system, replacing the former National Office for Social Insurance. However, the new Fascist National Institute was only responsible for insuring workers against some social risks such as disability and old age, unemployment, tuberculosis and maternity but not for illness and working injuries which were schemes organised along professional categories and run by specific funds. Family subsidies were run by the Fascist National Institute, which also guaranteed and scrutinised the management of the special insurance schemes for fishermen and railworkers. These schemes, plus a scheme for agricultural workers, had the legal backing of the Labour Charter (*Carta di Lavoro*), the principal Fascist Law in which the system of economic and labour relations was framed.

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<sup>8</sup> Istituto Nazionale Fascista della Previdenza Sociale (1937), *El Instituto Nacional Fascista de la Previsión Social al principio del Año XVI de la Era Fascista*, Rome: Istituto Nazionale Fascista della Previdenza Sociale.



The Fascist regime was particularly proud of the social welfare system for agricultural workers<sup>9</sup>. The involvement of the Fascist Party in the running of the social insurance schemes, in collaboration with the Fascist National Institute of Social Insurance, led to an increase in the number of those agricultural workers covered by the system. However, this led to a complicated and fragmented system of tiny funds providing insurance. In 1933, there were 18 independent funds. In addition, the Syndical Organisation had set up special funds for workers requiring urgent assistance<sup>10</sup>.

In 1918, Russia established a social insurance scheme to cover all who were 'gainfully employed, as long as they were not employing hired labour' (Rimlinger, 1971: 260). All the risks were included: cash benefits for illness, permanent disability, unemployment, old age, and the loss of breadwinner, maternity benefits and burial grants. The scheme was financed by employers' contributions. Due to hyperinflation, most income payments had to be made in kind.

Only when the country abandoned War Communism, entering the stage of the so-called New Economic Policy of March 1921, new laws on social security were passed, abandoning the idea of universal protection: coverage was granted only to wage-earning workers, in particular, regular skilled industrial workers of state enterprises, excluding self-employed peasants, artisans and professionals. The system was still very comprehensive as far as the coverage of risks was concerned (free medical care, temporary disability benefits, unemployment, invalidity pensions, survivorship pensions, maternity leave with full pay for working mothers). The organisation of the system was in the hands of the party.

Once Stalin became unchallenged dictator, social and labour policies were re-designed to serve the objectives of the five-year economic plans. Social insurance institutions had to take over the role of supporting the growth of labour productivity and

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<sup>9</sup> Comités de Acción para la Universalidad de Roma (1935), *La Previsión y la Asistencia en el Régimen Fascista*, Rome: publisher unknown, p. 5.

<sup>10</sup> As we will see in the following chapters, in Spain, the running of the insurance schemes was also attempted by the Francoist single party, the *FET de las JONS*.

strengthen labour discipline. As a journalist wrote in those years, 'during the recovery period, social insurance was an institution for securing the welfare of the working class. Today, in this socialist period, more is required of social insurance than security; social insurance must now serve the purpose of socialist offensive' (quoted by Rimlinger, 1971: 273).

Thus, the system of regional insurance funds was replaced by special occupation-based funds. The health care system was free for all citizens, and the state was responsible for financing it via the government budget<sup>11</sup>. As social policy was now linked to economic objectives, the party needed 'a system that was responsive to the party line and able to make day-to-day decisions in the spirit of the party directives' (Rimlinger, 1971: 277).

The desire to develop a more comprehensive social insurance system also arrived in Southern Europe. The dictatorships of Portugal and Spain soon embarked on social welfare reforms and debated the convenience of introducing universal systems of social security.

In Portugal, Oliveira Salazar's dictatorship created in 1933 the National Institute of Labour and Social Insurance and a corporatist system of social insurance schemes in 1935. The law through which the system was created literally pointed out that its aim was to replace the former system ('copied from foreign experiences which do not match the Portugal's traditional prevision practices') by a new structure organised through corporatist institutions ('which takes into account the differences based on economic or social hierarchy that are inherent to the living body a nation is') (Arnaldos Gimeno, 1941: 318). Following the corporatist ideas, the social insurance system split up in 49 different institutions of social insurance (24 syndical funds and 25 fishermen funds), plus 58 insurance funds and 252 mutual aid insurance societies. Workers in Portugal were insured against illness, disability,

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<sup>11</sup> This is not what the most relevant social insurance expert, Luis Jordana de Pozas (1954: 12-3) said about the Stalinist social security system. In his account, the system relied on the contributions of employers and employees, without the participation of the state, and it was only applicable to industrial workers. There were penalising measures to enhance labour productivity and discipline.



old age and unemployment<sup>12</sup>, although the benefits varied according to which fund they were affiliated to.

Regarding Spain, as this dissertation is fully dedicated to the emergence of the Francoist welfare system, at this point I will only summarise some of the features of the Francoist social insurance system. During the civil war, a family subsidies scheme was established. Once the war was over and when Francoism was in the process of laying the foundations of its dictatorship, social policy development speeded up. A Subsidy for Old Age and Disability was granted in 1939 and a Compulsory Sickness Insurance Scheme was created in 1942. In 1947, the Old Age and Disability Subsidy was transformed into a proper insurance scheme. One year later, the Maternity Insurance Scheme, active since 1929, was integrated into the Compulsory Sickness Insurance Scheme. Health care plans were created, new hospitals erected and state-funded houses for poor people were granted.

Although the *INP* remained the institution with the greatest responsibility over the social insurance schemes, other institutions (such as the Syndical Organisation, the Labour Mutual Aid Insurance Institutions or the Social Institute for Fishermen) were entitled to create their own insurance schemes and provide social services. The system was planned to cover wage-earners against all social risks. Agricultural workers, fishermen, domestic workers, civil servants and the military had their own insurance schemes. Thus, it was established along the lines of the insurance model, with different schemes for different risks, separated benefits and administrative procedures and different institutions competing for the provision of social welfare. The system was not established by a single law but developed since 1900 by the passing of different laws.

However, as will be shown in following chapters, there were policy-makers advocating the unification of the system and the extension of the coverage for the entire

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<sup>12</sup> For further reading: Flunser Pimentel, I. (2000), 'A Assistência Social e Familiar do Estado Novo nos Anos 30 e 40', *Análise Social*, Vol. 34, Nos. 151-2, pp. 477-508; Lopes, M. A. (1997), 'Pobreza, Asistencia y Política Social en Portugal en los Siglos XIX y XX. Perspectivas Historiográficas', *Ayer*, Vol. 25, pp. 211-39.

population. Beveridge's and other reformers' ideas did arrive in Spain and were discussed in closed policy communities. Beveridge himself went to Spain in 1946 and his ideas on social security caused huge excitement and interest. In spite of the failure to create a social security system during the 1940s and 1950s, in Spain the debate existed and advocates tried hard to bring it to life.

Greece is the third Southern European country that can be considered. Before the First World War, Greece had passed laws for the social protection of three social groups: fishermen, civil servants and miners. In 1922, Greece took the lead in Southern Europe by drafting a national social insurance system which included the following risks: sickness, widowhood, old age and disability. The institution in charge of this enterprise was the Chamber of Social Insurance. However, it was not possible at the time to set up the system and a second attempt in 1928 also resulted in failure. A group of international experts, under the leadership of Schoenbaum<sup>13</sup> proposed a new plan, which led again to new legislation in 1932, which was successfully voted through Parliament.

However, as soon as the new government took power in 1933, the law was suppressed. One year later, the social insurance system was taken again under the Parliament's consideration, in a draft that comprised the same social risks as in the 1922 Plan. The Greek system was inspired by a similar scheme in Czechoslovakia. Working injuries were supposed to be included in the Sickness Scheme. An institution for the centrally-run insurance system was established under the name of *Idruma Koinonikon Asfaliseon*.

But the definitive push for setting up the social insurance system came with the Metaxas dictatorship (1936-1941) (Kofas, 1983). The regime set up the Consultative Council of Social Insurance on 24 August 1936, which designed a plan for insuring wage-earning workers against old age, unemployment, sickness, working injuries and maternity. The

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<sup>13</sup> M. Schoenbaum was the Director of the Czechoslovak Social Insurance Institute and one of the most international experts. He took part in the developments of other Latin American welfare systems, as it will be later shown.

system was not intended to eliminate other (private) insurance schemes or funds already in place but to co-ordinate them with the new schemes and place them under state direction (Kofas, 1983: 69). The plan came into effect at the end of 1937. In the decision-making process, a debate on the extent of coverage of the population came to the fore: 'Contrary to the Cabinet's claims, the social insurance program did not cover the entire working population' (Kofas, 1983: 70).

## 1.2. Social Welfare Policies in Latin America

At the beginning of the twentieth century, social policies of the kind introduced by Bismarck in Germany also attracted attention in Latin America. Working injuries and old age were among the first social risks against which certain privileged groups of workers were insured. Already in the 1930s, some Latin American countries followed the example of others in Europe and created institutions for organising and supervising the different social schemes that were in place, sometimes centralising the system in a single public body. In 1935, Ecuador<sup>14</sup> created the National Institute of Social Insurance, and in 1936, Peru<sup>15</sup> established the National Fund of the Social Insurance Scheme.

During the late 1930s and 1940s, debates on reforming social insurance schemes towards more comprehensive social security systems took place in Latin America. The burst of ideas and policies for social reform were facilitated by processes of policy learning and diffusion. Politicians and policy-makers learned from others. In helping these exchanges of

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<sup>14</sup> *Boletín de Información del INP*, November 1943, No. 11, and December 1943, No. 12; Organización Iberoamericana de Seguridad Social (OISS) (1960), *Los Seguros Sociales en El Ecuador*, Serie Monografías Nacionales, Madrid: OISS.

<sup>15</sup> Conferencia Interamericana de Seguridad Social (1994), *La Seguridad Social en Perú*, Serie Monografías No.12, México, D.F.: Secretaría General de la CISS.



ideas and policies, international organisations and communities of experts played a crucial role.

The International Labour Organisation was very keen on promoting inter-governmental agreements and the creation of regional institutions for developing social welfare programs. Thus, different conferences were held under the patronage of the International Labour Organisation, such as the Inter-American Conference of Social Insurance, held in Lima in December 1940, which accorded the establishment of an Inter-American Committee on Social Security to co-ordinate social insurance systems in Latin America. The success of this meeting led to the creation of the Inter-American Conferences of Social Security. The first one took place in Santiago de Chile in September 1942, with the attendance of 21 American countries, and concluded with a declaration in which the participants committed themselves (and their governments) to the extension of social insurance all over the continent and to make progress on the unification of social insurance benefits and contributions in a single national scheme. After the success of this first conference, the second conference held in Brazil in November 1947 and the third in Argentina in 1951 did not attract the same attention, but were also relevant for the diffusion of social security reforms around the continent.

The diffusion of ideas and innovations on social security was also carried out by individuals with expertise in this field. In fact, a few key international experts appear frequently when studying social insurance reforms all over the world. For example, Emil Schoenbaum worked in Ecuador in 1940 preparing the draft of the Law of Social Insurance, and later in Bolivia in 1943 presiding over the commission which wrote the final Social Insurance Plan before becoming law. Oscar Barahona Streber was the Costa Rican<sup>16</sup> social

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<sup>16</sup> Miranda Gutiérrez, G. (1988), *La Seguridad Social y el Desarrollo en Costa Rica*, San José: Caja Costarricense de Seguridad Social; Muñoz Fonseca, E. (1944), *El Seguro Social. Su Desarrollo en Costa Rica*, San José: Trejos Hermanos; Organización Iberoamericana de Seguridad Social (OISS) (1962), *Los Seguros Sociales en Costa Rica*, Serie Monografías Nacionales, Madrid: OISS; Rosenberg, M. B. (1979), 'Social Security Policymaking in Costa Rica: a Research Report', *Latin American Research Review*, Vol. 14, No. 1, pp. 116-33; Secretaría de Previsión Social (1942), *Caja Costarricense de Seguro Social. Ley y Reglamento*, San José: Imprenta Nacional.



policy expert who draw up the system in his own country in 1942 and was later called on by the Guatemalan government in 1946 to establish the social insurance system and to be the first Director of the Guatemalan Institute for Social Security<sup>17</sup>. The Peruvian expert Edgardo Rebagliati wrote the social insurance laws of both Peru and the Dominican Republic.

Some of these key experts worked for the International Labour Organisation and helped to set up many of the Latin American insurance systems. For example, the first study in Bolivia was done by a pair of International Labour Organisation experts, Oswald Stein and David Belloch. In Venezuela, the Law of 14 June 1940 was drafted in collaboration with the International Labour Organisation. In El Salvador, a group of national specialists were sent to International Labour Organisation headquarters in Montreal (Canada) and to Chile to improve their knowledge.

Although the ideas were being discussed by politicians, academics, civil servants and policy-makers, no Latin American country succeeded in establishing a system with the Beveridgean characteristics of having fully-unified management practices, being financed by the state (partially as it might be, but at least effectively) and covering all the population and all social risks. True, some countries moved along in this process of unifying and coordinating their social insurance schemes but they did not go any further than integrating procedures for administration and management or expanding the number of the population covered to some privileged groups. In any case, it is important to emphasise that everywhere projects for the unification of their social insurance systems were discussed and a lively debate was in progress.

One of the most striking findings when researching Latin American welfare states is that in many cases, these insurance schemes were introduced by non-democratic regimes<sup>18</sup>.

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<sup>17</sup> Organización Iberoamericana de Seguridad Social (OISS) (1963), *Los Seguros Sociales en Guatemala*, Serie Monografías Nacionales, Madrid: OISS; *Revista Española de Seguridad Social*, October 1947, No. 10, pp. 665-89.

<sup>18</sup> It is really difficult to tell which country was a democracy in 1940s in Latin America. It seems easier to know which ones were not democracies. In this part of the world, most of the countries suffered from fragile semi-democracies that were deposed every now and then by coup-d'état. Although bearing in mind this difficulty, in this section a definition of democratic regime which embraces the very basic prerequisites of open elections and formal separation of powers will be used

Perón (Argentina)<sup>19</sup>, Vargas (Brazil)<sup>20</sup>, Morínigo (Paraguay)<sup>21</sup>, Benavides (Peru), Odría (Peru), Arroyo del Río (Ecuador), Trujillo (Dominican Republic)<sup>22</sup>, Magloire (Haiti), Somoza (Nicaragua)<sup>23</sup>, Osorio (El Salvador)<sup>24</sup> were active in legislating social insurance systems. On the other hand, Colombia<sup>25</sup>, Costa Rica, Guatemala, Chile<sup>26</sup>, Bolivia<sup>27</sup>, Honduras<sup>28</sup>, Panama<sup>29</sup> and Mexico<sup>30</sup> had democratic or semi-democratic governments at the time social insurance systems were introduced.

In fact, social reforms were put in place with much more difficulty in democratic countries than in those non-democratic countries. In less than one year after becoming Labour Director, Juan Domingo Perón managed to pass the Decree-Law of 27 October 1943 by which the National Institute of Social Insurance was created. On the contrary, democratic Chile failed to reform the health care system and the proposed reform drafted by Salvador Allende and discussed in Parliament in 1941 could only become law eleven years later. In Colombia, the social insurance system that was being discussed since 1929 was finally

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in order to qualify countries as democratic. I will also rely on the judgement of more authoritative literature specialising on Latin American politics.

<sup>19</sup> Organización Iberoamericana de Seguridad Social (OISS) (1965), *Los Seguros Sociales en Argentina*, Serie Monografías Nacionales, Madrid: OISS.

<sup>20</sup> Malloy, J.M. (1979), *The Politics of Social Security in Brazil*, Pittsburgh: University of Pittsburgh Press; Organización Iberoamericana de Seguridad Social (OISS) (1964), *Los Seguros Sociales en Brasil*, Serie Monografías Nacionales, Madrid: OISS; Organización Iberoamericana de Seguridad Social (OISS) (1970), *A Previdência Social no Brasil*, Madrid: OISS.

<sup>21</sup> Organización Iberoamericana de Seguridad Social (OISS) (1961), *Los Seguros Sociales en El Paraguay*, Serie Monografías Nacionales, Madrid: OISS.

<sup>22</sup> *Revista Española de Seguridad Social*, November 1947, No. 11.

<sup>23</sup> Organización Iberoamericana de Seguridad Social (OISS) (1961), *Los Seguros Sociales en Nicaragua*, Serie Monografías Nacionales, Madrid: OISS.

<sup>24</sup> Organización Iberoamericana de Seguridad Social (OISS) (1962), *Los Seguros Sociales en El Salvador*, Serie Monografías Nacionales, Madrid: OISS.

<sup>25</sup> Conferencia Interamericana de Seguridad Social (1994), *La Seguridad Social en Colombia*, Serie Monografías No.7, Mexico, D.F.: Secretaría General de la CISS.

<sup>26</sup> Del Fierro Court, E. (1953), *Nueva Estructura del Seguro Social en Chile*, Santiago de Chile: Universidad de Santiago de Chile.

<sup>27</sup> Cortes Arteaga, E. (1949), 'Estudio sobre el Nuevo Seguro Social Boliviano', *Revista Española de Seguridad Social*, No. 2, February, pp. 211-33; Organización Iberoamericana de Seguridad Social (OISS) (1961), *Los Seguros Sociales en Bolivia*, Serie Monografías Nacionales, Madrid: OISS; Conferencia Interamericana de Seguridad Social (1994), *La Seguridad Social en Bolivia*, Serie Monografías No. 22, Mexico, D.F.: Secretaría General de la CISS.

<sup>28</sup> Organización Iberoamericana de Seguridad Social (OISS) (1963), *Los Seguros Sociales en Honduras*, Serie Monografías Nacionales, Madrid: OISS.

<sup>29</sup> Organización Iberoamericana de Seguridad Social (OISS) (1963), *Los Seguros Sociales en Panamá*, Serie Monografías Nacionales, Madrid: OISS.

<sup>30</sup> Spalding, R. J. (1980), 'Welfare Policymaking. Theoretical Implications of a Mexican Case Study', *Comparative Politics*, Vol. 12, No. 4, pp. 419-37.



passed in 1946. In Peru, major social welfare reforms were only undertaken during the non-democratic phases of General Benavides (who passed the Law of 12 August 1936 creating the Workers' Insurance Scheme) and General Odria (who decreed the Employees' Insurance Scheme of 19 November 1948), but nothing was established during the democratic periods in between these dictatorships.

Latin American dictatorships created social insurance systems with very limited coverage of people. On the contrary, democratic countries such as Guatemala, Costa Rica and Bolivia were the ones that passed laws with the most ambitious coverage of the population.

In Guatemala, the so-called "democratic spring" of Arevalo's rule offered an excellent moment for social reform. Social security was established as a right of every citizen by Article 63 of the 1945 Constitution. The law which created the Guatemalan Institute for Social Security of 28 October 1946 foresaw insurance against all social risks (except unemployment) for the whole Guatemalan population. Sadly, the economic situation of the country would not allow policy-makers to introduce but a step-by-step coverage system.

In Bolivia, the Decree-Law on Social Insurance of 11 October 1947 embodied quite advanced principles: a unified view of all social risks, a single payment for all schemes, and unified administration (single document, single affiliation). A policy commentator pointed out, two years after the system was established that this Decree-Law was inspired by a strong principle of solidarity<sup>31</sup>.

Although Costa Rica's system was created in 1942, before the idea of universality and the image of citizenship embodied on the social security system became fashionable in affluent democracies of Europe, it followed the principles of unification and coordination (Huber, 1996: 152), and so it remained throughout its history. In addition, Costa Rica insured

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<sup>31</sup> Cortés Arteaga, E. (1949), 'Estudio sobre el Nuevo Seguro Social Boliviano', *Revista Española de Seguridad Social*, No. 2, February, pp. 211-33. This is said in p. 227.

its population against the highest number of social risks of the region. The rest of the Latin American democracies or semidemocracies established social insurance systems with less ambitious coverage of risks and people.

A major innovation of this period was the establishment of an institution in charge of the supervision and even direct management of the social protection system. In some cases, single institutions were allocated sole responsibility for running the whole system without interference from other private or public institutions. This was the case in most Central America: Guatemala, Honduras, Dominican Republic, Nicaragua, El Salvador and Panama. In Costa Rica, the Costa Rican Institute of Social Security shared the management of the working injury scheme with the National Institute of Insurance. In other cases, such as in Argentina, Brazil, Chile, Ecuador and Bolivia, the major institution in charge had to coordinate with other public bodies, insurance funds or private institutions.

### **1.3. Conclusion**

This chapter has shown that the wave of social reforms reached many countries around the world and different political regimes. Non-democratic countries of Latin America and Europe were especially pro-active in developing social welfare systems. But these political regimes established social insurance systems of the Bismarckian type, instead of the more comprehensive and unified Beveridgean systems. This thesis will focus only on one case-study –the Francoist regime in Spain- and will explain why the regime was so eager to introduce social welfare measures, but most importantly, why the social insurance, and not the social security, model was implemented.



## **Chapter 2**

# **Theories of Welfare State Development and Non-Democratic Welfare States**

What explains the introduction and development of social insurance systems in authoritarian regimes during the 1940s? The purpose of this chapter is to review the literature on welfare states emergence and expansion<sup>1</sup>, in the search for theories and concepts that can explain the politics of non-democratic welfare states.

One of the most striking facts when reviewing the welfare state literature is that we only know about a number of very few privileged countries (and even what we seem to know are a bunch of competing and contested hypotheses) that happen to be located in what we have agreed to call the Western democratic developed world. Democracies which managed to introduce universal social security and healthcare systems became the object of scholarly research, and the laggards or unsuccessful cases were explained using the same hypotheses and arguments as the successful ones, only by making statements in negative. For example, if Scandinavian and British well-developed welfare states were explained by the presence of a strong labour movement which had pushed for them, the United States' failure was explained by the absence of a comparable movement in that country.

In any case, these theories aimed at explaining “democratic” welfare states. Non-democratic welfare states or even those of underdeveloped countries were not taken into account by the literature on welfare state. Thus, lacking theories that specifically address the emergence of non-democratic welfare states, we are compelled to start first by reviewing those existing theories of the politics of democratic welfare state expansion in order to apply them to some of the countries not included in the mainstream welfare state comparative research. The questions in mind will be how useful these theories are and which one better explains the emergence and development of welfare state on non-democratic regimes.

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<sup>1</sup> Review articles of the comparative research of welfare state development basically agree on the number of competing theoretical schools. See, for example, Skocpol and Amenta (1986), Baldwin (1992), Immergut (1992a), Van Kersbergen (1995) and Guillén (1996).

## 2.1. Modernisation Theories

The welfare state is a modern phenomenon. It is the most recent form adopted by that political institution that came with Modernity, the nation-state. However its novelty, the welfare state has become a crucial institution of the “polis”, to the extent that, it can nowadays depict the personification of the “raison d’être” of the state in contemporary capitalism. At this stage of its historical development and seeming to have grounded its place in the capitalist economy quite securely, the modern state claims to exert a beneficial role for the individual. The modern state has taken over the responsibility of looking after the welfare of the citizens. It might be hard to find any state all around the world without some form of social provision or welfare policies, and it might not be risky to guess that when this does not happen, then there is no functioning state at all.

As a crucial socio-political phenomenon, it has obviously appealed to the interest of social scientists. Aiming at discovering the causes of its origin and development, welfare state research has looked at a constellation of variables, has generated multiple and many times contradictory explanations. Thus, this sub-discipline of the broader area of comparative public policy has come up with radically different types of research: from “cross-national analysis” based on quantitative data to which sophisticated analytical methods are applied, to single but in-depth case-studies that require hours of archive work and the full display of forensic skills.

It seems to be commonly acceptable to trace back the origins of the welfare state to the social reforms introduced by Bismarck in the Germany of the end of the nineteenth century. However, the moment of institutional maturity came about during the twentieth century, especially after World War II. Thus, the welfare state was born and developed during and due to the historic, sociological and political events and contexts of the nineteenth and twentieth century. The historical standing posts are the two World Wars. The economic context is that of the expansion of the industrial and financial capitalism, that through

cyclical processes of depression and growth societies and politics were transformed. The access of the masses to political activity through the extension of suffrage and the consolidation of mass parties in this “age of ideologies” and nationalism, with liberal democracies facing new enemies (the modern forms of non-democratic regimes) formed the political context. Finally, the time of emergence and development of the welfare state coincided with a moment of cultural crisis, of the loosening of traditional identities and social models, not the least of which the religious model due to secularisation.

These processes, contexts and junctures did not pass unnoticed for the first generation of welfare state researchers. Working during the 50s and 60s, when developmental studies were all the rage, these first scholars adopted what it has come to be called the Industrialisation approach. Harold Wilensky was perhaps the most salient representative of this school. Using a functionalist logic, this approach conceived the welfare state as the institutional response to the growing demands from citizens exposed to the capitalist industrial revolution. Thus, the existence and extension of social insurance schemes depended on prior social and economic transformations that had lead the system from an agricultural-based economy to a industrialised one<sup>2</sup>. The development of the welfare state was negatively correlated with the percentage of the agricultural labour force and positively with the percentage of the industrial labour force. Equally, demographic trends, labour union strength and the need for a qualified and protected human capital (as a need of modern complex capitalism) were also pointed out as catalysts of welfare state development: ‘Economic growth and its demographic and bureaucratic outcomes are the root cause of the general emergence of the welfare state...such heavy brittle categories as “socialist” versus “capitalist” economies, “collectivistic” versus “individualistic” ideologies, or even “democratic” versus “totalitarian” political systems...are almost useless in explaining the

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<sup>2</sup> It is in this sense that the Industrialisation school is also known as the “Prerequisites school”: see Collier and Messick (1975: 1303-1305).



origins and general development of the welfare state' (Wilensky, 1975: xiii; quoted in Pierson, 1991: 16).

The inheritor of this approach, the Modernisation theory included in its explanation not only socio-economic trends which were the product of the industrial revolution, but also the socio-political transformations that had taken place since the political revolutions of the eighteenth century. The birth and growth of the welfare state was thus explained as a result of capitalist accumulation, industrialisation and urbanisation processes, the extension of mass democracy and religious secularisation.

Cutright (1965) sought to explain the different levels of social security development among nations by looking at the number of social risk programs established (working injuries; old age, disability and death; sickness and maternity; unemployment; family allowances) and the years of experience of these programs (from 1934 to 1960). The two independent variables that came immediately to the fore were "political representativeness" and "socio-economic development". Cutright started with the former as his working hypothesis, pointing to the link between degree of democracy and social security development: 'Government in nations whose political structures tend to allow for greater accessibility to the people of the governing elite will act to provide greater social security for their populations whose rulers are less accessible to the demands of the population' (Cutright, 1965: 538).

In other words, the more democratic political structures are, the greater the social security programs. But this formulation, rather than the division between democratic and non-democratic regimes, refers to the degree of democratic policy-making. And a democratic country *can* very well have a policy-making process that restricts or discourages people from accessing their governing elites to present their demands. Thus, Cutright was not directly concerned with the study of social security institutions in non-democratic regimes, although from the logic of his hypothesis -the more democratic the policy process, the bigger the social security system- naturally follows this other one: democracies have bigger social security systems than dictatorships.

However, in Cutright's account, the variable "political representativeness" (or as I stated before, the degree of democratic policy-making) was not the strongest one. In fact, no qualitative differences were observed when comparing the "most democratic" countries of the sample, that is, the countries in the first two groups of the political representativeness scale. Instead, a stronger correlation was noticed between socio-economic variables and development of social security. Energy consumption and literacy levels scored higher than political representativeness when correlating with the years of experience of social security programs. Urbanisation was another socio-economic indicator of importance.

In order to further test the findings, Cutright introduced a second indicator to reflect the Social Insurance Program Completion, by relating the political situation (progress towards democratisation or regressing) and the introduction of new social insurance schemes. Thus, this indicator measured 'the amount of social insurance change associated with each change in Political Representativeness' (Cutright, 1965: 544). Again, Cutright found that economically developed countries tend to culminate the process of social security completion and that those countries which have advanced in the process of democratisation but still remain economically underdeveloped have made no major move towards the development of social insurance programs. Thus, the level of social and economic development (especially, the level of energy consumption) appears as a stronger independent variable than the degree of political representativeness (democratisation): 'In many nations, we would conclude that the introduction of social security measures is a response by government to changes in the economic and social order that are not strongly affected by some degree of departure from ideal democratic organisational forms. Similar levels of social security coverage are found in nations whose governments are thought to act in response to the popular will as occur in nations whose governments are thought to act with less regard to public demands. It appears that the level of social security in a nation is a response to deeper strains affecting the organisation of society' (Cutright, 1965: 548).

In a later paper, Cutright (1967) compared the different levels of social security Expenditure of 40 countries in 1960, measured by the percentage of Gross National Product

allocated to that expense. A first criticism might arise when considering such a static measure of the dependent variable. There is only one single analysis of social expenditure, that of 1960, without any longitudinal analysis or long-term study. Cutright explained the differences among countries as a result of two political variables and one socio-economic variable. The former were the level of democratic participation and the power of the social security bureaucracy. The latter was the level of socio-economic modernisation, that is assumed to increase the degree of popular control over the environment.

The level of democratic participation (the equalitarian pressure in the political system), was linked to the redistributive effort: 'A political system that fails to hold elections, or discourages participation by disenfranchising large segments of its population should be one in which neither the full force of a developed equalitarian democratic ideology, nor a developed socialist or communist ideology will be translated into effective government programs involving large transfer payments' (Cutright, 1967: 183).

This variable was operationalised as the percentage of voting age population who voted during the 1950's national elections of the countries of the sample. It can be both interpreted as including every country, regardless of whether it held elections or not in the 50's or excluding those countries that do not hold elections at all (authoritarian, totalitarian, sultanistic regimes). In the first case, if we include every country, countries such USSR and other communist countries (apart from Yugoslavia, Poland and Czechoslovakia which were included) or democratic regimes such as Costa Rica, Uruguay and Ecuador are missing. In the second case, if only countries who actually held free and regular election were to be considered, some countries on the list should not be there: Spain, Portugal, Venezuela, Yugoslavia or Poland, for example.

The second political variable used by Cutright to explain the different levels of social security expenditure was the power of the social security bureaucracy. He used the Social Insurance Program Experience measure, which was an account of the number of years that the different insurance programs had been running, as the indicator of the power of that particular bureau. However, it seems quite surprising that the same indicator would measure



both the superiority and ascendancy of the social security bureaucracy (Cutright, 1967: 183) and the degree of responsiveness of governments to the needs of the governed (Cutright, 1965: 541). Anyway, however concerned we might be about the accuracy of this indicator, Cutright hypothesised that the greater the level of Social Insurance Program Experience, the larger the social security expenditures.

The level of modernisation appears to be as the third independent variable. Although Cutright claimed that by modernisation, he meant both an economic and a political trend, the truth is that the indicators used to measure this variable were purely socio-economic: level of education, of urbanisation, GNP per capita, percentage of population over 65 years old and percentage of population employed in the industrial sector. The latter measured, according to Cutright, the ability of the population to put pressure on governments. Making this assumption, Cutright hypothesised that ‘the higher the level of modernisation, the greater the control of the population over its environment; and the greater the control, the larger the social security expenditures’ (1965: 184).

Later Modernisation studies paid more attention to the long-term developments of the welfare state and the role of institutions, although socio-economic changes and increasing political mobilisation remained as the major explanatory variables. Equally, the welfare state continued to be functionally explained as the institutional answer to the pressure put on by those social, economic and political trends. However, as I say, more contemporary studies within the school liked to see social changes in a historical perspective (Flora and Heidenheimer, 1981) or introduced institutional variables. Kuhnle’s comparative study (1981) of the welfare state development of the four Scandinavian countries is an example of the latter. Although he recognised that a process of policy diffusion took place during the time of institution building, Kuhnle gave more credit to levels of socio-economic development, political mobilisation and organisational characteristics of existing welfare laws. All these factors would explain the “timing” and “scope” of social insurance legislation, while the “type” of insurance (compulsory or voluntary schemes) depended on



the strength of liberal ideology and entrenched position of previous voluntary insurance funds.

Most of the criticisms of the Modernisation theories have been directed at the macro-level of abstraction of their analysis. In their search for generalisations, these theories are incapable of understanding how concrete social policies were created (in a self-criticism Kuhnle, 1981: 145), of discovering the causal mechanisms among variables (Amenta, 1993), of explaining the timing of policy emergence (Skocpol, 1995: 15), or the differences among social policies (Baldwin, 1992: 72). At a first glance, prior to any in-depth testing study, the theory seems to fail to explain important cases, such as France, which, even while retaining high levels of socio-economic development and political mobilisation, introduced social insurance schemes comparatively quite late<sup>3</sup>. A criticism also arises of the 'deterministic mode of analysis' (Mishra, 1981: 45) implied in these theories, neglecting the room to manoeuvre available to policymakers. And finally, it has been argued that the Modernisation approach does not explain 'the most attractive issues' (Baldwin, 1992: 73).

## 2.2. Cultural Explanations

Another school of research paid attention to cultural factors that might encourage or discourage the process of institutional development. Harris (1981) found in the adoption of Idealism by the social scientific community the key variable that explains the transformation of the British welfare institutions between 1870s and 1940s. The Victorian social welfare provision was transformed during the Edwardian and post-Edwardian period into a financed and controlled centralised system. What allowed this was the triumph of Idealism over its

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<sup>3</sup> Flora and Alber (1981: 73) were aware of this problem, mainly with France, but also with Belgium and Netherlands.

competitor, Positivism. As a set of tenets, Idealism had a positive view of humanity (with room for individual altruism and ethical imperatives governing human behaviour) and a positive view of the individual-state relationship (promoting citizenship participation). The Idealist objective of establishing an “ideal state” sustained by perfect justice encouraged intellectuals and policymakers to transform the whole of British society by implementing social laws, creating social-reform institutions and “social sciences” departments in British universities and influencing the intellectual environment and public opinion.

Helga M. Hernes observed that in Scandinavian countries, the universal coverage of social risks and population, the egalitarianism and the redistributive outcomes of the existing welfare states have been linked to the existence of communitarian values that encourage the act of sharing, the feeling of mutual aid and other civic values (see Baldwin, 1992: 107). Rimlinger (1971) explained the early development of social welfare in Germany as a result of the weakness of the Liberal ideology, the strength of the Catholic Social movement and the patriarchal model of social relationships. For others, however, it is precisely the contrary: Catholicism correlates negatively with welfare state development (Castles, 1994a; Ferrera, 1996).

Quite an important debate has been this one on the role of religion as a determinant of social policy. The Industrialisation and Modernisation theories also made use of the religious factor in explaining the differences between welfare states. The type of religion and the level of secularisation<sup>4</sup> would explain why in some countries, welfare institutions would be more developed than in others. Protestantism would have encouraged the development of welfare state while Catholicism would have delayed it. Thus, Flora believed that ‘the Protestant nationalisation of the territorial culture in the North favored the mobilization of voice from below: the early development of literacy encouraged the mobilization of lower strata into mass politics, and the incorporation of the church into the state apparatus reduced

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<sup>4</sup> For hypothesis linking the levels of secularisation and welfare state development, see Heidenheimer (1983) and Higgins (1981).

one potential source of conflict and produced a clear-cut focus for the opposition of the dominated population. By contrast, the supra-territorial influence of the Catholic Church favored a mobilization “from above”: the late development of literacy retarded spontaneous mass mobilization and the conflicts over the control over the educational system led to efforts by the church to mobilise against the state’ (quoted in Kersbergen, 1995: 194).

In Protestant nations, where state and religion developed in a non-conflictual way, the welfare state found roots for its development. In Catholic countries, however, ‘the conflict between state and church inhibited or at least retarded the emergence of a welfare state’ (Kersbergen, 1995: 194). Flora and Alber (1981: 43) observed that ‘the countries with strong Protestant state churches developed early a notion of state responsibility for public welfare, whereas in the religiously mixed and Catholic countries the tradition of private charity and the principle of subsidiarity, giving priority to the responsibility of smaller collectivities, remained strong’.

However, Higgins (1981: 91) stated precisely the contrary: ‘the impact of Protestantism on social policy historically has been to retard social reform’. Protestant insistence on individualism and self-help, and the view of poverty as consequence of moral weakness and sin, opposed any state attempt to get involved in providing social welfare. Stephens (1979: 100) theorised that some anti-capitalist aspects of Catholic ideology such as “Fair Wage”, the Church’s concern with the welfare of the poor or the condemnation of usury would have encouraged the increase of welfare expenditure. Wilensky (1981) concluded that Catholicism (measured by the strength of Catholic parties and their representation on the executive) fosters corporatist economic systems and this leads to increasing social expenditure, especially in situations of catholic-left party competition.

New Culturalist arguments have focused on the negative influence exerted by Catholicism on the low levels of public expenditure on welfare and the institutional design (mainly its fragmented composition) of the welfare state. Ferrera (1996: 30) noted that ‘the presence of a strong Catholic Church and the resilience of corporatist traditions for instance, bear obvious responsibility for the low level of state welfare, and whole segmented labour



markets and a family-centred social fabric (again connected with Catholic subsidiarity) have in turn unquestionably contributed to the uneven development of income maintenance’.

Castles (1994a) argued that religion explains differences across a variety of areas of social policy among countries and also helps to identify commonalities between those nations that have similar policy outcomes, thus constituting “families of nations” (Castles, 1993). For him, the main religious “divide” is between Catholicism and Protestantism and it is possible to show a ‘linkage between measures of Catholic adherence and a wide variety of policy outcomes’ and it is not his intention ‘to give a detailed account of the actors involved in the policy-process or the channels through which policy outcomes are determined’ (1994a: 20).

In my opinion, it is not possible to show such a link without proving how Catholic people and Catholic ideas made it possible. Without historically detailed accounts of what actually happened, this kind of statistical analysis remains unproved. Therborn (1994), although agreeing with Castles on the need to include the religious factor in the agenda of the comparative public policy, rejected the quantitative approach and preferred in-depth studies of how religion actually influences public policy. Castles (1994b) finally admitted that ‘a historically detailed account of both the actors and channels through which particular outcomes have been shaped by religious factors’ (1994b: 111) was needed.

As far as I am concerned, the “Catholic-Protestant divide” is too simple. Protestantism embraces too many different national political and religious experiences (broadly the Anglican-Liberal, the Lutheran and the Calvinist-Methodist traditions). In addition, religion is depicted as “doctrines, beliefs and traditions”, but these are different. While doctrines are directly related to religion, “traditions” might be a consequence itself of a mixed influence of other factors. The patriarchal tradition of male-dominance might not come from Catholic religion but from pre-modern economic systems, historical legacies or lack of cultural modernisation. Finally, what Castles pointed out as “Catholic doctrines, beliefs and traditions” that actually influence social policy outcomes, are none of these. Subsidiarity, Etatism, Corporatism or cultural aversion to state interventionism are neither



doctrines of faith nor religious beliefs that commit Catholics to them. In fact, few Catholics would be aware of them. More than anything, they are so-called “guiding instructions” which are just circumstantial, temporal, problem-solving and evolutionary teachings. With time, they can become a well-established tradition but most probably, they will be replaced by other social solutions until they become fashionable again or simply vanished<sup>5</sup>. My point here is that these instructions and teachings are not rooted in a sort of “Catholic soul” (whether that might possibly exist) as doctrines of faith or beliefs might be. As Popes and the Ecclesiastical Hierarchy get advice from professionals and experts in different areas in order to elaborate Catholic Social Doctrine, it is hard to say whether the ideas and receipts for social reform arise from within the Catholic doctrine or simply reflect previous ideas of different “epistemic communities” that are equally available to Church leaders and to politicians in Catholic countries. The latter is most probable. The most fruitful questions are then: Why did Churchmen become interested in those ideas and solutions? How did religious figures, once equipped with those ideas, influence politicians in different countries and why did they succeed in doing it?

To summarise, cultural explanations of the influence of religion in welfare state emergence have produced contradictory hypotheses and the research has subsequently focused on in-depth case studies.

At this point, thus, the most we may well be able to state is that “religion somehow shapes policies”. But once this has been said, it does not seem that much more can be added. Not if we do not engage with the policy process and the actors and channels enclosed on it. As many of the countries that by 1950 had introduced systems of social insurance were Catholics (with very high levels of catholic populations and with high involvement of the Church on national politics), it might be wise to ask several questions. Were there Catholics

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<sup>5</sup> Thus, although concepts like Subsidiarity and Social Justice can still be found in contemporary Catholic Social Doctrine, others based on the Corporatist doctrine, Fair Wage, or on a explicit rejection of state intervention on economy, which were fashionable once, are no longer present in the Catholic Social Doctrine.

(laymen or clerics) involved in the establishing of social welfare policies? Which was the Church's position on this? Were these actors promoting or blocking the development of a universal-solidaristic type of welfare state? Were there any ideological (grounded on Catholic Social teachings) reasons for them to follow any of this two courses of action?<sup>6</sup>

In addition to the debate on the influence of religion, other cultural explanations have also been highly criticised. For Skocpol (1995), the cultural approach cannot explain why in the United States, notwithstanding the strength of Liberalism, different pension programs for mothers and ex-combatants were created. The same can be said, from my point of view, about the Latin American cases. In Central and South America, Liberalism and Catholicism shared the ideological monopoly throughout the nineteenth and twentieth century. However, social insurance schemes were introduced, comparatively, quite early.

Recent comparative studies have noted that projects for solidarity-based and universal-coverage reforms were discussed in many more countries than the few predicted by the Cultural theories. Irrespective of the success achieved in order to implement those policies, the projects existed all around the world, from France, Switzerland and Sweden (Immergut, 1992), to the United States (Skocpol, 1995) to Spain, Portugal and most of the Latin American countries, for example Argentina and Guatemala. If such reformist projects were in the public debate or were considered by politicians and policymakers, then the political culture is not to blame for the failure of establishing them.

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<sup>6</sup> This sort of alternative approach that looked into the facts with detail was taken by Joan Higgins (1981) by looking at the role of the Catholic Church in shaping social policy outcomes in Ireland in accordance with its belief on the principles of subsidiarity, the centrality of the family, the recognition of private property and the notion of just wage. The role of the state as provider of welfare remained at the minimum level. The most salient moment of the process of welfare state emergence where the power of the Church was displayed in its full capacity to block any further development of state take over was when passing the Mother and Child Health Bill in 1950 (Higgins, 1981: 81). The opposition of the Irish bishops to provide universal and free health education and medical care for all women and their children under 16 years old arose from their fears that such a policy would allow the state to control the education of controversial topics such as sex relations, chastity and marriage. The Bill was ultimately withdrawn and substituted by another one which did not contain any reference to health education.

## 2.3. War and Welfare States

The collective experience of total war changed European societies. Thus, a group of social scientists found relationships between the historical juncture of World War II and the emergence of new social policies.

In a lecture delivered in 1955, Titmuss (1963) observed that the scale and intensity of the latest war, affecting the majority of the population (as all were victims of bombing), led to new developments in the British welfare system. Thus, the Emergency Medical Service, originally established to give assistance to small numbers of wounded combatants, was soon overwhelmed when Nazi's bombs hit English land, thus much more capable welfare institutions were required. But more deeply, there was a change in the relationship between the state and society: 'the waging of modern war presupposes and imposes a great increase in social discipline; moreover, this discipline is only tolerable if –and only if- social inequalities are not intolerable' (Titmuss, 1963: 85).

So, when social inequalities are reduced, -creating social measures that reduce differences in standards of living, social recognition, in brief, improving the quality of life or equal recognition before the law ('indulgences of many kinds' said Titmuss)- the citizens are happy to co-operate in the war effort. Civilians give their consent and their support to the state's aim of winning the war, while the state commits itself to the diminishing of social inequalities and privileges. War is then the independent variable of the extent and organisation of the welfare state. The more the masses are involved on the war effort, the more extended the welfare state is: 'the aims and content of social policy, both in peace and in war, are thus determined –at least to a substantial extent- by how far the co-operation of the masses is essential to the successful prosecution of war' (Titmuss, 1963: 86).

This hypothesis was openly criticised. How can we explain the failure in the setting up of a welfare state in countries which also suffered the war, such as Germany, France, Belgium, Netherlands or Russia? If the German population was as involved in the war effort



as the British, as was the case, why were the policy outcomes so different? In the case of Spain, the Civil War, as an undoubtedly war scenario in which not a single citizen could avoid being involved, led to a split between the winners and the losers, deepening for forty years the ideological divisions and social inequalities. Skocpol (1995) pointed out that neither in the UK nor in the US were the first modern pensions created during or just after wars<sup>7</sup>.

Peacock and Wiseman (1961) raised a different argument. They explained that wars increase the legitimacy and capacity of the state to extract resources from society, a difficult task that can only happen in extreme situations. As social policies require a huge amount of resources, wartime and its consequent drain on fiscal revenues becomes an optimum moment for increasing social expenditure. Skocpol (1995) also rejected the theory, arguing that the US had more fiscal capacity than the UK but failed to implement the extensive welfare state established by the latter. Another criticism is that many countries, once the war is over, actually reduce their taxation levels.

## 2.4. Policy Diffusion Theories

The scenario described in the introduction, that of many countries coinciding in creating similar types of welfare systems and in the very short period of time of a decade, alerted the scholars to the possibility of mechanisms of policy diffusion having taken place<sup>8</sup>.

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<sup>7</sup> Baldwin's criticism (1992) in the form of a question of why the medium classes accepted measures that allegedly were against their interests, just for the sake of sharing a common sense of psychological solidarity, seems to misinterpret Titmuss' point. As far as I am concerned, in Titmuss's theory everybody wins: the government achieves the necessary level of social discipline conducive to winning the war; the middle and working classes achieve a reduction of social and political inequalities.

<sup>8</sup> In his list of "internal and external" determinants of welfare state creation and expansion, Rys (1964) quoted the diffusion factor as one of the latter. He did not offer, however, any explanatory model or descriptive account of how diffusion can take place.



Collier and Messick (1975: 1305-6) observed that diffusion can take place in three ways: by copying legislation (“imitation”), by influencing new policy adoptions or by advising and making suggestions (international organisations and experts) and by encouraging policy innovations (international agreements). Taking the timing of the first adoption of social insurance schemes among 59 countries as the dependent variable, they tested the extent to which a process of policy diffusion had taken place<sup>9</sup>. They discovered that among the earliest adopters of social security, there was a “upward” diffusion along the hierarchy of development (from countries with lower modernisation rates to countries with higher modernisation rates). At the middle stage of social security adoption (we can call it the second wave), there was a “spatial diffusion” among countries with very different levels of modernisation. With the later adopters, both hierarchical diffusion and spatial diffusion were found.

Not much more can be said about diffusion processes using this analytical perspective. From Collier and Messick’s account, it can only be said that some countries coincided on the timing and perhaps on certain policies. But nothing can be said about why and how this happened –thus, about causality.

It is however one of the claims of this thesis that the mechanisms of policy learning and policy diffusion do usually happen. International organisations like the International Labour Organisation, the International Social Security Association, the Ibero-American Social Security Organisation and the Inter-American Social Security Conference have played a crucial role in encouraging social welfare developments and the standardisation of social

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<sup>9</sup> A first concern arises when looking at the identification of what in each country happens to be “the first adoption”. A painstaking investigation on Collier and Messick’s data discovers that the authors did not use a consistent and similar measure for all the countries. Were they considering “compulsory” or simply “voluntary” schemes? Public or private? Covering homogeneous working groups (let us say, all the “blue collar workers”, all farmers, civil servants) or just certain categories (“banana workers” or “gold miners”)? This seems to be crucial to me, as it can be that the authors are comparing what it cannot be compared. Thus, in their account, Spain’s first adoption appears to be in 1919, when the Old Age Compulsory Retirement Scheme was passed. However, the first social scheme adopted in Spain was Working Injuries Insurance Scheme of 1900. Portugal is described as having created its first law in 1910, which is simply wrong. The first one, the Working Injuries Insurance Law was created in 1913. The same could be said of Argentina, Panama or El Salvador.

security legislation. On many occasions, the innovations of neighbouring countries or of those sharing a common language or a common colonial heritage encouraged imitation. On other occasions, policy experts were responsible for the dispersion of ideas and policy solutions<sup>10</sup>.

This thesis will show that the best way for searching for policy diffusion processes is by looking into the policymaking process. Irremediably, this strategy implies searching for the actors, ideas and institutions involved on it. The question is then why and how in some countries, policymakers succeeded in transforming ideas of social reform into coherent policies, while failing in others.

## **2.5. The “Politics Matters” Approach**

A second stage in the process of accumulating knowledge on the politics of the welfare state emergence and development came as a reaction to the Modernisation theories. These were criticised as neglecting the importance of other variables apart from the socio-economic ones. For a group of scholars, political variables happened to be the main omission. In their account, Modernisation explanations cannot explain the difficulties in establishing social reform projects even in those most successful cases such as Britain. If levels of modernisation determined the content of social security, why did government bureaucrats in the UK – precisely those who were more aware of the situation of the population and the risks of unfair capitalism because of their social knowledge – bitterly oppose Beveridge’s plans for universal coverage?

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<sup>10</sup> This is a conclusion of my own research on the emergence of social insurance systems in Central and South America. The expert in charge of the creation of the social insurance system of Costa Rica in 1942, Oscar Barahona Streber, was brought to Guatemala later, in 1946, to establish the Guatemalan Social Security System.

Alternatively, other scholars selected class-based variables. In the capitalist polities, class is the major cleavage of conflict. Different social and political actors, structured under class identity and loyalty lines, take part in power struggles pursuing their own interests. Neo-marxists Piven and Cloward (1971) argued that social policy change occurs as a result of popular protest. The revolts and agitation of the poor and workers forced political and economic elites to make concessions in the form of social security benefits and more permissive labour regulations. Empirical evidence, however, has not come in support of Piven and Cloward thesis, as Skocpol and Amenta (1986) showed. The latter authors concluded that 'mass disruption arguments are most applicable to times and places where working classes and other organised democratic forces lack access to regular institutional channels for affecting social policies. Even so, the effects of disruption may be slight and not in line with the demands posed, and analysts must probe for possible backlash effects against those who protest' (Skocpol and Amenta, 1986: 139).

More recent Neo-Marxist approaches have used Poulantzas' class-struggle theory<sup>11</sup> to create more sophisticated explanatory models of welfare state emergence. The "Corporate Liberalism" thesis 'contends that class-conscious capitalists manipulate the polity so that government comes to pursue policies favourable to capitalism' (Quadagno, 1984: 632)<sup>12</sup>. Social policies are used as a mean to control the political process by the capitalist class.

For Quadagno (1984), the key group in shaping social policy (more specifically, the US 1935 Social Security Act) was businessmen. However, this was not a homogeneous group as the divide between monopoly and non-monopoly companies existed. These different capitalist groups had different leverage on bureaucrats and state managers, with the working-class playing no significant role. The state, following Poulantzas' thesis, operated

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<sup>11</sup> For Poulantzas, the state stays as a relatively autonomous political arena mediating between different power blocs in the inter-class struggles and intra-blocs.

<sup>12</sup> Representatives of these school are authors such as Kolko, G. (1963), *Main Currents in Modern American History*, New York: Harper and Row; Domhoff, W. (1979), *The Powers that Be: Processes of Ruling Class Domination*, New York: Vintage; O'Connor, J. (1973), *The Fiscal Crisis of the State*, New York: St. Martin's Press. From a historical-descriptive approach, see Berkowitz, E. and McQuaid, K (1978), 'Businessman and Bureaucrat: the Evolution of the American Social Welfare System, 1900-1940', *The Journal of Economic History*, Vol. 38, Issue 1, pp. 120-42.



as a 'mediating body, weighing the priorities of various power blocs within it' (Quadagno, 1984: 646). Thus, the Social Security Act was a compromise between non-monopoly capital which was 'struggling to keep social-welfare measures outside the jurisdiction of the state' and 'a core group of influential monopoly capitalists, national state managers and various citizen coalitions' who were pursuing increasing centralisation (Quadagno, 1984: 646).

Drawing on Poulantzas's theory and adding insights from theories of social protest (Piven and Cloward, 1977) and Domhoff's analysis of capitalist dominance, Jenkins and Brents (1989) also explain the US Social Security Act of 1935 as the result of two factors: social protest from excluded groups and lower classes who were suffering the harshness of the Great Depression, extending among political elites the fear of crisis and the commitment to avoid it; and struggles between capitalist coalitions, with the ultimate triumph of the "Corporate-Liberal coalition" that presented its policy proposals. They make a good point when noting that existing theories (in particular, state-centred approaches like Skocpol's) have failed to distinguish between policy formulation and policy making.

In his seminal book *The Democratic Class Struggle*, Korpi (1983) offered a model of social change whose central concern is how power is distributed among collective actors in society and what power resources are available to social actors in different moments and in different situations. In Western societies, actors have at their disposal different power resources such as the means of violence, capital, means of production or human capital. Collective organisation is another power resource, as it maximises the limited power of individual resources – that is, increases their human capital. Aware of the increase of their power resources, social groups can feel capable of engaging in societal bargaining, thus bringing about social change.

Following the argument, Korpi specified how power struggles can happen. Crucial social developments that have taken place in capitalist countries have been the result of the increase of the power resources of the working-class movement. Thus, the achievement of political democracy, the institutionalisation of corporatism in many capitalist democracies or the development of the welfare state after World War II can be seen as a result of the



increasing level of organisation (resulting in the increase of power resources) of the unions and left-wing political parties. The independent variable here –the power resources of the working-class movement- is operationalised by the degree of working class organisation both in trade unions and political parties and the degree of control of left wing parties over the executive (Korpi, 1980).

The “power resources” model was applied to the study of the welfare state development after World War II by many scholars. For Esping-Andersen and Korpi (1984), the change in working-class power resources after the World War II allowed workers to push for their interests. The increase in the levels of unionisation and the rise in the electoral results of left-wing parties opened the door for further welfare policy innovations towards a system of universal coverage, generous benefits and the progressive loosening of welfare entitlement conditions. Thus, the working hypothesis of the theory can be stated as following: the greater ‘the power resources of the labour movement and the stronger the left party hold over the government’ (Korpi, 1983: 25), the more likely that public policies will reflect the working-class interests. In their comparative study, Esping-Andersen and Korpi concluded that the existence of a strong union confederation and socialist party, together with the absence of previous developed programs of welfare provision allowed in Sweden the great developments towards an extensive and universal welfare state which it was not possible to create in Austria and even more, in Germany.

The social democratic theory became the dominant explanatory framework during the 80s and 90s. The amount of criticisms that has lately been harvesting reflects precisely its centrality in the sub-discipline of comparative social research. To start assessing the limits of the theory, the authors themselves were aware of the fact that the Socialdemocratic theory applies better to post-war welfare state developments. Before 1945, welfare state institutions were created from above, “for” the working-class but “without” the working-class. As Esping-Andersen and Korpi put it, the working class was a mere ‘object of the concerns and worries of the traditional ruling elites’ (1984: 180).

Some of the criticisms are directed at the array of assumptions implied by this theory. Skocpol (1995) argues that it has in mind only centralised and bureaucratised states, with party systems that struggle for power in the legislative arena. Paul Pierson (2000: 797) criticises 'its focus on zero-sum class conflict over social provision', neglecting the possibility (and the fact) that policy outputs and outcomes are most of the time the product of consensus and agreements. Baldwin (1992) noted that as important the middle class also benefited from the introduction of the welfare state (not only the working class). The literature on "Corporate Liberalism" already analysed or the "Elite Conflict" theories studied below open to more actors the dual accounting of social democratic theories. Thus, it is hard to see the welfare state as an institutional outcome of zero-sum class conflicts.

Also, Korpi's (1983) model makes the assumption that the government makes policy in reaction to social and political demands. Thus, there is no room in this theory for governmental autonomy or for a non-reactive policy making style. However, public policy literature has shown extensive scope for government autonomy and the uneven access of interest groups to policy communities and to policy-makers.

Baldwin's model (1992) was both a critique and a refinement of the Socialdemocratic theory. I share with Pedersen (1993: 7) the view that Baldwin has simply 'furthered the tendency to see class as the only relevant social division and the only possible basis for a politics of interest'. Baldwin included the urban middle classes and agricultural forces as equally relevant for the explanation of welfare state emergence and development. The secret of welfare state emergence lies in the encounter of interests of the poor, the workers and the middle classes, the latter agreeing to introduce universal benefits only because they would gain more from the measure.

As presented by Cameron (1984), the Neo-Corporatist approach's main hypothesis is that the "openness" of a country to the international economy and its dependence on the waves of the international markets foster policy responses of the sort of welfare-corporatist solutions. The Polanyian logic of welfare state as barriers against modern capitalist maladies rests in this. The smaller and more dependent upon international trade a country is, the

bigger the power of labour and the more probable its welfare state development: 'Since small, open economies tend to be industrially concentrated, they also tend to develop strong and unified interest organisations. The capacity to forge broad consensus and to mobilise power is further helped by the homogeneity and concentration of the labour force' (Kersbergen, 1995: 17).

## 2.6. Elite Theories

In dialogue with the social democratic theory (Kersbergen, 1995: 17), another approach to the issue of welfare state development paid attention to the role of elites in overcoming conflicts through achieving compromises over the policies to be created. For De Swaan (1988: 9, quoted in Pierson, 1998b: 95), 'social security was not the achievement of the organized working classes, nor the result of a capitalist conspiracy to pacify them...The initiative for compulsory, nation-wide and collective arrangements to insure workers against income loss came from reformist politicians and administrators in charge of state bureaucracies'.

Mesa-Lago (1977) explained the gradual emergence and expansion of Latin American social security systems as a consequence of the power of pressure groups to obtain concessions from the state<sup>13</sup>. The military, followed by political elites and civil servants, obtained their particular social security systems first, with better benefits, better services, less strict eligibility conditions than the programs granted to less powerful pressure groups such as "blue collar" workers and the agricultural workforce. The outcome of this power-led

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<sup>13</sup> For another elite-analysis of social security, applied to the Chilean case, see Tapia, I. and Parrish, C. J. (1970), 'Welfare Policy and Administration in Chile', *Journal of Comparative Administration*, No. 1, February, pp. 455-76.



bargaining process was the non-egalitarian, non-redistributive and fragmented social insurance systems which were established.

A more radical version of the approach can be named, following Baldwin (1992), the “Bonapartist model”. It is suggested that elite groups in power make concessions in the form of social policies in order to ensure their status quo and exorcise social unrest. Thus, Fraser, (1981) stated that the English welfare state was created as an instrument of social control to replace the existing “Poor Law”, which had proved to be inadequate for such a goal. Hay (1984) also noted that British businessmen before World War I made concessions on social welfare hoping to achieve social discipline and to raise productivity so as to cope with foreign competitive pressures.

Can social policies in non-democratic regimes be explained from this theoretical standpoint? It could certainly be argued that dictators and their supporters sought to exorcise the risk of social revolts and popular opposition to their regimes by making social (but not political) concessions, without threatening, however, the status quo of the wealthier social strata and the unequal social stratification and economic system. However, it could also be argued that many non-democratic regimes which introduced social security policies did not face the risk of social revolt or there was not a foreseeable danger of the institutions of dictatorship being dismantled. For example, Francoism did not face any risk of social unrest in the immediate post-Civil War years, and even so different social insurance schemes covering most social risks were created.

In any case, I am convinced that the explanatory power of this approach can be enhanced by integrating it into a policy-making study which takes into account the role of actors and their interests, ideas and institutions in forging public policies. One of the main goals of this dissertation is to develop a model where the role of elite groups in non-democratic regimes is understood in conjunction with the other elements of the policy process.



## 2.7. The Institutional Approach

The history of welfare state development has always interested scholars, since the first accounts by the Webbs in England as early as 1911, through the studies by Durand in the 1950s, Rimlinger in the 1970s and Flora as late as 1986. From this tradition of welfare state research, a cluster of scholars has been analysing the way particular welfare state institutions have been developing through the time, stressing the importance of historical sequences, non-linear relationships and complex causation processes (Pierson, 2000: 810).

Heclo's research (1974) on the long-term development of unemployment and old age insurance schemes of Britain and Sweden can be consider as a path-breaking study within this school. Ashford's book (1986) and Momsem's collection of articles (1981) also traced the historical evolution of the welfare state of different countries such as Britain and Germany.

One use of this historical approach to the study of the welfare state lies in how it teaches us to avoid simple linear causation thought. Also, it has proved to be extremely helpful to assess the validity of hypotheses generated by other research schools. Many of the statements that were made by theories of modernisation, the cultural approach and the debate on the influence of religion on social policy outcomes, the "Politics Matters" theories and the analysis of war and welfare state have actually been discredited when tested with particular case-studies. Huber and Stephens noted that much of the literature on the welfare state has applied the causes of short-term institutional change to long-term change (see Pierson, 2000: 813). This mistake could be avoided by testing the hypothesis with in-depth historically-based studies that bring to the fore the causes of the long-term social and political transformations.

In the Institutional approach, state capacities, political institutions such as constitutional rules or electoral systems, long-term historical and political legacies and actors

within the state (mainly bureaucrats<sup>14</sup>) play a substantial role. Eckstein (1960), for example, explained the passing of the British National Insurance Act of 1911 and the National Health Service Act of 1946 as a result of the room for autonomous decision-making allowed by parliamentary majorities (quoted in Immergut, 1992: 240).

Skocpol's (1995) theoretical framework for explaining the US social policy looked at how historical processes of state formation produced specific state institutions which shaped the power relations between groups (and their possibilities for forging alliances) and their power positions in the policy making process. The long-term political processes of state formation embrace the constitutional formation process, the war experiences, the democratic struggles and the bureaucratisation processes.

Using this framework, Skocpol and her colleagues launched their attempt to explain the whole history of the US welfare system. To begin with, the mother-friendly welfare system and the special protection of war veterans in the form of pensions that were introduced during the nineteenth century reflected the successful lobbying power of women's and ex-combatants groups. Skocpol explains their capacity to access the nucleus of decision-making due to the existence of a highly fragmented polity, 'a polity of courts and parties operating in a multi-tiered federal framework' (Orloff and Skocpol, 1984: 741).

Although this system was developed in the nineteenth century, the US system did not follow other countries' social policy innovations in the early twentieth century. Although proposed, old age and disability pensions for the working and middle classes were not introduced. Orloff and Skocpol (1984) explained this failure when compared to the more successful case of Britain by the lack of an established civil bureaucracy that could push for increases in social expenditure and the fear of entrenched "patronage politics". The reformist spirit for the purity of democracy that the "Progressive Era" brought about wanted to suppress the patronage practices of former political periods. For many, the pension system

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<sup>14</sup> On the role of bureaucracy, see Davidson, R. and Lowe, R. (1981), 'Bureaucracy and Innovation in British Welfare Policy, 1870-1945', in Mommsen, W. J. (ed.), *The Emergence of the Welfare State in Britain and Germany, 1850-1950*, London: Croom Helm, pp. 263-95.

for war veterans was an excellent example of a “patronage-politics” outcome. So, the fear to create another mechanism of “patronage politics” blocked, at least temporarily, the expansion of the welfare system.

The design and content of the welfare system created by the 1935 Social Security Act can also be explained as a result of specific institutional features of the US polity. These features (the independent variables) were the ‘decentralised federalism, the legacies of patronage-orientated forms of democratic politics that prevailed in the nineteenth century United States, the weakness and fragmentation of the new realm of public administration built from the late nineteenth century onwards and public policy-making processes centered in legislative log-rolling rather in programmatic political parties or executive planning agencies’ (Skocpol 1995: 138). These characteristics of US politics affected the way advocates of different social policies manoeuvred to get their projects adopted.

However, the effect of these features needed to be catalysed by an external component. Policy change, from this approach, seems to take place after something exterior to the simple theoretical framework brings about the possibility for institutional activity<sup>15</sup>. That is, in order for institutions to exert their shaping role over the policy-making process, something has to activate them. This is the function of the so-called “critical junctures”. If the “Progressive era” was the critical juncture in the previous period, in the case of the creation of the 1935 US Social Security Act, the Great Depression acted as the critical juncture that opened the opportunity for the coming of different teams of policy advocates, in this case the “School of Wisconsin”. The institutional features listed above allowed them to create a very closed policy community, sheltering them to implement their own ideas and policy solutions. That is why the resulting social security system was not fully comprehensive of all citizens and all social risks, was not nationally extended, the programs were independent from each other and there were not national standards of public benefits –

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<sup>15</sup> This point has been made by Alley, B. (2001), ‘New Institutionalist Explanations for Institutional Change: a Note of Caution’, *Politics*, Vol. 21, No. 2, pp. 137-45.



the opposite to the model that Skocpol has in mind for her comparisons, the Beveridgean model.

World War II became the “critical juncture” for the post-war development of US social policy (Skocpol and Amenta, 1995). The war opened a window of opportunity for policy reform but was not satisfactorily used, in contrast to the UK, again for reasons that have to do with institutional features of the American polity. US also had its sort of Beveridgean report in the *Security, Work and Relief Policies* of March 1943, but its advocates failed to implement it because they did not achieve the broad social and political consensus that advocates in Britain achieved. The difficulty to create coalition governments and the presidential political system (as long-term characteristics of the state), the fact that elections continued to be held during the war, together with the lack of central economic planning and the failure to successfully incorporate the working classes (resulting in strikes and agitation) (as more immediate temporal reasons) are all institutional consequences of the US experience of the war. And these features eliminated any possibility of achieving cross-class and cross-partisan social and political support for expanding the prevailing social policies towards a comprehensive and national welfare state.

In a chapter of a book fully dedicated to investigating the effect of institutions on policies and politics (Steinmo, Thelen and Longstreth, 1992), Immergut (1992b) explains the emergence and development of national health systems in three countries, France, Switzerland and Sweden. In all the three countries, projects for creating a national health service, fully comprehensive of all citizens and health risks were proposed. In all the three countries, movements both advocating and fiercely opposing the social reforms grew up. The outcomes, however, differ radically. Sweden managed to create such a developed national health service, France could not go any further than creating a Sickness Insurance Scheme and Switzerland rejected any possible measure for a public system, irrespective of it being a universal system or a insurance scheme. Immergut found the explanation on the role of institutions: ‘Institutions establish different rules of the game for politicians and interest groups seeking to enact or to block policies. “De iure” rules of institutional design provide

procedural advantages and impediments for translating political power into concrete policies. “De facto” rules arising from electoral results and party systems change the ways in which these formal institutions work in practice. Together these institutional rules establish distinct logics of decision-making that set the parameter both for executive action and interest group influence’ (Immergut, 1992b: 59).

So, both constitutional rules and electoral results moved along the nucleus of decision-making from the executive to the legislative or the electoral arena, changing the opportunities of pressure groups for shaping the policy-making process. Depending on the resources for shaping the policy process, pressure groups might or might not be able to make use of their resources to veto legislation. Thus, in Sweden, the executive branch benefited from the autonomy for decision-making provided by the constitutional configuration of the polity, making it immune to the demands of pressure groups opposing health policy reforms. In France, the Parliament became the locus of decision-making, benefiting doctors’ demands to fit health policies to their interest. Finally Switzerland’s constitution allows the call for a popular referendum, a powerful tool in hands of pressure groups for blocking any policy project. Just by threatening the government with calling for a referendum, doctors managed to block the health reforms.

Pedersen (1993) makes a comparative study of family policies established in the British and French states between 1914 and 1945. Family policies in both countries varied enormously, to the extent that, while in Britain the policies followed “a male breadwinner logic of welfare” by redistributing income primarily to the father, in France they were “women friendly”, designed to protect children by distributing income directly to the family (1993: 17). Pedersen finds the reason for this divergence in economic, ideological or political *structures*. One is the structure of the labour market (the rate of labour-force participation for married women and presence of women in the labour market, rather than in the home) but most important is the way social and political demands were presented to public opinion and to the groups with the ability to determine the policy making process: ‘we can best understand why policies toward dependence developed so differently in these two welfare

states if we examine how proposals to base social entitlements on family status or gender role were articulated and received within two realms – the open realm of public and political debate and the more restricted realm of political or economic consultation' (Pedersen, 1993: 13).

Thus, from here, the approach leads to the study of the policy making process: 'The policy-making arena was crowded in both countries with those claiming to represent a wide array of interests putting forward very different visions of distributive justice...and attempting to build coalitions and to interest state actors in their cases' (Pedersen, 1993: 18). Therefore, proposals, projects and ideas with different social welfare solutions existed in every country. Why were some projects successful in one country and a failure in another? Women's groups in Britain launched a strong campaign for the recognition of maternity as a beneficial value for the whole society, thus asking for policies that benefited women with dependent children. But it was precisely the strength of the movement that was advocating for such policies which provoked fear and opposition from equally strong male organisations, civil servants and trade unionists. On the contrary, the weakness of women's groups in France did not put pressure on the politicians and business people who agreed to establish family policies with a high income-redistribution content. To conclude, it was the structure of the polity what shaped the channelling of demands and the success of ideas and policies.

## **2.8. The Debate on Welfare State Regimes: The 'Latin Rim' Regime**

One of the most important debates within the comparative study of the Welfare State is the discussion on regime types. By far the most influential work has been Esping-



Andersen's (1990) *The Three Worlds of Welfare Capitalism*, in which he constructed a typology of welfare state regimes using three criteria: 1) the "de-commodification" or opportunity possessed by the individual to remain out of the labour market; 2) the social stratification system created by the WS; 3) the relationship between state and market (later including the family as well). The combination of these three criteria creates similarities and differences among countries, that allow a presentation in a three-fold typology of WS: a Liberal, a Conservative/corporatist and a Social Democratic model (Pierson, 1998).

The Liberal Welfare State (as in the USA, UK or Australia) follows the logic of the market, thus the state's public expenditure is low and benefits are rather modest and means-tested. In contrast, the Social Democratic model (as in Sweden and Norway), committed to the principles of universalism, de-commodification and solidarity, has high levels of public expenditure and grants welfare benefits as a citizens' right. In the Conservative Welfare State (as in Germany or France), the market also plays an important role as provider of public services, but the state is much more involved than in the Liberal type. However, the logic of protection is linked to labour market participation, thus resulting in poor de-commodifying results and in the reinforcement of social stratification.

Since Esping-Andersen's 1990 study, much of the comparative welfare state literature of the 1990s can be seen as a 'settling of accounts' with him (Pierson, 1998: 779), either by fitting in new cases into the three ideal types or by providing alternative regime types. Thus, researchers paid attention to welfare state developments in Southern Europe and suggested the existence of a group of nations which Leibried (1993) named the "Latin Rim" model. These countries are Greece, Italy, Portugal and Spain. They would all have a mixture of features of both the Continental and the Liberal models. The system is based on the contributory principle, linked to labour market participation and social assistance remains "rudimentary" (Leibried, 1993; Gough, 1996). However, while in these countries of South Europe social welfare expenditure is still very low, the health service is well developed, in some cases funded by general taxation (Spain, Italy) and covers almost the entire population (99 per cent of the population in Spain). Ferrera (1996) summarised the common features of

the southern model of the Welfare State as follows: '1) A highly fragmented and corporatist income maintenance system, with peaks of generosity for an institutional labour market accompanied by macroscopic gaps of protection; 2) The departure from corporatist traditions in the field of health care and the establishment of National Health Services based on universalistic principles; 3) A low degree of state penetration of the welfare sphere and a highly collusive mix between public and non public actors and institutions; 4) The persistence of clientelism and the formation of "patronage machines" for the distribution of cash subsidies' (Ferrera, 1996: 17).

The existence of common features that justify the labelling of a new regime type different from the other three of Esping-Andersen's typology was rejected by Katrougalos (1996). For him, the Greek Welfare State belongs to the continental model. Katrougalos did not find any cultural or institutional factors conforming to a separate model, a Latin type of Welfare State, only common problems in the development of the societies and economies of those South European countries that can be historically explained.

It is not, however, so much the features of the Southern model but the factors which produced such an institutional configuration which interests us in this thesis. Advocates of the existence of a Southern welfare regime have only referred to an array of possible independent variables, without providing a convenient theoretical framework.

According to Ferrera (1996), socio-economic and cultural factors explain the existence of these common features of these South European welfare states. Persistent economic underdevelopment and segmented labour markets are among the socio-economic factors, while the presence of a strong Catholic Church and the resilience of corporatist traditions are the cultural variables (Ferrera, 1996:30). Together with this developmental approach, Ferrera pointed to political-institutional features. Thus, the causes of the backwardness of the South European welfare states are the weakness of state institutions, the multi-party system and the existence of a radical and divided Left. Rhodes (1997) followed the same analysis. By the same token, Moreno (2000) points to socio-economic factors (low modernisation), political institutions (weak state institutions) and, specially, cultural

variables (Catholicism, clientelism and corruption, family patterns and styles of life). Matsaganis *et al.* (2003) find the causes of the underdevelopment of social assistance in Southern Europe in cultural (the role of the family) and political (the “softness” of state institutions) variables. As I will argue in the next section, the usefulness of this literature and debate for my purpose in this thesis is limited to the highlighting of two political and institutional variables.

## 2.9. Assessing these theories

How can the birth and growth of welfare states in non-democratic regimes during the forties be explained? Can the theories reviewed here offer us any help?

Modernisation theories did include non-democratic welfare states in their cross-national analysis and were aware of the possible effect of the nature of the political regime in the development of their social policy. Cutright (1965; 1967) used ‘political representativeness’ as one of his two independent variables. Kuhnle (1981), Flora and Heidenheimer (1981) talked about ‘political mobilisation’ and Wilensky (1981) about ‘party competition’. But it is also true that they were always of secondary importance compared to the main independent variable, the economic development, (measured as GNP per capita, energy consumption, levels of urbanisation or levels of industrialisation). Thus, Cutright (1965: 548) concluded that the level of social security is dependent upon ‘deeper strains affecting the organisation of society’. Wilensky (1975: xii) stated quite emphatically that political factors were ‘almost useless’ to explain the origins and general development of the welfare state, economic development and its demographic and bureaucratic consequences being the true determinants.



At the same time, findings were not conclusive and on many occasions disappointing (Skocpol and Amenta 1986: 137-8). The level of analytical abstraction and the only use of quantitative methods impeded any attempt to understand the policy process that led to the emergence of welfare state institutions. From this standpoint, we might know that different countries cluster in the timing and content of their welfare states and we might be able to hypothesise that it is due to the extent of industrialisation or extension of universal suffrage. But we cannot explain much more. In fact, this type of research feels much more comfortable explaining similarities (and convergence) rather than differences. For example, how can we explain differences among countries within the same cluster? Why do countries that share similar levels of development and democracy differ so much in the timing and content of welfare state creation? Why did non-democratic regimes introduce social insurance systems and why did they fail to create social security systems? The Modernisation theory draws a cold, distant and deterministic picture or, as Peter Baldwin put it, this approach does not explain 'the most attractive issues' (Baldwin, 1992: 73).

Cultural explanations, especially those linking religion and welfare state development are simply dismissed by several counter-cases. The Culturalist perspective suffers from the same problems as the Modernisation and Industrialisation theories. Therefore, although it might help to discover why some countries have managed to run faster in their process of welfare state expansion, it cannot explain the process of policy making, the timing or the differences among established social programs. The positive effect of liberalism or the contradictory effect of Catholicism cannot explain why democratic Guatemala created a law enabling a fully-comprehensive social insurance system while its non-democratic neighbour El Salvador failed to do the same. Nor it can explain why Peron's first social insurance system of 1944 was much more universal and integrative than the fragmented system that came later in 1953.

The debate on the influence of religion on welfare state outcomes has ended up with claims for the need for in-depth case studies. We need to engage with the policy process and the actors and channels enclosed in it. We need to ask in each case to what extent Catholics

and Protestants (laymen and the ecclesiastical hierarchy) and the Catholic Social Doctrine were influential (in a positive or a negative way) in the policy process and how they shaped the final welfare institutions. But for this, Cultural explanations cannot help much.

Theories linking war and welfare state development are too narrowly focused on West European countries which fought World War II, especially the UK. The case study chosen in this dissertation, the Spanish experience, did suffer a bloody war, but neither created a sense of collective responsibility as in the Titmuss account nor raised the fiscal capacity of the state. In fact, the opposite of these arguments is more accurate. The Civil War split the country in two, the winners identified as Spain and the losers as the “anti-Spain”, an ideological gap that took more than forty years to fill. And the creation of the welfare system came about precisely at a moment when the economy was in its worst state.

From the perspective adopted in this dissertation, the “Politics Matters” approach (in particular, the social democratic theory) leaves us with little room to manoeuvre, as it can only be applied to political regimes with non-limited pluralism. In fact, this theory seems to identify welfare state and democracy and its advocates themselves doubt that the Social-Democratic thesis might be applicable to countries other than advanced industrial democracies (Esping-Andersen and Kersbergen, 1992). The most which can be done by applying the social democratic theory to the study of non-democratic welfare states is getting an account of policy failures. However, the aim of this thesis is to highlight both the “presence” and “absence” of welfare institutions in order to get the correct picture of the non-democratic welfare state.

Baldwin’s model does not take us much further than the social democratic theory. In a non-democratic regime, the goal is to exclude certain groups and classes from the political process through de-mobilising mechanisms that lead to political apathy or to maintain a high level of popular mobilisation in a very much controlled environment. In a non-democratic regime, policies are rarely the result of political pressures from below.

The debate on the existence of a Southern model of welfare state has left us with a vague explanation of the emergence and development of the social welfare systems of Italy,

Spain, Portugal and Greece based on a shopping-list of independent variables. Ferrera (1996) and Moreno (2000) pointed to cultural factors, socio-economic developments and political-institutional variables. This is obviously useful in getting a general picture of the phenomenon, but it is insufficient if we are seeking to attribute causality (or at least influence among variables). In this latter case, a sound theoretical framework has to be based on a few selected independent variables.

I have already argued my rejection of developmental explanations. Thus, the variables brought forward by the regime debate which in my opinion are worth rescuing for my theoretical framework are those which point to political-institutional variables. Basically, I will pay attention to two: the weakness of the state institutions and the role of the Catholic Church and the Social Catholic movement as participants in the policy process.

Historically-based studies that carefully assess the way policies happen to emerge have proved to be “the accurate verifiers” of the validity of those hypotheses offered by other research schools with a much higher level of analytical abstraction. Neo-institutional theories, looking at the policy-making process of specific case studies, have helped to test hypotheses and come up with new explanations.

By highlighting the fact that “institutions matter”, these theories have opened a window of opportunity for bringing the “type of political regime” variable back into the research agenda. In addition, the institutional paradigm is capable of integrating many of the insights provided by the Elite theories and Policy Diffusion theories. Actors make decisions in pursuing their interests. Powerful ideas and neighbouring successful experiences can exert a considerable effect. But both actors and ideas occur in a concrete institutional framework of political interaction – in our study, the non-democratic political regime.

It is, however, my belief that the origins and development of welfare state can not be fully explained by taking into consideration a single (or a few) ‘discrete, independent master variables’ but rather ‘a number of interdependent causal factors’ with a cumulative effects on outcomes (Pierson, 2000: 809). I do not simply try to replace “socio-economic development” or “labour movement strength” by “type of regime” and continue to hold a one-way model of



causality. Many variables come into play at the same time. However, the solution can neither be using an explanatory model that takes into account all the possible variables, in a sort of list of all the causes “available in the market”. For the sake of analytical sharpness and methodological refinement, at the end of the day it is a must to highlight the most relevant causes. This will be the task of the following chapter.

## **Chapter 3**

# **Public Policy and Non-Democratic Regimes**

In this chapter, a theoretical framework for analysing the policy process in non-democratic regimes will be proposed. In addition, a review of the literature on non-democratic political regimes will be conducted. The chapter closes with the presentation of my methodology, plan of research and choice of case study.

### 3.1. Public Policy Theories

One of the sub-fields of Political Sciences that is currently growing fast is that of public policy research. A “public policy”, quite straightforwardly, is a programme undertaken by the public authorities which hold the power in a given political community. But it is not only the content of these programmes that interests public policy researchers, but the processes by which they come into existence. Jenkins, for example, defined a public policy as ‘a set of interrelated decisions taken by a political actor or groups of actors concerning the selection of goals and the means of achieving them within a specific situation where these decisions should, in principle, be within the power of these actors to achieve’ (Jenkins, 1978)<sup>1</sup>.

As if they were two sides of a coin, public policy scientists embark on analysis of policy content and analysis of policy determination (Gordon, Lewis and Young, 1977), and it could be argued that the latter is what raises the most fruitful questions from the political science perspective. In fact, when authors try to define public policies, they usually end up describing the policy process by which a political community produces policies.

As a process, it can be understood as moving through different stages or cycles. Thus, authors have talked about the cycles of the policy process and different lists of stages

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<sup>1</sup> See other definitions that also emphasise the dimension of process: Anderson, J. (1990), *Public Policy-Making*, Houghton Mifflin: Boston; Peters, G. (1986), *American Public Policy*, Chatham (NJ): Chatham House.



have been provided. For example, Hogwood (1987) differentiated between agenda-setting, processing the issue, selection of an option, legitimisation of that option, allocation of resources to the policy, implementation, adjudication and, finally, impact and evaluation.

However, we do not need to be so specific in here, so we can adopt a very basic division of the policy cycle, and distinguish between the following stages:

- Policy formulation (agenda-setting, policy-drafting and negotiation between the incumbent actors).
- Decisions taken by the relevant authorities.
- Implementation of the policy.
- Evaluation (feedback).

My study of the creation of welfare systems in non-democratic regimes will only look at the first two stages. I am not concerned here with the phases of implementation of social policies and their evaluation (in order to provide knowledge to the organisation which set them up).

The policy process results from the interaction of three components: ideas, actors and institutions. These elements are also affected by the surrounding social, historical and economic conditions (Hall, 1992; King, 1992; Hall 1997; John, 1999; Majone, 2001). The different schools of the discipline of Public Policy have tried to identify the mechanisms of causality that occur during the whole process.

Thus, regarding ideas, there is no doubt that they play an important role in producing both policy change and policy stability (John, 1999). However, what the so-called Ideational approach argues is that ideas are “the” explanatory factor of the policy process. Thus, it is not only that ideas are embedded within political institutions (Hall, 1989; Hall, 1993; Weir, 1992) or ideas enhance the drive of already motivated actors or provide them with road maps (Goldstein and Keohane, 1993), but ‘ideas both give substance to interests and determine the form and content of new institutions’ (Blyth, 1997; Blyth, 2000).

The Rational Choice school maintains that ultimate decisions are made by rational political actors, therefore making worthy of attention their preferences and interests over

other factors. These actors seek to maximise their interests by making the most out of the varying constraints on their actions, - these being institutions, decisions of another actors or socio-economic conditions. (John, 1999). As Scharpf says, 'actors and their interacting choices, rather than institutions, are assumed to be the proximate causes of policy responses, whereas institutional conditions, to the extent that they are able to influence actor choices, are conceptualised as remote causes' (Scharpf, 2000: 764).

Those working within the New Institutionalism see institutions as determining the policy process. However, there is no single definition and conceptualisation of what an institution is. The one adopted here is that given by one of the best-known representatives of this School, North, who defines institutions as 'legal arrangements, procedures, norms and organisational forms that shape human interaction' (North, 1990). Thus, institutions shape human behaviour by limiting or enhancing their scope of action, reducing uncertainties, channelling ideas and values, mediating among conflicts and offering systems of incentives (Subirats y Gomá, 1998). Even more, previous institutions also shape future decisions or future policy processes in either a restrictive way or by broadening the possibilities of the actors. In this sense, institutions make the process path-dependent.

In between the Rational Choice and the Institutional schools, the Networks approach finds that political actors interact following stable patterns of action which determine both policy outputs and outcomes (John, 1999: 15). These interactions take the form of different types of relationships, from open networks (that have loose and shifting actors) to closed policy communities (with a small number of participants) (John, 1999).

The current trend within the discipline is to reach unified models of causality that integrate different approaches or that, although giving primacy to a single causal factor, do not neglect others<sup>2</sup>.

The approach adopted in this thesis to explain the origins of the Francoist welfare system will be Neo-Institutionalist. There are three reasons for taking this approach. First, ideational, network and rational choice theories have been built with a democratic polity

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<sup>2</sup> For example, Weir (1992), King (1992) and Hall (1992), Kingdon (1984) or John (1999).

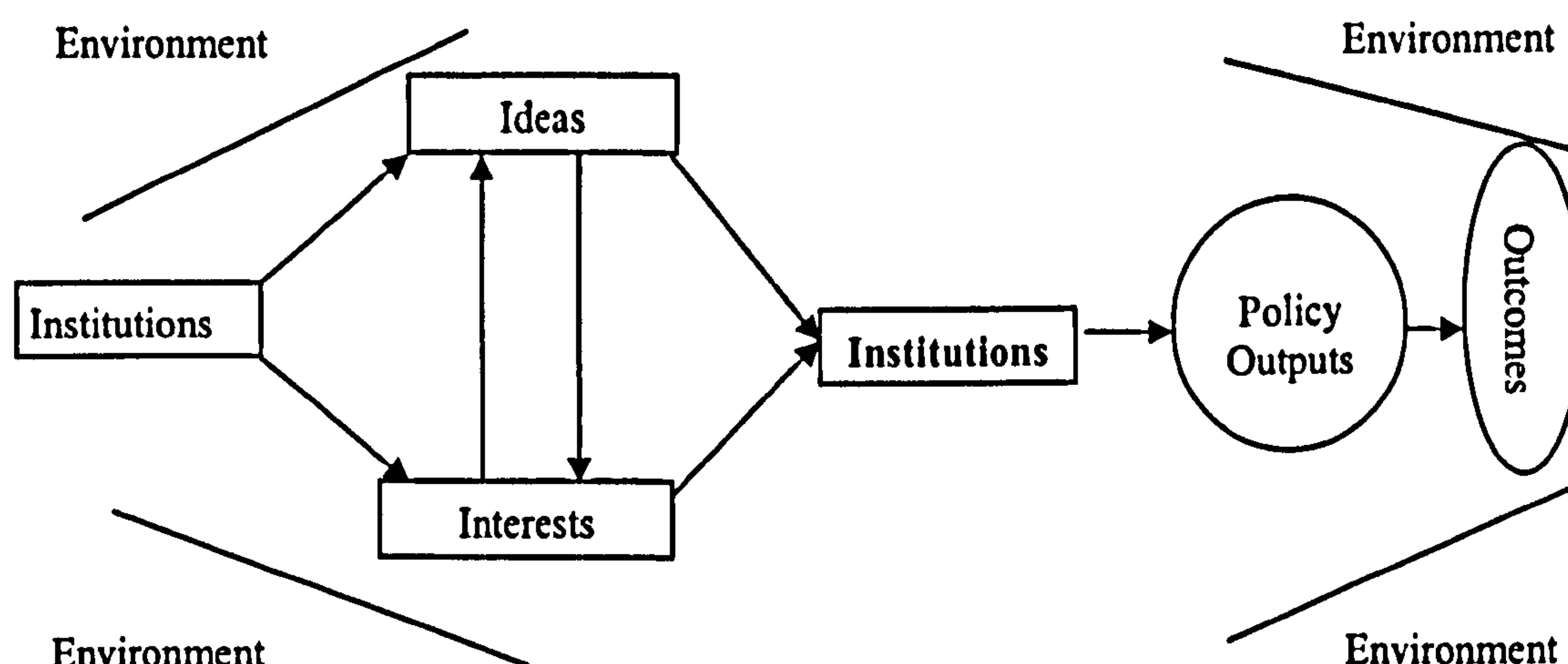
community in mind. Rational Choice theories see power distributed among, at least potentially, all people who constitute the polity. Ideas can float freely until their time comes to become policies but, at least potentially, everyone can pick them up and bring them into the public arena. The Networks approach holds a highly positive view of the way interests are aggregated, -generally in a consensual way. However, how do we explain the policy process in a political community in which there is no free public arena in which to discuss ideas, political action excludes most of the population and the existence of networks (when that is the case) only depends on the arbitrary decision of the political authority? Researching the non-democratic policy process demands an institutional explanation of how the non-democratic regime shapes the interests of the actors, their ideas and policy outputs.

Secondly, and perhaps more importantly, the empirical findings of my case-study themselves demanded an institutional explanation. My analysis has been, since the very beginning, of an inductive nature. Lacking a previous theory of non-democratic welfare systems development that allowed me to deduce a sound set of hypothesis and variables against which test my chosen case study, I was forced to explore the case study first and devise the corresponding hypotheses afterwards. As my empirical findings revealed, actors' actions and ideas were being shaped by institutions of the non-democratic political regime. Non-democratic political institutions turned out to be the ultimate and most relevant explanatory variable.

The third reason is paradoxically linked to one criticism that has been posed to the Neo-Institutional school. It has been said that focusing our explanations on the role of institutions is more useful for explaining stability than for explaining change (see Immergut, 1992). The fact, however, is that the empirical findings of our case study show that the Francoist welfare system during the 1940s maintained the same model of social insurance system that had been in place in Spain since 1900. Francoism failed to set up a more comprehensive, Beveridge-type model of social security. Thus, the theory that we need is that which emphasises continuity, evolution or even "non-action", rather than radical transformation and sudden change.



The policy-process from the institutional approach adopted here could be depicted as follows:



The whole system develops within a complex environment in which social, economic, political, cultural and historical factors operate. Previous institutions, in a path-dependent mode, pre-determine political behaviour to some extent. But even exerting a more direct effect, political institutions circumscribe the interaction of ideas and interests of policy-makers, shaping them both. However, institutions just set up the “rules of the game” (Immergut, 1992: 63), leaving much of the process open to different policy outputs and outcomes.

This theoretical model allows us now to generalise about policy processes in non-democratic regimes. I will suggest that similar patterns in the policy processes of non-democratic regimes can be identified.

The most obvious general statement is that those elements that differentiate between non-democratic and democratic regimes have an impact on their respective policy processes. Thus, we can identify these as: 1) lack of formal and real civic and political rights, 2) lack of free and public political elections, 3) lack of free public discussion (free media, the right to defend political ideas in public), 4) lack of free political parties that compete in elections for power and 5) lack of legal and real separation of powers (with system of checks and balances).

These non-democratic elements determine the way the three basic components of the policy process identified above – ideas, actors’ interests and institutions – perform and interact. In the following pages, I will systematise these common patterns of interaction by drawing insights from previous research on the following case studies: the Vargas regime in Brazil (Malloy, 1979), the Mexican case (Kaufman, 1973) and the Francoist regime (Anderson, 1970; Medhurst, 1973; Gunther, 1980; Payne, 1985; Chulia, 1999; Linz, 2000).

### *Actors*

In non-democratic regimes, the lack of free political parties and free media reduce the number of actors involved in the policy making process. Power is hierarchically organised with the dictator at the top of the scale. In each ministry, the minister, in the same way, has the maximum level of power.

In general, laws are drafted only by a very small number of people. For example, in Spain, the Francoist Labour Charter was drafted by two teams of just two or three people (Payne, 1985). The Press Law of 1938 was also prepared by a small number of Falangists (Chulia, 1999). Only two people, Severino Aznar and Jordana de Pozas drafted the Law of Official Property Chambers<sup>3</sup>.

In Brazil, the drafting of most of the social insurance laws was in the hands of only one top civil servant, Oliveira Vianna (Malloy, 1979: 62). In Mexico, it was the President himself and a group of close collaborators, the artificers of the “profit-sharing” law (Kaufman, 1973).

Non-democratic regimes do not pursue a high involvement of the masses in the policy-making process. The fewer opportunities for the masses to make themselves heard, the better. In such a policy-making framework, there are no institutional channels available for the masses, classes or social groups to express themselves. The policy process is designed to include very limited demands. That was the role of the so-called Vertical

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<sup>3</sup> Archive of the Spanish Congress (Madrid), Legado 1299/2 (from 16/04/43 to 30/04/43).

Syndicates in Spain, a hierarchical institution to enlist all workers under the control of the single party. The same function was intended to play the Brazilian syndicate system during Vargas' dictatorship (Malloy, 1979).

Neither is there any room for interest groups to easily access the decision-making nodes. In fact, interest groups in non-democratic regimes seem to be more influential in other stages of the policy process (mainly in the implementation moment) than in the moments of agenda setting or selection of a policy. Kaufman (1973) noted how interest groups usually have a reactive role in the policy process. Gunther (1996: 14) also showed this occurring in the Francoist dictatorship and Malloy (1979) observed that interest groups in Brazil during the Vargas authoritarian period were more reactive than pro-active, seldom initiating policy although they might oppose policy reforms. In any case, people trying to influence decisions act more on their own initiative than as representatives of social groups. In other words, although it might be well known that this or that person is a prominent businessman in a particular economic sector or landowner, he is not bounded by any sort of mandate (neither representative nor imperative) to follow the orders of its group of reference (Gunther, 1980: 34).

These elements have two consequences that mark the policy-making style of non-democratic regimes. A first consequence is that, due to the really closed policy communities in control of a policy area, change usually occurs incrementally. Policy network approaches have emphasised how the 'closed nature of relationships causes policy stability and incremental change' (John, 1999: 94). Describing the social insurance system put in place by the Vargas dictatorship (1930-1945), Malloy (1979) notes this as a characteristic of the policy-style. The policy process is entrenched in the institutional framework of the "corporatist state" making the policy process highly "standardised" and stagnation usually appears as a natural consequence. Anderson (1970: 248) also observed that authoritarian regimes are incapable of being innovative.

A second consequence is that the stage of agenda-setting proceeds in a very secretive manner, although the phase of implementation might be more open. The policy making



process of the social insurance system in Brazil and Spain proceeded without public discussion, and was in fact only known about by a handful of actors. That seems also to be the case for the Alvarado dictatorship in Peru (Hughes and Mijeski, 1984).

### *Ideas*

I should start here by clarifying the boundaries between ideas and ideology and the neglect of the latter as the explanatory variable of this study. It is true that the public policy literature still needs to find a way of integrating ideology into the policy process. Ideas and ideology are commonly used interchangeably. I have opted for focusing on ideas as “technical solutions” or “practical proposals” for policy makers to transform into policies<sup>4</sup>.

Undoubtedly, ideology matters in politics. However, the question here is whether it matters equally in all political regimes and whether it matters in the policy-making process. The empirical evidence presented in this thesis shows that, in the case-study presented here, 1) ideology did not shape the policy process and 2) ideas and new policies about social insurance were learned and taken from various countries with a variety of political regimes.

First, as I will show below, Linz (2000) has suggested that certain non-democratic regimes lack an ideology capable of determining policy and politics. My study reinforces Linz’s suggestion. Second, in those non-democratic regimes in which ideology does not lead policy, the boundaries of what is ideologically acceptable are quite flexible, facilitating a broad spectrum of policies, either inspired by or even copied from countries with different political regimes. The system is open to various and even contradictory policy solutions, only if they are “ideologically neutral”. Therefore there is room for the existence of what Kingdon (1984) has called “primeval soup”. He meant that ideas floated around at the disposal of policy-makers, waiting to become policies. Linz noted this happening specifically

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<sup>4</sup> That is why, when explaining the social insurance ideas of Falangists and Social Catholics in Chapter Five (“Approaches to Social Insurance within the Francoist Regime”), I have focused on technical solutions and policy designs rather than on vague ideological concepts and doctrines.

in “authoritarian” regimes: ‘Since the founding group or leader has no or few ideological commitments before taking power except some vague ideas about defending order, uniting the country, modernising the nation, overthrowing a corrupt regime, or rejecting foreign influences, they find themselves without ideological justification, without ideas attractive to intellectuals, removed from the mainstream of international ideological confrontations. In that vacuum the rulers will search for acceptable symbols and ideas to incorporate into their “arcana imperi”. Those ideas are likely to be the ones dominant at the time and congruent within “the march of history”’ (Linz 2002: 173).

The limited number of decision-makers can explain why the “local” solutions soon run out and it is necessary to search for innovations outside the country. Therefore, processes of policy learning and diffusion become, in a way, necessary for policy-makers of an authoritarian regime. With the Francoist control of the press, it was easy to present as “home-grown” solutions what had been literally copied from outside.

In many cases, the presence of international organisations or national groups of experts (when allowed by the regime) promotes the diffusion of ideas. In the case of Francoism, the International Labour Organisation, the International Monetary Fund, the Inter-American Development Bank and the Ibero-American Social Security Organisation are perhaps the most relevant among the international organisations (Anderson, 1970). With regard to group of experts, in Francoism, the Royal Academy of Moral and Political Sciences acted as a sort of think-tank in social policy matters. Divided into five sections, the so-called Social Section was composed of leading academic and civil servants who had a long-standing record of research or experience on social policy. They met quite regularly to study foreign legislation, to discuss national projects, to make their own studies or to draft laws.

### ***Institutions***

In non-democratic regimes, the executive tends to predominate over the legislative and the judiciary. Policies are drafted by the executive power, or more specifically by the

dictator himself and his ministers. There is a high degree of personalism (Gunther, 1996) or what Kaufman defined as “patrimonial rulership”: ‘a style of rulership in which the ruler grants privileges, goods or similar benefices to a select portion of the ruled. In return, the individual recipients (clients or subjects) acknowledge the authority of the ruler and defer to him’ (Kaufman, 1973: 30).

Vargas’ government in Brazil was always the initiator of the policy process (Malloy, 1979) and in Salazar’s regime, power was also concentrated in the executive, more specifically in Salazar’s himself as chief of the government (Loff, 2000: 142-144). In addition to their role as policy innovators, the dictator and his ministers also perform a veto role. First, the dictator himself can be a major veto-point in all those issues that might put the regime in danger. Gunther (1996; 1997) cited four kind of issues on which Franco held a very strict control: public order, Church-State relations, the armed forces and issues regarding the basic institutions of the regime. In theory, the dictator could have “boundless authority” (Gunther, 1980) but he seldom took part in the day-to-day life of the regime. Second, ministers were extremely powerful within their own ministry, so they could promote or block any initiative that might fall into their scope of influence. Anderson (1970: 178) pointed out how the policy-makers of the Development Plans of the 1960s in Spain did not expect any resistance from the Council of Ministers once the draft of the law had been submitted by the minister responsible. So, once the law was backed by a minister, no further vetoes (except the dictator himself) should be expected. The outstanding role of the executive power in the policy process is reflected by the fact that legal norms are usually passed in the form of executive decrees.

The emphasis here is on the role of the dictator and the ministers, but not so much the Council of Ministers, which is not the locus of effective decision-making nor the place where legislation is blocked. If the draft of the law presented by the incumbent minister receives the approval of the dictator, success can be predicted. Thus, although formally the Council of Ministers is the institution in charge of signing and passing legislation, in practice policies are not decided in it. At it, only minor adjustments are made to the drafts of the



policies. Therefore, sudden swings of policy at this stage are extremely rare. Once the policy has been designed at the ministerial level and has the acceptance of the dictator, its result becomes quite predictable. By the same token, the Council of Ministers is not responsible for the failure of certain policies. Only the relevant minister is accountable before the dictator.

The dictator would govern, helped by a very close number of advisors, -what Gunther (1980) calls the “inner circle”, who were not necessarily members of the government. In Francoist Spain, the “inner circle” changed over the long period of the dictatorship. During the very first years, Franco was surrounded by his closest family, his brother Nicolás Franco and his brother-in-law Ramón Serrano Suñer. Later, Admiral Carrero Blanco would occupy the post as his right-hand. In the Peruvian dictatorship of General Alvarado (1968-1975), the policy process regarding highly risky issues were decided by the dictator himself and a very close group of advisors – but not the Council of Ministers, that was left aside and could only decide on minor issues (Hughes and Mijeski, 1984).

The Parliament is not the locus of legislative power. Since the Francoist *Cortes* were restored in 1943, it became a forum of debate and policy advice, but not the effective body of passing legislation. As Medhurst (1973: 214) reckons, since 1943 only two laws were passed due to the initiative of the *Cortes*.

Inter-ministerial committees are not set up in order to draft or to block legislation. When they are created, it is to ensure that political demands are heard at some point and perhaps incorporated into the original project, or to exert some sort of control when decisions might affect other departments. A feature of non-democratic policy-making seems to be the abundance of “ad hoc commissions” for drafting policies and solving political or technical problems (Kaufman, 1973). The policy-making which thus results is highly uncoordinated, due to departmental fragmentation and a lack of cabinet supervision over the whole policy-making process and across all policy areas.

## 3.2. Non-Democratic Regimes

Having reviewed the literature on welfare state development and the literature on Public Policy, a third sub-discipline from which we can draw insights to strengthen our theoretical model is that which studies non-democratic regimes. I will review two things: 1) the way this literature has explained their policy process and 2) the way this literature has explained non-democratic welfare states. As we shall see, the discipline did not dedicate much attention to either the issues of non-democratic social policies or to the non-democratic policy process, but got involved in an ongoing debate on the suitability of concepts such as authoritarianism or totalitarianism. I consider this to be of little use in the context of my argument. I will deal with this debate first and come back to the other two main points later.

### 3.2.1. The Nature of Non-Democratic Regimes

One of the best-known areas of comparative research in Political Science is that of the nature of political regimes. The simple divide between democracies and non-democracies was later complicated with the development of sub-categories within the non-democratic type of political regime – basically, the sub-categories of totalitarianism and authoritarianism.

#### *Totalitarianism*

Although the term originated in the 1920s and 1930s with the Fascist movement in Italy, it became theoretically attractive for Political Science in the 1950s. Hannah Arendt in her book *The Origins of Totalitarianism* of 1951 argued that Nazism and Stalinism were, basically, identical types of regimes that sought to exert a permanent control over everyone, in every sphere of life (Brooker, 2000). Friederich and Brzezinski, in their 1956 book

*Totalitarian Dictatorships and Autocracy* identified six characteristics of totalitarian regimes: the existence of a strong ideology, a charismatic leader, a single party, a system of terror and violence exerted by the police and other state armed forces, an absolute control over the media and a centralised economy (Linz, 2000; Brooker, 2000).

Drawing from this literature, Linz stated what he considered to be a totalitarian regime: 'There is a monistic but not monolithic center of power, and whatever pluralism of institutions or groups exists derives its legitimacy from that center, is largely mediated by it, and is mostly a political creation rather than an outgrowth of the dynamics of the pre-existing society. There is an exclusive, autonomous, and more or less intellectually elaborate ideology with which the ruling group or leader and the party serving the leaders, identify and which they use as a basis for policies or manipulate to legitimize them. The ideology goes beyond a particular program or definition of the boundaries of legitimate political action to provide, presumably, some ultimate meaning, sense of historical purpose and interpretation of social reality. Citizen participation in and active mobilization for political and collective social tasks are encouraged, demanded, rewarded, and channelled through a single party and many monopolistic secondary groups. Passive obedience and apathy, retreat into the role of "parochials" and "subjects", characteristic of many authoritarian regimes, are considered undesirable by the rulers' (Linz, 2000: 70).

In the 1960s the concept was seriously challenged and lost attractiveness. Although attempts for its revival were undertaken later<sup>5</sup>, it never became prominent again (Brooker, 2000). During the years of the Cold War, the term totalitarianism was also used with a clear political intention. Politicians and journalists in the ideological confrontation that was motivated by the Cold War used the term to refer to the communist political systems that integrated the Soviet block<sup>6</sup>, while authoritarianism was reserved to those West-friendly non-democratic regimes.

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<sup>5</sup> For example, Schapiro, L. (1972), *Totalitarianism*, London: Pall Mall; Hough, J. F. (1977), *The Soviet Union and Social Science Theory*, Cambridge, Mass.: Harvard University Press.

<sup>6</sup> For an analysis of the political intentions of the use of the concept, see Gleason, A. (1995), *Totalitarianism: The Inner History of the Cold War*, New York: Oxford University Press.



Authoritarian regimes would be useful to the West and, therefore, tolerable, while totalitarian regimes would be abominable.

### *Authoritarianism and its critics*

The term authoritarianism was originally defined for comparative purposes within the realm of the Social Sciences. In a seminal article written in 1964, Juan José Linz introduced the concept authoritarianism to define those political regimes that differ from democracies and totalitarian dictatorships. Linz was concerned with the difficulties in classifying certain cases, Franco's Spain amongst them, as totalitarian regimes. The question for him was whether it was necessary to define a new type of political regime, different from democracy and totalitarianism, or just broaden the existing categories to take into consideration those special cases which were in the process of transforming themselves either into democratic or totalitarian countries. Linz argued for the specific nature and identity of what he called the "authoritarian model"<sup>7</sup>. He defined authoritarian regimes as: 'political systems with limited, not responsible, political pluralism; without elaborate and guiding ideology (but with distinctive mentalities); without intensive nor extensive political mobilisation (except at some points in their development); and in which a leader (or occasionally a small group) exercises power within formally ill-defined limits but actually quite predictable ones' (Linz, 2000: 159).

As can be seen, this is a formal definition of how the regime works, which Linz has re-emphasised in a very recent work (Linz, 2000). There is no reference to the 'content of policies, the goals pursued, the "raison d'être" of such regimes' (Linz, 2000: 160) nor to the institutions or social strata that take part in the political process. So, no social or economic variables are included in the definition, only political ones.

"Political pluralism" is by far the most important component of the definition. It refers to the existence of processes of political interaction between political and social

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<sup>7</sup>In the Spanish version, Linz warns that his study can not be applied to the post-war years of Francoism when totalitarian features produced another image of the regime.

groups that have not been created by nor are dependent upon the state (Linz, 2000: 161). The decision about which groups can take part, however, is taken by the dictator, and is not formally unlimited as in a democratic regime. However, Linz's definition does not point out through which institutions the limited political pluralism occurs. Thus, in his account, the existence of a single party is not the "defining characteristic" of an authoritarian regime.

Authoritarian regimes also lack an ideology capable of determining policy and politics. Instead, they have mentalities or modes of thinking that do not go any further than to provide people with some ideas for reacting to different situations (Linz, 2000: 162). In any case, it has to be remarked that the question at stake here 'is not so much the presence or absence of ideology but whether ideology motivates policy' (Brooker, 2000: 163).

The third aspect, the absence of extensive and intensive political mobilisation might vary over time. However, in general terms, authoritarian regimes tend to keep a low profile with regard to mass participation. The ruling elite is very keen on discouraging the masses from participating in politics.

Finally, in Linz's definition, power in authoritarian regimes is exerted 'within formally ill-defined limits but actually quite predictable ones'. As Linz notes in passing, 'it is no accident that years after having been established, such regimes are still, in the view of their rulers, in a constituent stage, that constitutional law after constitutional law is being enacted, and that the political edifice remains unfinished for a long time, giving hope to a variety of political forces of building it according to their particular blueprints. Paradoxically, democratic regimes seem to have a shorter period of constitution making' (Linz, 2000: 182).

Linz went on to apply this authoritarian model to the study of different dimensions of the Francoist state, such as the role of interest aggregation, the single party or the opposition movements to the dictatorship. Other scholars also found Linz's definition 'conceptually and empirically productive' (Di Palma, 1995: 233; Huneeus, 1993: 94). Gunther used the concept to define Francoism: 'Spain under Franco can best be regarded as a personalist, authoritarian, no-party political system, which suppressed organisations that

engaged in social and political conflict (especially if they represented working-class interests), but which tolerated a limited pluralism in which the conflictive demands of certain social groups (especially those which supported the regime) could be articulated by prominent individuals' (Gunther, 1980: 31-32).

However, it has been common among Linz's followers to choose those components of Linz's definition that suited them best to prove their own arguments. For example, Susan Kaufman (1973) defined authoritarianism by just two components of Linz's definition (limited political pluralism and low subject mobilisation), ignoring another one (ideology) and replacing the original meaning of the leadership variable –the predictability of the leaders' actions- by the attitude of the leaders towards power –patrimonial rulership. It is arguable, however, that this latter dimension would be applied more appropriately to sultanistic<sup>8</sup> regimes than to authoritarian ones. Huneus (1993) referred to three major components in his definition of authoritarianism. First, the degree of personalisation and institutionalisation of power. Secondly, the use of coercion, which, more than a policy or a policy style, is a crucial component of the policy process. Finally, the existence of limited synchronisation and limited pluralism, and the mechanisms of political participation for the co-option of civilian groups. The dimension of synchronisation refers to the suppression of institutions of the previous democratic regime. Totalitarian regimes are allegedly more successful in cancelling former institutions of the state and the society, while authoritarian regimes have only achieved this aim partially.

The definitive test for Linz's model was its usefulness in classifying existing political regimes. Linz, however, claimed that its model was only an "ideal type" which did not necessarily have to reflect every single real case (Chuliá, 1997:21). Thus, the original trilogy of political regimes (authoritarianism, totalitarianism and democracy), with its attractive parsimony, crumbled under the avalanche of non-democratic regimes that could

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<sup>8</sup> For a definition of Sultanism, see Chehabi and Linz (1998). This regime type encompasses the following distinctive features: existence of a blurring line between the regime and the state; personalism and tendency towards dynasticism; constitutional hypocrisy; narrow social bases; and functioning of a distorted capitalist system.



easily joined the “authoritarian family”. As 90 per cent of non-democratic countries could be called “authoritarian”, the concept suffered from conceptual-stretching. As Linz and Stepan recognised, the ‘tripartite regime classification has not only become less useful to democratic theorists and practitioners than it once was, it has also become an obstacle’ (Linz and Stepan, 1996: 39).

Drawing from Linz's concept, O'Donnell (1979) argued that the South American dictatorships of the 1970s were the result of the common process of industrialisation suffered by these countries since the 1930s. They all could be labelled Bureaucratic-Authoritarian Regimes. Although not constituting a different category but a sub-type of the broader authoritarianism, they would comprise some new features that were not characteristic of the prototypical examples considered by Linz: ‘The term “bureaucratic” suggests the crucial features that are specific to authoritarian systems of high modernisation: the growth of organisational strength of many social sectors, the governmental attempts at control by “encapsulation”, the career patterns and power-bases of most incumbents of technocratic roles, and the pivotal role played by large (public and private) bureaucracies’ (O'Donnell, 1979: 90).

Thus, the tripartite regime classification soon developed into more complicated ones. Linz (1975) himself also specified sub-types of authoritarian regimes by just looking at three out of the four dimensions of his first definition: the degree of political pluralism, mobilisation of the population and mentality (lack of ideology) (Linz, 2000: 173-4). Thus, he proposed to differentiate: 1) organic statist systems, 2) bureaucratic military regimes, 3) “defective” and “pretotalitarian” situations, 4) post-totalitarian authoritarian regimes, 5) post-independence mobilizational authoritarian regimes, 6) mobilizational authoritarian regimes in post-democratic societies, 7) racial and ethnic democracies.

Perlmutter<sup>9</sup> offered a different classification. For him, the simple division between totalitarianism and authoritarianism had been superseded with the disappearance of the

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<sup>9</sup> Perlmutter, A. (1981), *Modern Authoritarianism: A Comparative Institutional Analysis*, New Haven: Yale University Press.

former and the evolution of the latter into what he called “modern authoritarianism”. This new form would embrace the following sub-types: 1) the party state, 2) the police state, 3) the corporatist state, 4) the praetorian state, (which would also admit further classifications – personal, oligarchic and bureaucratic-authoritarian).

And the list of regime types goes on and on, so one wonders whether such classifications are necessary or reveal anything of the way in which these regimes perform. In fact, when reviewing all this literature, the conclusion one comes to is that the most crucial aspect that should differentiate these regimes, their policy process, is the only thing that has not been looked at into.

### ***Excursus: the Debate on the Nature of Francoism***

At this stage, we need to call a halt to review how this debate turned its focus almost exclusively on the Spanish case. The fact that this was Linz’ s case study implies that the first reactions came from those historians and social scientists working on Francoism. At the heart of the debate lie some comparative questions. How similar was Francoism to other non-democratic experiences of the twenties and thirties? Was Franco a dictator like Mussolini and Hitler? Was it a military-type or a party-type dictatorship? How was power distributed within the regime? Were the aims of the Francoist regime the same as the Nazi or Fascist regimes’ objectives? To what extent was ideology embedded in Spanish society? Into how many stages can we divide the Francoist regime? Is there such a thing as “First” Francoism, substantially different in its nature and features from a “Second” Francoism?

From the perspective of those defending the authoritarian nature of the Francoist regime, comparisons with other non-democratic regimes of the inter-war years have been carried out. Francoism resembled more those authoritarian systems of Eastern Europe (such as Horthy’s dictatorship in Hungary and those of Pats, Smetona, Ulmanis in the Baltic countries) or Southern Europe (like Metaxas’ in Greece or Salazar’s in Portugal) than Nazism or Italian Fascism. Malefakis, for example, affirms that ‘the Francoist dictatorship was not fascist in the strict sense of the word; it did not take anything from Nazism and only

adopted some of the less fascist characteristics of the Italy of Mussolini, that was less fascist than the Germany of Hitler' (Malefakis, 2000: 38).

Salazarism is undoubtedly the most similar case for comparison (Malefakis, 2000<sup>10</sup>). Linz (1970) specifically quoted, as other examples of authoritarian dictators, Dollfuss in Austria, Perón in Argentina, Salazar in Portugal and Vargas in Brazil, the latter another case study to which Linz devoted special interest (Linz, 1974b).

From the other side of the debate, the regime seemed to suit the ideal type of totalitarian state. Francoism was seen as a fascist movement, totalitarian in its political aims and the structure of the state. Therefore, Linz's description sounded benevolent towards Francoism, forgetting the permanent use of repression<sup>11</sup> as a political tool. Fontana (1986), Ramírez (1978), Molinero e Ysás (1999) and others insisted that Francoism was, by looking at its mission, aims and main features, not better than and not so different from Mussolini's fascism or Hitler's nazism. Thus, Fontana (1986) saw the totalitarian profile of the regime in its plan to 'shape totally the Spanish society, with a totally retrograde orientation in its spirit, that had to be translated into some political institutions which were thought to advise the "Caudillo", himself providential and infallible, and into cultural and ideological beliefs that sought to bring back a tradition of three or four centuries old. In order to support this transformation, modern repressive methods were used, the new Spanish state happened to take after the Fascist Italy and the Nazi Germany most' (1986: 25).

The "Fascist-totalitarian approach" sees Francoism joining the totalitarian wave that shook Europe from the twenties and onwards into the two following decades. It has been named the "Fascist epoch", 'in which all the reactionary authoritarian experiences are magnetically attracted by a new political formula, in particular from the moment when the

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<sup>10</sup> However, Malefakis feels more comfortable if we talk about the singularity of the Spanish case. That is, if we have to compare Franco with other dictators, it seems more appropriate to look at cases such as Metaxas, Horthy or Salazar. However, Franco and his dictatorship would constitute, for Malefakis, an exception to all of them, a type on its own.

<sup>11</sup> For an analysis of the Francoist repression, see Richard, M. (1999), *Un Tiempo de Silencio. La Guerra Civil y la Cultura de la Represión en la España de Franco, 1936-1945*, Barcelona: Crítica.



two big fascist powers managed to heavily determine the international relations' (Loff, 2000: 129). Francoism would not have escaped this attraction and soon became the Spanish version of the European Fascism cluster of the inter-war period (Preston, 1997). It would only differ from the rest of the Fascist regimes in one aspect, which was the extent of Catholicism embedded in the Spanish society and state and the power of the Spanish Catholic Church within the regime.

Alternatively to these entrenched positions, new ways of defining the nature of Francoism have been proposed. Francoism has thus been described as a "reactionary coalition", to stress the social and political basis of the regime and its ideological orientation, where the military were the main group bolstered by a strong leadership (Sánchez Recio, 1993). Juliá dismisses the identification of Francoism as neither a common type of traditional ecclesiastical and military dictatorship nor a fascist totalitarian state, but a 'national movement sustained by a fascist bureaucracy' (2000: 93). Saz Campos stresses the idea of process and change within the regime by using the concept of *fascistización* to refer to the process of copying from fascist countries during the first years of the regime although later abandoning this trend in favour of a conservative-traditional model of authoritarianism (Saz Campos, 1993).

### ***Current Trends in the Debate***

Let us close this long excursus on Francoism and come back to our discussion on concepts and types of non-democratic regimes. How relevant is this to the theoretical model presented in this thesis? Not much, I will argue. My study does not attempt to explain the different social welfare systems of authoritarian and totalitarian regimes. Our concern here is between "democratic" and "non-democratic" regimes and their social welfare systems. In fact, the German Nazi regime and the Italian Fascist regime did not set up models of social welfare very different from the social insurance schemes established in Argentina under Perón, Brazil under Vargas or Spain under Franco. The sub-division between totalitarian and

authoritarian regimes, however valuable it might be for other explanations, does not seem to be so for the analysis of their social welfare systems.

A second reason to limit my analysis to this level of abstraction, without seeking further divisions within the non-democratic category, is due to the lack of similar studies of how other totalitarian and authoritarian cases set up their welfare systems. Such approach needs at least two case-studies, each of them requiring a patient reconstruction of the historical and political processes and the institutions in charge of the social insurance and social security systems, a time-consuming identification of the policy-makers and their ideas regarding social policy, with the added difficulty of locating and getting primary sources that show up the policy-making process. Understandably, this goes far beyond what I can possibly do in this doctoral research project. Thus, the absence of similar research and the limits of extension and time imposed by a doctoral thesis force me to choose a higher level of abstraction which only differentiates between democratic and non-democratic welfare regimes.

A third reason is that the debate on the authoritarian or totalitarian nature of political regimes has reached a point of stalemate and is driving researchers to new approaches which emphasise instead the process of government. Paul Brooker (2000) is more interested in answering the question of “how” non-democratic governments rule rather than in the focus of previous theories on “who” rules in non-democratic regimes. In a previous work (Brooker, 1995), he identified the “ideological one-party dictatorship” as the modern form of dictatorship which is characteristic of the twentieth century. Its two defining features are the existence of just one single party and a strong ideology. This “one-party ideological dictatorship” can be classified in two subtypes, the military-party type and the party-state type, which themselves also admit further classifications regarding the way leadership is organised. Thus, in the military-party dictatorship, power can be exercised by a single individual or by a military junta, while in the party-state dictatorship it can be exercised

again by a single individual or by a party committee<sup>12</sup>. However, I must confess my disappointment with the way he studied the way non-democratic governments rule. Chapter Seven, entitled “Policies and Performance” is a mere overall assessment of policy content (key programmes) and economic performance, but not a description of the way in which policy process occurs. There are no explanations as to how ideas, actors and institutions (the three components of the policy process) interact. However, the attempt to singularise “personalist” and “non-personalist” policy-making styles and the basic difference between the policy-making and the implementation stage give us some hope for the future direction of this kind of research (see Brooker, 2000: 154-87).

### 3.2.2. The Policy Process in Non-Democratic Regimes

Linz himself recognised that the challenge in justifying his distinction between authoritarian, democratic and totalitarian regimes lies in proving that each of these regime types addresses the basic problems that affect political systems in different ways. In other words, if there exists such a thing as an authoritarian regime, it would have to have a distinctive way of ‘maintaining control and gaining legitimacy, recruiting elites, *articulating interests and aggregating them, making decisions* and relating to various institutional spheres like the armed forces, religious bodies, the economy, etc’ (Linz, 1970: 254, my own emphasis) –thus, a distinctive policy process. ‘If we can find that they (authoritarian regimes) handle such problems differently from both democratic and totalitarian regimes, and furthermore if quite different regimes, classified as authoritarian, handle them in ways that turn out to be similar, the distinction will have been justified’ (Linz, 1970: 254).

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<sup>12</sup> Linz has counter-argued that the distinction between military and non-military authoritarian regimes (Brooker’s perspective) is not useful: ‘A category of military authoritarian regimes would include too many, quite different regimes, as the mention of the names of Ataturk, Pétain, Franco, Nasser, Perón, Odira, Medici and Cárdenas suggests. Military regimes, with some significant and interesting exceptions, undergo a process of civilisation, if they are stable, and the military origin or military background of the head of the state does not tell us enough about their nature’ (Linz, 2000: 172).



I believe this should have been the most productive way of approaching the debate on the nature of different political regimes. However, it is precisely the analysis of the non-democratic policy processes which still requires better and more research. Susan Kaufman (1973) analysed the Mexican policy process and researched the way the law regulating the distribution of a portion of industrial profits among workers was passed in 1962 during the Presidency of Adolfo López Mateos.

Medhurst's work (1973) was quite an exhaustive description of actors and formal institutions of the Francoist policy process from the legal and administrative point of view. He paid attention to the structure of the executive, the ministerial division, the bureaucratic organisation and the local administration. He found that the centralised character of Francoist decision-making was a consequence of the authoritarian nature of the regime. The ultimate decision-making power was in Franco's and in the minister's hands, the latter had wide powers to pass legislation via decree-laws and set up policies. It was the government which was almost always the initiator of new policies or laws. Medhurst also put effort into explaining the role of the Council of Ministers. This, although it was the formal centre for decision-making, lacked a collective government's project or a sense of common political plan: 'Franco's system of coalition rule has left his governments without a well-developed sense of common purpose. Ministers have tended to be held individually rather than collectively responsible for their conduct of affairs' (Medhurst, 1973: 76).

Anderson's (1970) and Gunther's (1980; 1997) studies focused on policy-making with regard to the economic policy sector. Whereas Anderson studied the Stabilisation and Development Plans of 1959 and onwards, Gunther looked at the budgetary policy-making. Anderson's theoretical question was to what extent the institutional configuration of the authoritarian regime determined the capacity of policy-makers to implement the appropriate economic development policies. In his words, his attempt was to explain 'how the environment of choice of an authoritarian regime affects the capacity of policy-makers to identify problems, formulate strategies, choose, implement programs and evaluate policies' (Anderson, 1970: 8).

Thus, while many European countries in the 1950s were applying new monetary and fiscal techniques, Spain continued to directly control the economy, following the disruptive model of economic autarky. The turning point came in 1956 when the former policy community (largely monopolised by the Vertical Syndicates) was replaced by a new one formed by bureaucrats and financial experts. So, taking as a case study the Spanish political system and its economic policies from 1957 to 1967, he observed that the authoritarian nature of the regime bore much of the responsibility for the way economic policies were decided.

Anderson made two very interesting contributions that, given the year he wrote the book, I would dare to say were ground-breaking. First, Anderson looked at the impact of economic ideas and ideology, differentiating between “policy instrumentation” (ideas, among other resources) and “procedural instrumentation” (such as committees, surveys, referenda or the role of the parliament). He even pointed to processes of policy learning with regard to the Stabilisation Plan. Second, he distinguished cycles in the policy process, differentiating the stages of initiation, formulation, consultation, aggregation, co-ordination, implementation and feedback (Anderson, 1970: 111). It is not easy, however, to grasp the theoretical framework that embodies Anderson’s work nor the ultimate independent variables. He opened the preface stating that the book ‘is a commentary on the role of experts in modern government’ (Anderson, 1970: xi), and that the change in the economic policy community seems to be what sparked a change in economic policies. But policy instrumentation and the role of ideas also seem to be crucial. Finally, the regime’s institutions play a massive role as well, in particular, the absence of mechanisms of policy co-ordination, the power of ministers and the role of the Council of Ministers.

Gunther pointed to ‘certain macro-political characteristics of the Francoist regime itself’ as producing the following features of economic decision-making: ‘A highly personalistic style; undue importance of personalistic criteria in setting higher-order spending priorities; a high degree of spending-ministry autonomy in setting intra-departmental priorities; the absence of any institutionalised or systematic aggregation of

interests; highly particularistic modes and the basic character of interest articulation; the dominance of clientelistic criteria in the recruitment of political elites' (Gunther, 1980: 260).

The macro-political characteristics of the regime were the lack of universal suffrage and electoral competition, the jurisdictional fragmentation of policy areas in different departments and the hierarchical (ministerial) structure of power.

For Gunther (1980; 1997), as for Anderson and Medhurst before him, ministers had great power within their own spheres of competence. With regard to the budget of each ministry, this was decided in bilateral negotiations with the Ministry of Finance. Franco was the ultimate decision-making power but he only got involved when an specific issue could threaten the stability of the regime or affect its international relations. Out of these, the rest of policies fell within his "zone of indifference" and therefore were left in the hands of ministers. Neither the *Cortes*, the National Movement nor the Syndical Organisation played a dominant role in the policy process. The same holds true for interest groups and the masses.

The works of these three actors (Medhurst, 1973; Anderson, 1970; Gunther, 1980) constitute the only three studies which have attempted to shed light on the Francoist policy process. However, the three of them only took into account the later decades of the dictatorship, from 1957 onwards. Nevertheless, I still consider these contributions very valuable, as they all emphasised the way institutions (especially the role of Francoist ministers and the Council of Ministers) shaped the policy process. However, the developments within the sub-discipline of public policy since these works were published provide us with more elaborate theoretical frameworks and better tools for analysing the policy process. Although drawing many insights from their works, I will attempt to provide a more integrated explanation of the way the policy making process took place during the first decades of the Francoist regime (Chapter Six).



### 3.2.3. Welfare Systems in Non-Democratic Regimes

I will now examine some of the hypotheses offered by scholars within the literature of non-democratic regimes of why and how non-democratic regimes created social policies. Basically, these authors were concerned with the motivations of dictators in creating social welfare systems, which are basically three: 1) the need for gaining legitimacy, 2) the corporate interest of those in power and 3) the strategic use of social policy as a mean to achieve other goals.

The so-far-unchallenged opinion of scholars is that dictators have perceived social insurance policies as a tool for de-activating the risk of social conflicts and popular upheavals, and gaining legitimisation (Laclau, 1977; Mesa-Lago, 1977; Malloy, 1979; Spalding, 1980; Flora and Alber, 1981). Malloy (1979) found that the “patrimonial-bureaucratic” Vargas’ regime in Brazil sought to promote economic development and to avoid popular uprisings. Thus, social insurance policies were set up by dictatorships for achieving legitimisation, in order to become acceptable to classes and groups that in principle did not support them. For Malloy, ‘most authoritarian regimes, however, like other regimes, seek to legitimate themselves and control the populace by at least quasi-voluntary means. The main voluntary mechanism is co-optation in which individuals and groups in return for particularized substantive privileges (contract concessions, favourable wages, social security benefits) give to the regime generalized political support and/or acquiescence’ (Malloy, 1979: 240; my emphasis).

Mesa-Lago’s (1977) elitist approach has already been presented in Chapter Two. Now, more specifically, I would like to observe how he linked the development of social insurance systems in authoritarian regimes with their need to gain legitimacy. Researching the development of Latin American welfare states, he discovered a historic and political sequence of development, since the nineteenth century onwards. Thus, in the first stage (which he names “patrimonial-oligarchic”), military and civil servants were the first social groups to obtain their own social insurance schemes. In a second stage, already in the

twentieth century, with the establishment of populist democracies, social insurance schemes (generally the working injuries scheme) were also extended to working classes. Finally, in the later stage, social insurance was extended to protect workers from more social risks and to cover other social groups, such as the urban middle classes. This third phase took place under the ruler of authoritarian regimes, and the social insurance improvements can be explained due to their need to gain support from the workers and the middle classes.

For Mesa-Lago, dictators might have different priorities and use different strategies when establishing social insurance policies to gain legitimacy: 'The leader might have promised to grant social security as part of his political program and, in the context of a national crisis, deploy it as a means to restore order (as in the case of Alessandri in Chile). He may have organised workers in syndicates and have granted them social security coverage (as in the case of Peron in Argentina). Or he may have tried to pacify the masses after a period of dangerous national turmoil by promulgating social security legislation as a palliative (it is the case of Benavides in Peru). Or he may have introduced social security as a non-inflationary concession to divert pressure from workers to satisfy their more immediate needs (as in the case of Avila Camacho in Mexico). In all these cases, the State, via the executive power and functioning in an authoritarian more than a liberal-pluralist way, seems to use social security as an instrument to co-opt the labour movement and generate political support and stability' (Mesa-Lago, 1977: 143).

In general terms, I agree that non-democratic regimes seek to enhance the legitimacy of their ruler when establishing insurance policies. Most probably, social insurance has appeared as a fabulous political tool to gain legitimacy before the masses and one of the dictatorships' assets worthy of showing off. However, I would like to point to some issues that, in my view, are not satisfactorily explained by these theories.

First, this approach is only capable of explaining why dictators are prone to pass social laws. When it comes to deciding what social laws, or more specifically, why social insurance policies and not social security policies, this approach becomes less useful.

Secondly, if the purpose of establishing social welfare policies were to gain legitimacy and de-activate the risk of workers' revolt, these measures should have been aimed at protecting the larger group of workers or the most mobilised of them. In Spain, for example, this group would be rural workers of Andalucia and Castilla, just as politically active as industrial workers and miners from other regions.

Perhaps we should not over-emphasise the need non-democratic regimes have to legitimise their own existence. Przeworski did not believe that the most serious need a dictatorship has is to appear as somehow legitimate: 'some authoritarian regimes have been illegitimate since their inception, and they have been around for forty years' (Przeworski, 1991: 54). Przeworski's point is useful in that it dilutes the emphasis on legitimacy as the driving force of dictator's political behaviour. Instead of a single force, dictators might have quite a wide array of different political motivations – among which the search for legitimacy would be but one.

A second motivation for dictators to introduce social welfare institutions points to the self-interest of those holding power. Regarding military dictatorships, scholars have hypothesised that the military take power to defend or enhance their corporate interests. Thus, military seek to expand their social insurance systems and welfare benefits during their seizure of power. However, Thompson challenged this hypothesis, as he did not find 'evidence indicating a corporate-interest motive for military seizures of power; evidence was emerging that military governments actually did not seem to be more committed to the military's corporate welfare, in terms of size and expenditure, than were non-military governments'<sup>13</sup>.

In any case, this hypothesis about the military's corporate motives to introduce social insurance policies might explain the establishment of their own schemes, but does not answer a far more important question: why non-democratic regimes introduce social welfare

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<sup>13</sup> See the reference in Brooker (2000: 64) taken from Thompson, W. R. (1980), 'Corporate Coup-Maker Grievances and Types of Regime Targets', *Comparative Political Studies*, Vol. 12, p. 4.



for a broader sector of the population than merely those who hold power (military, bureaucrats or other privileged groups)?

A third approach emphasises that social welfare policies in non-democratic regimes are created to support other policies of the regime for meeting economic, political, demographic or simply repressive ends. Spalding (1980) 'links the launching of Mexican social security in the 1940s to the state's industrialization strategy' (Skocpol and Amenta, 1986: 145). Referring specifically to Soviet totalitarianism, Mishra said that 'in totalitarian conditions, welfare becomes a direct instrument of social and political control –indeed an instrument which can be employed by the regime for any purpose it sees fit, e.g. economic, demographic- in a way that it is not (and cannot be) in a plural society (not necessarily a capitalist one)' (Mishra, 1981: 156).

To summarise, the literature on non-democratic regimes has been interested primarily in the motivations of dictators to create social welfare policies. However, the question that presides this thesis –why have they established social insurance schemes instead of social security systems- cannot be answered from this approach.

### **3.3. Methodology and Plan of Research: the Choice of Case Study**

In the decades of the 1930s and 1940s, different models of social welfare were at the disposal of politicians and policy-makers of non-democratic countries. However, although other alternatives were considered and social security models were being debated by experts and policy-makers, non-democratic regimes only set up limited social insurance schemes, aimed at protecting particular groups of people, which resulted in very fragmented management systems.

How can this be explained? The best approach to explain the politics of non-democratic welfare systems is by looking at the policy process, to discover how institutions of the non-democratic regimes determined the way these welfare systems were set up. I argue that the institutional design of the non-democratic regime shaped the distribution of power between political actors, their capacity to manoeuvre and the way ideas fuelled the policy process, - in other words, shaped the policy-making process.

My choice has been to focus on a historical-detailed, one case study approach. There are two reasons for this. The first reason is the lack of in-depth studies of different countries which would allow me to extract hypotheses for comparative purposes. The second reason is that this topic has not received enough academic attention to be able to use a set of concepts or theories that could be widely applied. Thus, the effort of both data-collection and theory-building justifies the cautious choice of only one case study.

However, I recognise the limits of the use of a single case study in order to develop theoretical explanations for comparative purposes. It is not my aim to create a fully-developed theory of the origin and development of non-democratic welfare systems, but to advance some generalisations on this topic. What this thesis tries to do is to contribute to the evolution of scientific knowledge on this subject. My study would fit into what Eckstein (1975) called "heuristic case-studies", which try to clarify important general problems and to provide possible theoretical solutions, therefore helping to build theories. Malloy explained this rationale as follows: 'My theoretical goals might best be understood as a form of pre-theory. By this I mean a study which, through a conceptually informed analysis of the available historical records, seeks to formulate plausible explanations of the major aspects of a specific case and to present findings that will be theoretically suggestive for future comparative analysis' (Malloy, 1979: 4).

My investigation presents the case of the Spanish social insurance schemes established during the period of the Francoist dictatorship from 1936 to 1950. The reason for starting in 1936 is quite straightforward – the outbreak of the Civil War and the establishment of the Francoist regime. The choice of 1950 as the end of my study is basically

due to the absence of any important social insurance policies during the 1950s, which was the “lost” (or “boring”) decade of the Spanish welfare state. The struggle for the control of the Francoist welfare system which characterised the 1940s eased during the 1950s and this policy area became less confrontational.

At the more general economic and social levels, 1951 has been called the “hinge year” (García Delgado, 2000). The level of population growth started to rise up to the levels of the thirties. The same holds true for the levels of industrialisation. This depicts an image of Spain quite different to the one we have seen in the forties – now with the resurgence of the labour movement, therefore introducing new dynamics of social conflict. At the political level, the government crisis of 1951 provoked the even further weakening of Falange and the rising of a new political family – the *Opus Dei*. In fact, the literature has pointed to 1951 as the starting point of a new phase in the history and development of the regime (Arango, 1995; Tusell, 1999; García Delgado, 2000).

The Francoist social welfare system established between those years included a Family Subsidy, an Old Age Subsidy Scheme, an Sickness Insurance Scheme and an Old Age and Disability Insurance Scheme. Tracking the policy-making route of these social laws, both the importance of the institutional arrangements that channelled policy decisions and the political struggle between the two main “families of the regime” (political and social groups that supported the dictatorship), Falangists and Social Catholics, to gain control of the *INP* will be reviewed.

The research has been carried out by using a number of primary and secondary sources. Primary sources are of extreme importance, and have been accessed at the Archive of the *Instituto Nacional de Previsión (INP)* in Madrid (Spain). The *INP* was the institution which drafted most of all the insurance policies and which produced most of the studies on social welfare done at that time. I have also researched primary sources at the Archive of the Spanish Ministry of Labour, the National Library, the Royal Academy of Moral and Political Sciences and the private library of the Jesuit Fathers – all of them in Madrid. The Archive of the Public Administration (*AGA*) of Alcalá de Henares, although visited, has not been of



much use for this research. I have also undertaken several interviews with relatives of the members of the Governing Body of the *INP*, top echelon Catholics of the time and several experts on Spanish history and politics. Information on the development of Latin American social welfare systems was also enhanced by interviews with key policy-makers from that time.

## **Chapter 4**

# **The Development of the Spanish Social Insurance System**

The aim of this chapter is to present the development of the Spanish social welfare system, from when the first social insurance scheme was established in 1900 until the outbreak of the Civil War in 1936. The Institutional approach that will be used to analyse the Francoist social insurance system concentrates on the institutional variables that have shaped the system throughout its history. Therefore, this chapter will show the patterns of the evolution of the social welfare system, the continuity in the policies introduced and the mechanisms of “path-dependence”. Thus, when Francoism started setting up its social insurance schemes, it did not do it from scratch but continued constructing alongside what was being put in place since 1900. Many of the people who were appointed to run the Francoist *INP* had been doing it since the 1920s. The organisation of the whole system remained broadly the same after the Civil War. All the social insurance schemes established by the Francoist regime had been researched and designed by *INP* elite groups years before. This is why the study of social policies during the first three decades of the twentieth century becomes important for explaining the development of the Francoist social insurance system during the 1940s.

## **4.1. The Social Insurance System from its Origins until 1936**

The remote origins of the Spanish social welfare system can be traced in the medieval institutions of *Cofradías* and in the later development of the *Hermandades de Socorros Mútuos* dependent upon the guilds (Rumeu de Armas, 1943). Thus, already in the XIIth century, the *Cofradía de Tudela* provided its members with economic support in case of illness and paid for burial expenses in the event of death. The *Hermandades* were much more institutionalised than the *Cofradías*, being linked to parishes and monasteries. In the eighteenth and nineteenth century, Liberalism brought about the appearance of non-religious



institutions for social protection, the *Montepíos* or *Sociedades de Socorros Mútuos* (Montero, 1988).

But it is with the coming of the twentieth century, on 30 January 1900, that it can be properly said that the Spanish social welfare system started. Under the government of the liberal-conservative Silvela, the then Minister Eduardo Dato introduced the Working Injuries Law.

The origins of the Spanish social insurance system have to be understood by considering the debates about the new interventionist role of the state in social and labour issues. This debate was in full swing in Europe by the end of the nineteenth century. From Socialists to Social Catholics, from the UK to Germany, politicians, influential groups and an emergent labour movement realised that “progress” had provoked new dimensions of poverty (Montero, 1988: 17) that could not be just resolved by market mechanisms alone. These debates hit Spain around 1890, the Royal Academy of Moral and Political Sciences being one of the most influential arenas in which this issue of the state intervention was debated (Montero, 1988).

The political system of Spain at the time was that established in 1874 when the Bourbon monarchy (in the person of Alfonso XII) was restored by General Martínez Campos after the short experience of the First Republic (1873-1874). This period, from 1875 to 1923, is called “the Restoration”. The system rested on the institutionalised alternation of two political parties, the Conservative (under the leadership of Cánovas del Castillo) and the Liberal (led by Sagasta), with the exclusion of left-wing parties. Although a period of political stability, the Restoration proved incapable of achieving the modernisation of Spain. The country was unable to follow the example of other European countries which at the time were fully involved in a process of industrial revolution.

It is worth noting that the Spanish state has showed a high degree of weakness and incapability to articulate a common political plan during the nineteenth and twentieth century. This might be one of the reasons why the development of the Spanish social welfare system took a bit more time than its European neighbours. As early as 1942, the architect of

the Francoist social insurance system between 1936 and 1963, Luis Jordana de Pozas, pointed to this as the reason for the delay in the development of a comprehensive social insurance system. Reasoning why it had not been possible to introduce a Sickness Social Insurance Scheme before 1942, he argued that 'the desire to put an end to this source of suffering clashed with the Liberal horror of compulsion, the weakness of the state to impose public interest before private interests and the clearly diabolic design of provoking hate and keeping injustice, so the anger of the people would eventually be transformed into the energy that might have brought about the Communist revolution'<sup>1</sup>.

However, even though socio-economic and political conditions were not favourable and differed from those of the more developed European countries, Spain managed to put at least the foundations of the social welfare system. The commitment of intellectuals (from the Royal Academy of Moral and Political Sciences and the Academy of Judicial Law and Legislation (Montero, 1988) and political elites to the new interventionist paradigm proved to be powerful enough to overcome the difficulties. Within the Catholic movement, a move towards social insurance as preferable to more charitable methods took place, to the extent that Social Catholics were among the founders of the Spanish social welfare system (Montero, 1988). At the same time, processes of policy diffusion were at work via participation in different international congresses of social insurance (specially in the Congress of Rome of 1908) and of actuaries.

Inspired, as the rest of the world, by Bismarck's social insurance laws of the 1880s, the Spanish Working Injuries Law<sup>2</sup> of 1900 was based on the principle of the employer's responsibility for the industrial accidents suffered by his employees. In the beginning, it was not a compulsory insurance scheme, although many people at the moment were advocating that. The draft presented by the government was later transformed in the committees and plenary sessions of the Senate and Congress (Montero, 1988). Interest groups and the labour

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<sup>1</sup> Jordana de Pozas, L., 'La Nueva Ley de Seguro Obligatorio de Enfermedad', *Ecclesia*, December 1942, pp. 12-6.

<sup>2</sup> For the study of the law and how it was created, see Montero (1988).

movement did not take part in the early stages of the policy process, but later on, when the policy was in the implementation stage. Therefore, the very first Spanish social insurance law was not created as a result of pressure from workers or social groups, but through a government initiative (Montero, 1988: 147).

The law had been drawn up by a pioneer institution, the Commission of Social Reforms, established in December 1883, attached to the Ministry of Home Affairs (De la Calle Velasco, 1997: 18-21). The person responsible for this creation was mainly Segismundo Moret, at that time Minister in the Cabinet of Posada Herrera, a Liberal. The function of the Commission of Social Reforms was to study the so-called Social Question - that is, the conditions of life of the working classes, and its best contribution was to hold a poll on the situation of the Spanish workers. The Commission of Social Reforms, compared to other European experiences, was not set up late, more likely the contrary (De la Calle Velasco, 1997b: 132).

As a result of the Commission of Social Reforms' activity, the Institute of Social Reforms was created in 1903 (Palacio Morena, 1988; Gómez Molleda, 1984; De la Calle, 1984)<sup>3</sup>. It was the second landmark in the path of the development of the Spanish social welfare system and showed the increasing recognition of the duty of the state to care for the welfare of the population<sup>4</sup>. For De la Calle Velasco (1997b: 136), the Institute of Social Reforms reflects how social reform happened to become institutionalised. This was truly 'a unique organisation in Europe' (Guillén, 1990: 3). However, it is perhaps more important to see this Institute as the platform for later establishing the specific institution that would assume the organisation of the social welfare system. The Institute of Social Reforms was not yet the sort of complex, extended and bureaucratised institution that was required to be in charge of the social insurance system. But it did provide an open space for discussion and

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<sup>3</sup> Prior to this institution, in 1902 the establishment of the Labour Institute (*Instituto de Trabajo*) was projected but never became reality (see De la Calle Velasco, 1997b: 136-7).

<sup>4</sup> To trace the development of how the Spanish state felt compelled to intervene in the economy and the social welfare, see Palomeque López, M. C. (1997), 'La Intervención Normativa del Estado en la "Cuestión Social" en la España del Siglo XIX', *Ayer*, No. 25, pp. 103-26.



dialogue between social forces and issued several studies and reports, which prepared the way for the coming of the definitive institution in charge of the social prevision system –the *INP*. The Institute of Social Reforms continued to remain a space for interaction between employers associations and trade unions on labour matters, although its role diminished and it was finally suppressed by Primo de Rivera's dictatorship in 1924.

The need to create an institution in charge of the social insurance schemes had been felt for a long time (Montero, 1988: 212-3). In 1904, the conference on *Previsión Popular*, held in Madrid inflamed the reformist desires of many, spreading the idea of the need to create such an institution. As a result, several plans were drafted. The Institute of Social Reforms offered its plan in November 1905. This was then presented by the government to the Parliament in November 1906, failing to be passed because the Parliament was dissolved and new elections were called. A second plan was presented in February 1908, during the government of the conservative Antonio Maura (1907-1909). This was much more successful and was passed without problems (Montero, 1988: 248), becoming thus the Law of 27 February 1908, by which the *INP* was created.

The *INP*<sup>5</sup> was created to encourage the practice of social insurance and to co-ordinate the organisation of the voluntary insurance schemes that were functioning. In a leaflet published by the *INP* in 1910, two years after its creation, the purpose of the institute was said to be the establishment, diffusion and promotion of old age pensions (*INP*, 1910: 3). It was created as an autonomous institution, with its own resources and legal and administrative right to determine and fulfil its own objectives and to organise its own structure (Martínez Quinteiro, 1988).

The *INP* was run by a Board of Trustees formed by a President (named by the government) and a variable number of members sitting on the board (Martínez Quinteiro, 1988: 276). Among them, there were founder members, and government's, workers' and employers' representatives, plus representatives of the Associated Funds. The Board of

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<sup>5</sup> See Díaz Fanjul, R. (1954), *La Ruta del Instituto Nacional de Previsión*, Madrid: Publicaciones del INP.

Trustees was the highest collective authority of the *INP*, in charge of regulating its organisation, orientating its activity, organising its finances and controlling the Executive Committee. The latter was the executive body of the *INP* in charge of implementing the decisions of the Board of Trustees. It was formed by the *INP* President, three members of the Board of Trustees and the Council Delegate. The Council Delegate was in charge of the day-to-day life and the staff of the *INP*, and represented the Executive Committee and the Board of Trustees when required.

The main model for creating the *INP* was the Belgian institution for social insurance. In fact, the actuary of the Belgium Institute, Mr. Edmond Lefrancq advised the *INP* authorities on how to establish the Spanish system. It also followed the example of the Italian Workers Insurance Fund against Disability and Old Age.

The first *INP* President was Eduardo Dato e Iradier, being replaced in 1913 by the military José Marvá. But the leader of the *INP* was José Maluquer, a Social-Catholic who became its first Council Delegate until his death. With them, an eclectic group of social reformers with different ideological traditions (Social Catholicism, Krausism and Socialism) gathered<sup>6</sup>.

In the development of the Spanish welfare system, the creation of a specific institution such as the *INP* to be in charge of the emerging system of insurance schemes reflects that at this point the state felt that it was its responsibility to look after the welfare of its population. It was perceived at that time that 'the state recognises that workers, at the end of their lives, should not be left to misery or to the aid of public charity' (INP, 1910: 3). This process went hand to hand with the softening of the anti-interventionist liberal tenets on economic doctrine that was taking place everywhere during the first decades of the twentieth century. However, at this moment, the system was still organised under the principle of "subsidised freedom": insurance was voluntary although the government promoted it with subsidies (Guillén, 1990: 3).

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<sup>6</sup> For an analysis of the people that formed the first generation of the *INP* see Martínez Quinteiro (1988).

The task of social reform proved to be difficult and provoked many opponents along the way. As the main figure in the *INP* of the 1940s, Jordana de Pozas wrote, referring to these early days, that the establishment of social insurance schemes had twenty years to fight on several different battlefronts at the same time: 'the attacks came from both the employers' and the workers' side, from the Catholic sphere, the private insurance companies and the mutual aid societies, from the liberal parties and the extremist ones'<sup>7</sup>.

As a result of this fierce opposition, the development of the system was slow. It would not be until 1917, when in the Conference on People's Social Insurance an agreement to gradually establish compulsory social insurance schemes was reached (although employers' associations were reluctant to accept the principle of compulsion). The first scheme was created in 1919, the Old Age Compulsory Retirement Scheme<sup>8</sup>. The very first draft was done by the *INP* and profusely debated by public opinion. When the draft came to Parliament, it had the support of most of political groups, thus leading to its passing very quickly (Cuesta, 1988). However, the passing of the regulations took more time, primarily due to the active role played by interest groups.

Social insurance registration was compulsory for all industrial workers between 16 and 65 years of age, whose perceived income per year did not exceed a maximum amount (4,000 pesetas). The funding structure of the scheme was based on capitalisation (following the example of most of the countries which had this kind of old age scheme) (Cuesta, 1988), in a first phase financed by the state and the employers, and later by contributions from employers and workers (Guillén, 1990). Agricultural workers were excluded from the scheme, due to the lobbying of big landowners.

The creation of the Ministry of Labour in 1920 was another major development in the process of state intervention in economic, labour and social matters, in line with what was happening elsewhere in Europe (Cuesta, 1988).

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<sup>7</sup> Jordana de Pozas, L. (1961), *Estudios Sociales y de Previsión*, Vol. 2, Madrid: INP, p. 250.

<sup>8</sup> For an in-depth analysis, see Cuesta (1988).



The last governments of the Restoration supported and encouraged the development of social insurance (Cuesta, 1988). In fact, this period between 1917 and 1923 were good years for the *INP*, which was consolidated (Cuesta, 1988). A major development was the reform of its regulations in March 1922, that, among other things, resulted in the creation of the National Advisory Commission of Employers and Workers, an advisory body that acted as an arena for the exchange of opinions between employers and employees.

Closely linked to developments in social insurance policy were the fiscal policy reforms which took place at that moment, in particular the Tax on Inheritance was passed on 26 July 1922. The resources extracted from this tax would fund pensions for the old who had not been able to contribute to their own pension (Cuesta, 1988). The importance of the structure of the tax system for the development of the social welfare system can hardly be overestimated and it shows how institutions already in place might permit, shape or even block further institutional developments. When studying the establishment of the Francoist social insurance system, I will suggest that the tax system impeded its expansion, thus causing a path-dependent effect.

As important as the 1917 Social Insurance Conference, the Assembly of Barcelona of 1922 became a landmark in the collective desire for a fully developed social insurance system. In this congress, compulsory and integrated health insurance schemes were discussed and proposed (Cuesta, 1988). The three schemes were maternity, disability and sickness. The *INP* was clearly in favour of co-ordinating the three of them in a single health insurance scheme. However, the *INP*'s plan was diluted by the Ministry of Labour, which detached the maternity scheme from the other two. This was justified by reasons of urgency (Cuesta, 1988). In any case, political developments impeded the passing of even this reduced plan of maternity insurance scheme<sup>9</sup>.

The political system of the Restoration was suddenly destroyed in 1923 with the *coup d'etat* of General Miguel Primo de Rivera, supported by King Alfonso XIII. Primo de

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<sup>9</sup> For an analysis of what happened during the 1920s to the other two projected schemes, disability and illness, see Cuesta (1988: 623-38).

Rivera implanted a conservative dictatorship with a high level of economic interventionism which resulted in the creation of several monopolistic public companies in strategic economic sectors (Gómez Navarro, 1991) and a corporatist model of social relations.

The major innovations carried out by the dictatorship took place in the realm of labour relations. The dictatorship created a system of corporatist organisations for structuring the economy and the labour force, inspired by the examples of Fascist Italy and Belgium (Aunós, 1944: 63). As a result, there was a hierarchy of institutions which embraced all workers of a single profession or type of industry (similar to the medieval guilds). At the company level, Company Committees of Employers and Employees (*Comités Paritarios*) were set up. The Mixed Committees (*Comisiones Mixtas*) were formed by representatives of the Company Committees of all local industries. These were also set up at the regional level –the Mixed Provincial Committees of Labour (*Comisiones Mixtas Provinciales de Trabajo*). The Council of the Corporation (*Consejo de Corporación*) was the highest institution within that particular type of profession or industry, which was entitled to take part in the Committee of Councils of Corporations (*Comisión Delegada de Consejos*). This was the institution which reported directly to the Ministry of Labour (Aunós, 1944: 65).

The Company Committees of Employers and Employees, although conservative-corporatist institutions, helped to institutionalise the mechanism of representation of the different social groups in the policy-making arenas and to ease labour conflicts. This is why they persisted during the Second Republic (De la Calle Velasco, 1997b: 146-8).

Regarding social policy, few reforms were carried out by Primo de Rivera's dictatorship, apart from an attempt to rationalise the Working Injury Insurance Scheme and the planning of a Maternity Insurance Scheme. The Working Injuries Scheme was reformed in 1922, 1926 and 1931, also as a result of the establishment in July 1926 of the Labour Code. I have already mentioned that the Maternity Insurance Scheme had been planned in the Assembly of Barcelona of 1922. The scheme finally established by the Royal Decree of 22 March 1929 (but not implemented until the Second Republic on 16 May 1931) was quite different to the one that had been initially projected. First, it was detached from the other two

health risks (disability and illness). Secondly, it was a subsidy scheme instead of an insurance scheme. Finally, it had a very limited scope of population coverage as it only protected working women affiliated to the Old Age Compulsory Retirement Scheme, therefore excluding most of the female working population.

If the *INP* had done quite well between 1917 and 1927, after that it came under suspicion by Primo de Rivera's dictatorship and was immobilised by the lack of economic resources, as the state refused to concede any more public funding (Cuesta, 1988; Guillén, 1996). Most probably, the *INP* hierarchies became very concerned about their future when the Minister of Labour of the dictatorship Eduardo Aunós decided to abolish the *IRS*<sup>10</sup>, a decision which was not welcomed by many in Spain.

The difficulties Primo de Rivera gave the *INP* and the few social policies set up by that regime explain why Francoist policy makers did not turn to the social policy model of the Primo's dictatorship as their first source of imitation. Actually, when remembering the origins of the Spanish welfare system and when accounting for the history of the *INP*, the hierarchies of the Institute during the Francoist dictatorship did not put special effort into highlighting achievements or events happened during the Primo de Rivera's period. For example, Luis Jordana de Pozas (even though he had been heavily involved in drafting the 1924 Local Administration Act and the 1926 Civil Service Act) did not refer to any special contribution of the dictatorship to the development of the Spanish Welfare State<sup>11</sup>. Carlos G. Posada<sup>12</sup> jumped from the end of the Restoration period (1919) to the coming of the Francoist State (1938) in his review of the evolution of the Spanish compulsory social insurance schemes.

The only work published during the 1940s dedicated to the analysis of the social policy of Primo de Rivera's dictatorship was that of Eduardo Aunós, entitled *La Política*

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<sup>10</sup> Although very politely, Pedro Sangro y Ros de Olano denounced the abolition of the *IRS* in his reply to Eduardo Aunós' conference when the latter entered the Royal Academy of Moral and Political Sciences (Aunós, 1944: 138). This reflects that the Aunós period had not been the most friendly one for the *INP* as it could be thought.

<sup>11</sup> See Jordana de Pozas, L. (1961), 'Pasado, Presente y Futuro de la Seguridad Social Española', *Estudios Sociales y de Previsión*, Vol. 1, Madrid: Ministerio de Trabajo and INP, pp. 477-94.



*Social de la Dictadura* (The Social Policy of the Dictatorship) (Aunós, 1944). Having himself been Labour Minister of the Primo de Rivera's dictatorship, it is understandable that he produced a highly apologist piece. But what Aunós reflected in that book was what had been the real interest of the dictatorship and of himself as Minister of Labour: the organisation of a corporatist system of labour relations. The references to social insurance and to the work of the *INP* are scarce and, actually, the *INP* is only quoted a couple of times.

The importance of this book lies mainly in the purpose for which it was written – the inclusion of Aunós in the Royal Academy of Moral and Political Sciences in 1944. In my opinion, if there was an influence of former social policies and ideas on the Francoist model, it was through this institution. However, elder members (such as Sangro y Ros de Olano<sup>13</sup>) would have been more influenced than younger ones (such as Jordana de Pozas) who were much more attracted by social insurance innovations and new debates taking place during the 1930s and 1940s in Europe and elsewhere. Arguably, these shaped the development of the Francoist social insurance system much more than the policies and corporatist institutions of the Primo de Rivera's dictatorship.

The political turmoil of these years produced a new change of political regime. With the end of the Primo de Rivera's dictatorship came the end of the monarchic system itself (after the short dictatorship of the General Berenguer), King Alfonso XIII being forced to leave for exile. The new political regime adopted the form of a Republic on 14 April 1931. With regard to social policy, the Second Republic was innovative, brought stability to the system and continued along the lines previously marked, but failed to implement many of its planned reforms (due to the outbreak of the Civil War)<sup>14</sup>.

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<sup>12</sup> Posada, C. G. (undated), *Los Seguros Sociales Obligatorios en España*, Madrid: Revista de Derecho Privado.

<sup>13</sup> Actually, Pedro Sangro y Ros de Olano collaborated with Aunós in the department and replaced him as Minister of Labour, continuing the corporatist system of labour organisation.

<sup>14</sup> There is a debate about the extent to which the Second Republic was innovative with regard to social policy. On the one hand, authors such as Samaniego Boneu (1988) and Ana Rico (year unknown) believe that the Second Republic made real contributions to the development of the Spanish welfare state. On the other hand, there are those who believed that the Second Republic did more in projecting social policies than in implementing them (Fuentes Quintana, E. et al. (1982), 'Estrategia para un Tratamiento de los Problemas de la Seguridad Social', *Papeles de Economía Española*, Nos. 12-13, p. 31, quoted in Samaniego (1988: 17).

It can be said that it was at that moment that the idea of the non-transferable responsibility of the state to care for the welfare of the citizens was fully accepted. The introduction of this idea in the Republican Constitution shows how innovative the Republic was in this respect. Thus, Article 46 of the Republican Constitution of 1931 stated the right to work as a social right and conceded the state the role of protecting the worker against any misfortunes that could deprive him of working (such as illnesses, unemployment, accident or old age). Another article of the same charter, Article 65, obliged the Spanish State to ratify all the international treaties on social and labour matters. Thus, Spain ratified the International Labour Organisation treaties which encouraged signatory countries to establish sickness insurance schemes for the working population.

During the first period of the Republic (1931-1933), the socialist Labour Minister Francisco Largo Caballero promoted the major social reform initiatives of the Second Republic. Largo established the Workers' Charter, stimulated the work of the National Advisory Commission of Employers and Workers, set up the Mixed Juries, extended social welfare policies to rural workers and, as a result of this push, a few social insurance measures were introduced.

First, the Working Injuries Scheme was extended to peasants and agricultural workers by the Decree of 25 August 1931. The rewritten law introducing the Working Injuries Scheme of 8 October 1932 established the National Working Injuries Scheme Fund within the *INP* (Samaniego, 1988). The affiliation of workers either to this Fund or to the different insurance companies that were allowed to take part, in collaboration with the *INP*, was made compulsory to employers. Secondly, the Maternity Insurance Scheme, which we know was legislated by Primo de Rivera's dictatorship, was implemented then by the Decree of 26 May 1931 (afterwards becoming the Law of 9 September 1931). Thirdly, the National Fund against Unemployment was also created within the *INP*, by the Decree of 25 May 1931<sup>15</sup>. The draft of the decree had been done by the *INP* during the Restoration, but it had

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<sup>15</sup> For an analysis of how this unemployment scheme came into being, see Cuesta (1988: 723-801).

been impossible to pass it. The regulations of this Fund were approved in February 1933. Due to the persistence of unemployment levels, an unemployment law was passed on July 1934 – the Law against Unemployment. However, it was explicitly recognised as a temporary measure. In 1935, a new law was passed, the Law Against Non-Voluntary Unemployment, slightly reformed in July 1936, which, in any case, did not add anything substantially innovative nor effective to ameliorate the social problem of unemployment.

In addition, the Second Republic promoted the development of voluntary insurance schemes and of some more charitable measures for specific groups (such as the Old Age Homage Prize, which were subsidies for old people who were not entitled to old age pensions).

But the Republic did more for the development of the Spanish social insurance system in investigating and planning policies than in promulgating laws. The focus was on creating a unified insurance scheme.

At the time, the unification of the different insurance schemes in a so-called *Seguro Total* (Comprehensive Social Insurance Scheme) was a fashionable idea which was being studied in several countries and encouraged by various international experts and organisations. Minister Largo Caballero, as early as by 30 April 1931, stated his willingness to create such a unified scheme<sup>16</sup>. The International Labour Organisation expert, Oswald Stein, came to Spain on 22 October 1932 to lecture on the *Functions and Organisation of the Social Insurance Scheme*. In his speech, he insisted on the aim of creating inter-professional and nationally-based schemes, unifying them all and giving the affiliates the opportunity to have a say in the management of the institutions that controlled the system (Stein, 1933: 12). Thus, by the Ministerial Order of 10 May 1932, the *INP* was held responsible for the drafting of the plans for a sickness insurance scheme and a disability and death insurance scheme and also for the study of the way to unify all the social insurance schemes into one<sup>17</sup>. The *INP* drafted a complete plan, in accordance with the models that were being proposed by the

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<sup>16</sup> *El Socialista*, 30 April 1931.

<sup>17</sup> For a description of the policy-making process, see Samaniego (1988: 344-69).



International Labour Organisation. Once the draft was approved by the Board of Trustees of the *INP*, it was presented to the government. But the change of the Minister of Labour delayed the submission of the draft bill to public consultation until 28 May 1936 (Rico, year unknown: 24), and the outbreak of the Civil War, however, put a final end to this process.

Although during the Second Republic there was not a remarkable development in the number and structure of the insurance schemes, there was however a consolidation of the institute in charge of them, the *INP*, which became dependent upon the Ministry of Labour through the General Directorate of Labour. The *INP* did not suffer from the internal convulsions that one might have expected in such an unstable political environment. New regulations for the *INP* were passed in December 1931, which adapted the *INP*'s aims to those declared in the Republican Constitution and, from the organisational point of view, increased the Board of Trustees up to 40 members (Samaniego, 1988). The *INP* President remained José Marvá, until he was replaced by Juan Usabiaga Lasquibar in 1934. Adolfo González Posada replaced Usabiaga in October 1935. However, the Council Delegate was, during the whole Republican period, Inocencio Jiménez Vicente, a Social Catholic who had been in the post since 1930 (officially in that year, although as deputy Council Delegate since Maluquer had become ill in 1923) and who occupied it until his death in 1941<sup>18</sup>.

Thus, there was clear continuity from previous stages. This fact seemed obvious even to Largo Caballero himself, who, in an article in the *El Socialista* on 30 April 1931 wrote: 'The Spanish Republic, in which government three of our colleagues are present, comes in good time to consolidate the work of social insurance initiated by the Monarchy'. Thus, Socialists perceived that the social insurance system already in place was a good starting point from which to continue introducing more schemes. Even later, when a conservative government was in place between 1934 and 1936 (the phase known as the Black Two Years), there was continuity of social policies introduced by Largo Caballero before.

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<sup>18</sup> For an analysis of the elite groups of the *INP*, see Samaniego (1984), reproduced in Samaniego (1988).

The general consensus with regard to social insurance policies that dominated during the first two stages of the Second Republic, even though different political coalitions were in power, disappeared in the early months of 1936. Political conflict thus blocked any chance of developing social policies, which require broad political consensus for their establishment and implementation. The political atmosphere between February and July 1936 did not permit the passing of any bold policies (Samaniego, 1988). Thus, when the military rose up in the Spanish territories of North Africa on 18 July 1936, the opportunity for the Second Republic to catch up with the most advanced European welfare systems was definitely lost<sup>19</sup>.

From this overview of the history of the Spanish social insurance system since its origins up to the outbreak of the Civil War, several conclusions can be proposed. First, social policies have to be understood within more general ideological debates. Thus, the debate at the beginning of the twentieth century on the degree of state intervention in the economy and society set the framework for debating the kind of welfare system that was to be established, and contentious ideologies such as Socialism, Krausism or Social Catholicism provided the ideological references from which social welfare systems were born.

Secondly, social policies were affected by political conflicts and were shaped by Spanish political events. The development of the Spanish welfare state followed the development of other European welfare states quite closely (De la Calle Velasco, 1997: 129) at the very early stages, during the period of the Restoration. It was Primo de Rivera's dictatorship which really put Spain behind in comparison to its European neighbours, even though the *INP* struggled hard not to lose pace. The Second Republic tried to catch up, but the outbreak of the Civil War put a halt to this recovery.

Thirdly, there were processes of policy diffusion and learning taking place. Spain learned from and was encouraged to set up social insurance policies by experiences and policy innovations taking place outside. The role of international conferences such as those

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<sup>19</sup> 'The beginning of the Civil War finally frustrated the enactment of a law' (for the unification of all insurance schemes) 'which, if fully implemented, could have meant the starting point of the Spanish welfare state, as distinct from the set of isolated and fragmented welfare policies enacted until that date' (Rico, year unknown: 24).

on Social Insurance Schemes and of Actuaries, and international organisations such as the International Labour Organisation helped in widespreading ideas and policies among Spanish elite groups.

Fourthly, continuity is the best description of the evolution of the Spanish social welfare system. Following Samaniego (1988: 513), continuity can be seen at three different levels. First, in the gradual and progressive development of the institution most directly responsible for social insurance schemes, the *INP*, which kept the same basic organisation from when it was established in 1908. Second, in the continuity of the men in charge of the *INP*, and especially in the posts of *INP* President and Council Delegate. Third, although new social insurance schemes and institutions were established, they all followed the same model of social welfare, thus resulting in a system which was fragmented, with very limited coverage of people and social risks, unequal, institutionally weak, with an uneasy mixture of public and private institutions providing insurance.

Fifthly, the institutional path-dependence exerted by those institutions already in place, which limited the extent of the later reforms, was significant. The development of the welfare system was subject to the limitations of a weak state and a regressive tax system. The public welfare system had to fight its way against powerful and numerous private welfare institutions such as the *Sociedades de Socorros Mútuos* or private insurance companies.

Sixthly and finally, variables such as the socio-economic situation, the Catholic culture or the role of labour movements do not seem to fully explain the final shape of the Spanish welfare system. The passing of the Working Injuries Act, the law that established the *INP* or the other social policy developments were not directly affected by the state of the economy nor shaped by the demands of an emergent but still very weak labour movement. Elite groups were not involved in the policy-making process of the different laws, but in the later stages of their implementation, and only the medical profession managed to threaten a little the introduction of social policies. However, the strategy followed by policy-makers was to co-opt doctors onto the different decision-making bodies (Rico, year unknown) at



different stages of the process. What really shaped the development of the Spanish welfare system seemed to be the pro-active role of key policy-makers performing within institutions of the Spanish state.

## 4.2. Review of Literature on the Spanish Welfare State

The analysis of the birth and growth of the Spanish social welfare system is still very much underdeveloped. Two reasons might explain why. First, Spain has been (and in many aspects still is) a laggard in the development of its welfare state among its wealthier European neighbours. Thus, this situation might not have encouraged research on the topic. Secondly, the slow development of the disciplines of Sociology and Political Science in Spain and, therefore, the existence of a small community of scholars dedicated to them, have limited the research. Researching such a complex institution as the welfare state involves the joint efforts of many scholars from many disciplines and a lengthy process of accumulation of knowledge.

Let us start then by reviewing the literature on the origins and development of the Spanish welfare state. Historians have studied this topic, although quite unevenly. The three works published by the Spanish Ministry of Labour as a trilogy (*Los Seguros Sociales en la España del Siglo XX*) (Montero García, 1988; Cuesta, 1988; Samaniego, 1988) were in-depth historical accounts of the insurance schemes established from the Restoration to the Second Republic. González Murillo's (1998) unpublished doctoral thesis was on the labour and social policies of the Labour Minister José Antonio Girón de Velasco. Although from a different academic discipline (therefore with different questions and using different literature and method), my own work would be a continuation of these valuable works.

Economists such as Manuel Alonso Olea (1982), Francisco Comín (1999) and Juan Velarde Fuertes (1990) have also studied the evolution of the Spanish welfare state. While Comín's perspective links the evolution of the Spanish Treasury and fiscal policy with the development of the welfare state, Velarde's best contribution is a three-fold division of the history of the system marked by several turning points. The first, as the starting point, would be the creation of the Commission of Social Reforms in 1883 and would go up to 1963. The second stage would run from 1963 to the reforms of the 1990s, precisely at the time when Velarde was writing his book, as a new change was taking place, therefore resulting in a new phase.

The more specific sociological literature on the development of the Spanish welfare state reflects the influence of the Schools identified in Chapter Two. Thus, some scholars pay attention to the socio-economic variables which might have shaped this development and the system finally established (Campos Egozcue, 1996) while others stressed the role of cultural factors such as the presence and influence of Catholicism (Vila, 1995). Historian De la Calle Velasco (1997b) believed that three sets of variables shaped the policy developments, being 1) the force of ideas which promoted policy change, 2) socio-economic factors together with 3) interactions between political actors.

For Moreno and Sarasa (1993), very little can be achieved by referring to the variables that have been used in explaining the development of other European welfare states. Thus, in Spain it was not possible to rely on the power of the labour movement to explain this, nor on a broad reformist coalition between the middle, the rural and the working classes which would permit a bottom-up push for social reforms. Welfare state institutions were created as a top-down decision made by elite groups, influenced by their own ideologies. Thus, the ideological roots of the Spanish welfare state are located in elite movements such as Social Catholicism or the Krausist version of Liberalism, and mass movements such as Socialism and Fascism. Thus, fuelled by the influence of these competing ideologies, an array of social institutions developed. In this process, a key social institution in Spain, the Catholic Church, played a two-fold role of both promoting the

setting up of new welfare institutions and imposing a conservative imprint on it which slowed down its development.

Guillén (1996) studied the evolution of the health policies since the Restoration (1875) to the establishment of democracy (1982). She brought to the fore the different variables that shaped the birth and growth of the welfare state. Guillén's choice of explanatory variables was that of the role of institutions, over other variables. For her, socio-economic factors and the mobilisation of the working class do not provide a convincing account of the timing and results of the process of welfare development. Thus, taking into account the political-institutional variables, she analysed the policy-making processes that led to the emergence of the social policies established in Spain.

Guillén's account of the origins of the social insurance system started with the Working Injuries Law of 1900. Although Spain copied, as did other European countries, the model of social insurance schemes introduced by Bismarck in Germany, historical, socio-economic and political reasons affected the normal development of the system and produced a slow-down with regard to the political initiatives taken by other countries. The historical reasons were the slow process of development of the liberal state, the loss of colonies during the nineteenth century and the internal wars suffered in the country. Socio-economic factors would be the late onset industrial revolution, the lack of a strong bourgeoisie class that could have modernised the country, the insufficient development of the communication system and the fact that the Spanish economy was primary-sector-orientated. Finally, the political reasons that account for the different developmental path of the Spanish welfare state would be the persistence of Absolutism during the nineteenth century (therefore the weakness of Liberalism) and the political instability experienced throughout the period. Nineteenth and twentieth century Spanish history was rich in political constitutions, coups d'état (revolts of the military to depose governments) and a wide variety of political regimes (an absolute monarchy, a Liberal monarchy, the First Republic, a Liberal monarchy with a two-party system, a conservative dictatorship and the Second Republic).



In a working paper published by the Institute Juan March, Guillén (1990) analysed the role of ideology in the emergence of the Spanish welfare state between 1876 and 1923. Three ideologies were involved: Social Catholicism, Krausism and Regenerationism<sup>20</sup>. De la Calle Velasco (1997b) showed that the first ideological move from within the Commission of Social Reforms came from Krausist people, while Social Catholics and Regenerationists joined later. During the Restoration, new ideas about the need for the state to intervene in the economic system came from all these ideologies, modifying the attitudes of both socialist and conservative groups (Guillén, 1997). Krausist figures such as Azcárate and González Posada were heavily involved in welfare institutions, mainly in the Institute of Social Reforms. Thus, by the time the Second Republic started discussing social reforms, a fundamental agreement on the need to expand the existing social protection system was already present among the various factions of the political elite.

Let us now focus on how the literature has researched the Francoist period, as it constitutes the point of departure of my own research. The first impression is that scholars, when analysing the Francoist years, have acted more on assumptions and generalities than on evidences and data. References to primary sources (such as letters, minutes, documents, articles or books of those years) are scarce in the specialised literature. The originals and documents filed in the Archives of the *INP* had never been studied before.

The period in which Francoism established its social insurance system, between 1936 and 1963 is the least researched of all the phases of the history of the Spanish welfare state. Academics might find it difficult to concede the Francoist dictatorship the privilege of being the founder of many schemes of the Spanish social insurance system. That might be the reason why many researchers, ignoring what happened before the coming of democracy,

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<sup>20</sup>The *Krausismo* was a philosophical system that perceived the world as an organic whole in which it was possible to achieve the conciliation of opposites. Thus, society and individual could be reconciled through education and appropriate public intervention. This philosophical movement got its name from its founder, the German philosopher Karl Christian Friedrich Krause (1781-1823). It was introduced in Spain by Francisco Giner de los Ríos and the *Institución Libre de Enseñanza*. On the other hand, the *Regeneracionismo* (Regeneration) was an intellectual movement that appeared in Spain after the national crisis of 1898 with the loss of the colonies of Cuba and the Philippines. It proclaimed the need to regenerate the country, morally and politically, and to promote its economic modernisation. The most prominent representative of the movement was the politician Joaquín Costa.

tend to start their research with the social policy developments that took place during the transition and afterwards. In a few cases, the analysis goes back to the social policy reforms of the 1960s (Rodríguez Cabrero, 1998: 135; Campos Egozcue, 1996: 261), finding that the starting moment of the Spanish social security system, but keeping in shadow the crucial stage of the 1940s. And those who attempt to report the whole history of the social welfare system since 1900 are inclined to dedicate more time to the (failed) initiatives of the Second Republic than to the reforms occurring during the 1940s and 1950s.

González Murillo's (1998) has researched in depth the period that I consider here. The 900 pages-strong thesis is structured around very different themes such as the concept of work, salary, family policies, labour policies (unemployment, industrial action or co-operatives) or the Labour Universities. However, González Murillo's work is more a compilation of data on these policies than an analysis of the political evolution of Girón de Velasco's Ministry or the actors, their motives, the political interactions or the reasons that led to the establishment of such insurance system. It does, however, highlight the power struggles within the regime, as he insists on the rivalry between the Ministry of Labour and the Syndical Organisation. But, from my point of view, this was far less important than the struggle between Falangists in those two institutions against other families of the regime who controlled the *INP* or other public bodies, as I will explore in subsequent chapters.

Moreno and Sarasa (1993) focus on the actors involved in the making of the Francoist social welfare system –the Catholic Church and the *Falange*. Thus, for Moreno and Sarasa (1993), Francoist social ideology received both influences from Catholic traditional-corporativism and Falangist totalitarian-corporativism, resulting in a “Catholic-Fascist hybrid” that shaped political institutions, policies and social relations. The Francoist social insurance system established in the 1940s reflected the accommodation of both ideological traditions. Even when the result of the Second World War forced the regime to adopt political reforms acceptable to the triumphant western democracies and get rid of its fascist elements, the hybrid character of the social welfare system remained. Although Falangists were in bitter retreat, they managed to keep control over the ministry in charge of

labour relations and social welfare. Only in the late 1950s would Social Catholics assume full control of the organisation of the Spanish economy, therefore allowing them to reform social policies and institutions along Catholic lines.

Guillén (1992) extended her hypothesis on the role of ideologies in shaping the Spanish welfare state to the Francoist regime. With the change of the regime after the Civil War, one would have expected a profound change in the social insurance system. On the contrary, the persistence of one of the founding ideologies of the welfare system, Social Catholicism, 'permitted the preservation of the previously existing institutional design' (Guillén, 1992: 119). It is not true then, that with the dictatorship came the disappearance of those reformist figures that had supported social reforms during the Republic (Campos Egozcue, 1996: 240). This might be the case for the left-wing and republican politicians and civil administrators, but not for the Social-Catholic leaders of the *INP* such as Inocencio Jiménez Vicente, Severino Aznar or Luis Jordana de Pozas.

For Guillén (1997: 168), three factors explain the legislative activity occurred between 1936 and 1957<sup>21</sup>: the Falangist control over social policy, the need of the dictatorship to gain legitimacy and the admiration of the German model (Guillén, 1997: 168). The admiration for the German model would lead to excite the "imperial aspirations of the regime" as a better social welfare system (mainly a health system) would increase the "quality" of the Spanish race. For Guillén, this last reason would explain in particular the rapid introduction of the Sickness Insurance Scheme in 1942.

Social policy was controlled by Falangists, in charge of the social image of the dictatorship (Guillén, 1996: 211), although some of the most prominent posts of the *INP* remained in the hands of the Social Catholics (Guillén, 1996: 145-6). The Falangists, says Guillén (1996: 231), had an 'all-embracing presence, especially in the forties, without opposition of any kind', at least not from the sectors of society outside the families of the

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<sup>21</sup> Guillén (1997) identified the period between 1936 and 1957 as the first of two phases into which the Francoist social welfare system can be divided. The second phase would comprise from 1957 to the end of the dictatorship.



regime. The key political actor at that moment was Falangist José Antonio Girón de Velasco, Minister of Labour between 1941 and 1957. With a strong personality and with Franco's full support and confidence, Girón de Velasco had the sole power to decide the composition of the commissions and committees which would eventually draft the different social policies (Guillén, 1996: 164). It was in these commissions where the political debate took place. Thus, the analysis of the perceptions, interests and ideological orientations of the members of these commissions is of great relevance to the understanding of the social policies which were finally established (Guillén, 1996: 165).

### **4.3. Contentious Hypotheses**

The review of the literature on the Francoist social insurance schemes reveals some issues which had already come to the fore when the evolution of the Spanish welfare state since its origins till 1936 was studied. The literature has pointed to the fact that the Francoist system continued what had been put in place from 1900, in terms of programs, people, ideology and institutions. However, new actors (Falangists, Girón de Velasco) and the Falangist ideology introduced elements of change.

Having played down in previous chapters the importance of socio-economic variables or cultural factors and having set up the theoretical framework of this thesis within the Institutional approach to the policy process, I now single out the elements of the policy-making process put forward by the literature on the Francoist social welfare system in order to assess how they shaped policy outputs. Let us remember that we were looking at three main elements of the policy process: ideas, actors and institutions.

Regarding ideas, foreign social insurance solutions and policies attracted and inspired Spanish policy-makers. I will argue that this truly happened, but the importance of

policy diffusion processes should not be overemphasised. Secondly, regarding actors, the masses did not play a pro-active role in this process. The Francoist regime was not forced to create its social insurance system, but did it motivated by its need to gain legitimisation. In addition, different policy actors held conflicting agendas of interests. For the literature, the *Falange* appears to have been the catalyst of change and policy innovation. But if one actor can be named, that is the Falangist Labour Minister José Antonio Girón de Velasco. By contrast, the Catholic Church appears in this literature to have attempted to block the passing of comprehensive and advanced social policies, while the role of Social Catholics within the *INP* is acknowledged but not emphasised. I will challenge this view and will argue that, when looking in detail at what happened with regard to the passing of each social insurance scheme, a very different picture comes up. It is then that the third and final element, the role of political institutions of the non-democratic Francoist regime comes to the fore to constitute the basis of my argument.

### *Policy Diffusion*

Although Francoist policy-makers always emphasised the unique character of the Spanish social insurance system<sup>22</sup>, they did borrow ideas and imitate policies from other countries and political regimes. The question is to what extent they were influenced by those experiences, especially by those other very similar non-democratic regimes such as Fascist Italy and Nazi Germany.

Given the close similarities between the Fascist and Francoist regimes, we would expect the latter to imitate the former considerably in social insurance policies. Undoubtedly, the Francoist regime looked closely at the Fascist experience with regard to labour relations. The Spanish Labour Charter – the *Fuero del Trabajo* – openly drew on the Italian *Carta di Lavoro*. But what happened in the related area of labour policy did not happen in social

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<sup>22</sup> See, for example, Jordana de Pozas' remarks on the Spanish Sickness Insurance Scheme as being the most perfect in the world and path-breaking: Jordana de Pozas, L., 'Orientaciones Mundiales del Seguro de Enfermedad', *Boletín de Información del INP*, October 1944, No. 10, pp. 1263-70. Other examples can be seen in Jordana de Pozas (1944: 2) and Leal Ramos (1950: 46-56).

insurance. Actually, Spanish social insurance policy-makers did not recognise the influence of the *Carta di Lavoro* on the *Fuero del Trabajo* as highly positive. The social insurance expert Carlos G. Posada explained the absence of any reference to insurance schemes against sickness and death in the *Fuero del Trabajo* because they did not appear in the *Carta di Lavoro* either<sup>23</sup>.

It was difficult for Francoist social insurance policy-makers within the *INP* to get many social insurance ideas and policies from Italy, because, as Jordana de Pozas wrote, the Fascist regime did not have a specific and developed doctrine on social insurance (Jordana de Pozas, 1954: 12). In addition, both social insurance systems were quite different and the Spanish system was more developed and integrated than the Italian. Therefore, Spanish policy-makers in the *INP* could hardly have borrowed from it substantially.

If anything, the Fascist system influenced Falangist politicians, especially in their attempt to insure agricultural workers. Most probably, the involvement of the Fascist party in the running of the social insurance schemes in the agricultural sector provided *FET de las JONS* with the model they were looking for.

Guillén (1996) and Cousins (1995) point to the German example as the one which inspired most Spanish policy-makers. Again, the German model was, in fact, not of much attraction to Aznar Embid, Jiménez Vicente, Jordana de Pozas and the majority of the social insurance experts and academics of the time. Only a few Falangists may have been impressed by it, and only temporarily.

Spanish policy-makers had a more practical approach to social insurance and were not pre-determined by fixed ideological commitments. If the *Boletín de Información de la Caja Nacional de Seguros de Accidentes del Trabajo* dedicated its issues of April and June 1940 to the study of the Italian social insurance system, its replacement, the *Boletín de Información del Instituto Nacional de Previsión*, did so with the Russian (June 1941), the

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<sup>23</sup> Posada, C. G., 'Formación del Régimen Legal de Seguros Sociales en España', *Boletín de Información del INP*, September 1945, No. 9, p. 1695.



Nazi (July-August 1941) and the Belgium and French ones (April 1942), finally focusing by the end of 1942 and through 1943 almost exclusively on the British reforms.

Actually, Spanish policy-makers were keen to learn from different countries, on the basis of specific solutions for specific challenges on this area of social insurance. Thus France's and Belgium's examples helped to set up the Family Subsidies Scheme; Germany, Hungary and other Central European countries were visited prior to establish the Regulations of the *SOE*; and, later on, the Beveridge model inspired policy-makers wishing to create a Comprehensive Social Insurance Scheme<sup>24</sup>.

Thus, although recognising the importance of ideas in the policy process, policy learning and policy diffusion cannot explain more than certain similarities between countries and have therefore very modest explanatory value. Meil (1995: 51) and Iglesias and Meil (2001) reach the same conclusion in their studies of the Francoist family policies.

### *Legitimisation of the Dictatorship*

There is a broad agreement in the literature about the dictatorship's need to gain legitimacy (before both internal public opinion and the international community) and the social insurance policies created as a tool to obtain the former (Tamames, 1988: 198; García Padilla, 1990; Guillén, 1996; Campos Egozcue, 1996; De la Calle Velasco, 1997; González Murillo, 1998).

Most probably Francoist welfare measures were designed to grant some sort of legitimacy to the regime. On the one hand, they might have improved its image before foreign democracies. Franco said in October 1943 that the regime could announce to the world in a very short period of time that the Spanish worker was protected against all possible social risks and all his needs had been met. He ended with the following irony:

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<sup>24</sup> Jordana de Pozas was in January 1946 in England, learning from the British experience and organising Beveridge's going to Spain a few months later. Velarde (1990:86) also refers to Castro Rial's (a Falangist) and Ucelay Repollés' trip to Britain during the Second World War to learn on the field about Beveridge's proposals.

‘This is where the tyranny of our regime lies’<sup>25</sup>. On the other hand, social welfare policies might have been intended to send a positive message to Spanish workers and disarm criticisms about the regime. José Luis de Arrese said in the Second Syndical Council in June 1941: ‘We have to show the industrial and the agricultural workers that we are not the mould into which we compulsory force them, but we are the hand always open in generosity and help through which they get all the benefits from the state’<sup>26</sup>.

However, this does not say much about why some types of social insurance schemes were introduced and not others or why some workers were more protected than others. As I have discussed in Chapter Three, Francoism should have sought support and legitimacy first of all from rural workers, who amounted to more than 60 per cent of the working population of Spain and had demonstrated high levels of political activism during the 1930s. Industrial workers and miners from Asturias were also highly mobilised, but not necessarily more than the rural workers of the huge fields of Andalucia and Castilla, heavily influenced by Anarchism and Communism. Why, then, were Francoist social insurance schemes first designed to protect industrial workers and much later, and less generously, agricultural workers? Why did Francoism set up social insurance schemes instead of an integrated social security system?

I believe that the Francoist need to legitimise its own existence should not be over-emphasised. Apart from the two quotes provided above, I have not found other evidence in the public and private documents I consulted which could possibly show that policy-makers had consciously established these policies as a result of their strategy for gaining legitimacy. It is true that the Spanish *INP* translated and published leaflets in English and French relating the social welfare developments accomplished by the Francoist regime. But this task of marketing the achievements came much later, during the 1950s, when the social insurance schemes had been in place for more than ten years and Francoism was solidly established on Spanish soil.

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<sup>25</sup> *Boletín de Información del INP*, October 1943, No. 10, p.2.

<sup>26</sup> *Boletín de Información del INP*, June 1941, No. 6, p. 58.

My understanding of the role of social insurance as a tool to provide legitimacy in Francoism matches the explanation provided by Paloma Aguilar (2002) of how the regime used two strategies for claiming legitimacy. She has shown how an “origin-based” legitimacy (sustained in having won the Civil War) dominated the Francoist discourse during the 1940s and 1950s. It was in the 1960s and 1970s when the regime switched to “performance-based” legitimacy arguments, in praising Spain’s social, political and economic achievements. Obviously, social insurance would fall into this second type, as a policy for producing “performance-based” legitimacy, therefore indicating that during the period studied in this thesis, Francoism did not rely on social welfare achievements as its first source of legitimacy.

The kind of motivations which are most interesting and much stronger in shaping policy outputs are those which motivated particular key policy-makers. My hypothesis is that families of the regime and key policy actors pursued specific goals when putting in place social insurance institutions.

### ***A State-led Process and the Absence of the Labour Movement***

As had happened before, the Spanish welfare system during the Francoist period was established as a result of decisions made by key political actors, in a top-down process of policy-making, as the Francoist state was relatively autonomous with regard to civil society (Moreno and Sarasa, 1993: 36). To put it simply, the labour movement was not involved in the creation of the Francoist social insurance system (De Miguel, 1979). My own research will support this hypothesis.

### ***Social Insurance Policies as an Arena of Conflicting Interests***

Some authors (Rull Sabater, 1971; García Padilla, 1990; Moreno and Sarasa, 1993; Campos Egozcue, 1996) have drawn our attention to the struggle between two of the main families supporting the Francoist dictatorship, namely Falangists and Catholics to control



social policy. However, what is lacking in the literature is an explanation of what is Catholic and what Falangist in each social insurance scheme or how and why each ideology managed to shape specific outputs of each scheme (or failed to do so).

### ***The Role of the Catholic Church***

Campos Egozcue (1996: 241), pointing to the political struggle between the Catholic Church and *Falange*, affirmed that the former wanted a dual system, in which the Church could also provide social insurance alongside public institutions, but based on state funding. The *Falange* rejected this freedom of the Church and demanded a public system in which services were only provided by state institutions. However, as I will try to prove in this thesis, the reasons were quite different. The *Falange* tried to exert complete control over the welfare system, therefore making the welfare institutions party-dependent, while the Catholic Church supported the work of the *INP* as the main institution in charge of Spanish social insurance. It is worth noting that compulsory social insurance schemes did not interfere at all with the charitable action of the Catholic Church, as they had very different aims.

Guillén (1996: 238) saw the Catholic contribution in the type of “professional or mixed” insurance schemes but did not tell us what the Falangist contribution was. If the Catholic programme was a “mixed model of social provision”, one might infer that the Falangist model might have been a fully-public and integrated one. There are no reasons to sustain such a hypothesis. Moreover, this thesis will show that proposals for a unified system of social insurance schemes, inspired by the Beveridge model, were advocated by Social Catholics and the Catholic Hierarchy.

### ***The Role of Falange***

The leading role played by the Falangists in the construction of the Francoist social welfare system is widely highlighted by the specialised literature (De Miguel, 1979; García

Padilla, 1990; Moreno and Sarasa, 1993; Guillén, 1996; De la Calle Velasco, 1997; Thomás I Andreu, 1999)<sup>27</sup>. Thus, Guillén remarks how important it is to see “the Falangist stamp” (*impronta Falangista*) on it.

The coherence of the Falangist ideology with regard to social insurance might be overestimated. As I will show later, Falangism did not have a theory of social insurance, and lacked the experts who could formulate one. In my opinion, Falangists (especially Minister Girón de Velasco) adopted a more pragmatic and problem-solving approach.

I will argue that Francoist social insurance schemes system was not introduced as a result of the *Falange*’s single ambition, but as a result of the struggle of power between different families of the regimes which occupied different public bodies and ministerial departments. And more than the ambition of the *Falange*, it reflects the *Falange*’s weakness, its failure to conquer the Francoist state and impose its totalitarian political model. All it managed to do was to duplicate state institutions with their own party-dependent ones.

My argument is therefore similar to the one made by Iglesias and Meil (2001: 55), who point to the Falangist’s attempt to extend their power among the working class as the main reason for introducing the Family Plus, while the Family Subsidies scheme, run by the *INP*, got into financial problems. Although Iglesias and Meil’s research does not cover other social policy areas apart from family policies, they suggest that their hypothesis might also be applicable to the analysis of social insurance.

### ***The Role of Girón de Velasco, Minister of Labour***

The literature has identified Jose Antonio Girón de Velasco as the key actor in the development of the Francoist social welfare system, while he was Minister of Labour between 1941 and 1957 (Guillén, 1996; Mangen, 2001). However, as my research will later

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<sup>27</sup> The role of Franco himself as personally involved in the development of social policies has been suggested by Medhurst, who says that ‘after the war Franco did not rely wholly upon force for disciplining the working classes but took a personal interest in the development of social security provisions’ (Medhurst 1973: 62). However, my own conclusion is that Franco did not play any important role in the development of the regime’s social policy.

show, Girón was not the sole actor and his role might not have been as relevant and crucial as it is generally perceived. Together with Girón de Velasco, the other crucial actor was the Director-General and Commissary of the *INP*, Luis Jordana de Pozas. In fact, Jordana drafted most of the Francoist social insurance policies of that time, dominating the first stages of the policy process.

Girón de Velasco intervened to veto policies or to shape outputs, but never participated in the drafting of policies or contributed to their content. In any case, his actions were framed by the institutions of the regime. What determined Girón's power was the non-democratic characteristics of his ministerial post and the non-democratic elements that shaped the policy process. The power of ministers to dictate regulations, the absence of formal regulations for the Ministry of Labour or the ability to by-pass the Council of State were all institutional resources in his hands that permitted him to shape policies and pursue his and the *Falange's* objectives.

Thus, the struggle between families of the regime for the control of Francoist social policy and the role of policy-makers, especially Girón de Velasco, have to be explained in the institutional framework provided by the non-democratic regime. Therefore, our most important variable will be the role of the institutions of the Francoist political system.



## **Chapter 5**

### **The Francoist Regime (I)**

#### **Actors and Ideas**

This chapter analyses two of the three components of the policy process: the actors and the ideas. First, it presents the disparate actors of the Francoist coalition, their interests and motivations, and their capability to influence the policy-making process and the overall development of the regime. Secondly, it analyses the approaches to social insurance of the two contenders for control of the Francoist social insurance system, Social Catholics and Falangists.

## **5.1. Actors within the Regime**

The non-democratic regime established in Spain in the summer of 1936 after a bloody three-year civil war (that broke out due to the failure of a military coup d'état) and lasted until the death of its leader Francisco Franco in 1975 is commonly described by the surname of the dictator, Francoism. Francoism was a coalition of social groups which held different and in many cases opposing interests. These groups are commonly known as the “families” of the regime. Each family battled for power and control of different policy sectors at different moments, motivated by changing interests. The social policy sector was the battleground for the power struggle between Falangists and Social Catholics, each one controlling different institutions of the regime.

The military were the central pillar of the regime. The coup was organised and carried out by the military, who became the backbone of the dictatorship. However, together with the military, other families such as the Catholics, Falangists, Monarchists, or Carlists constituted the coalition against the Republic. Francoism was, to put it simply, a coalition of forces unified around a leader and sustained by a common feeling of fear -basically, fear of social agitation of the masses and of political developments that might eventually lead to public turmoil and the disintegration of Spain. Thus, although Francoism embraced different

and even contradictory political movements, they all centred around a single aim: to avoid the triumph and future re-emergence of “Red Spain” (Communist, Socialist and Anarchist).

### 5.1.1. The Military

To all intents and purposes, the Francoist regime was a military dictatorship. Traditionally, the Spanish military had felt themselves compelled to get involved in the political life of the country. The military revolts and the prominence of the military were common practices in the nineteenth century. In the early twentieth century, General Primo de Rivera established a military dictatorship that preceded that of Franco both in time and in its practices. Later, many of the policies of the Second Republic governments towards the military provoked much bitterness from top officers, who felt impelled to bring about its end. However, not all military officers revolted against the democratic system; whether it was because of truly democratic beliefs or because of the vow of loyalty to the constitutionally-based political system that they had once made, the fact is that some military officers did not join the coup against the Second Republic.

Is it possible to talk about a coherent ideology within the Francoist military? It might be possible to agree on some basic beliefs that Spanish officers shared. To start with, they were conservatives, defenders of “law and order”. Secondly, they were centralists, meaning that they believed in the unity of Spain as an incontestable dogma. Thus, the solution to the “problem of Spain” (the regional question and how to integrate different nations or regions in a single nation-state) was seen by military elites as a sin of apostasy. Thirdly, and linked to what it has just been said, they were nationalists who were witnessing the progressive decadence of what had once been an empire. The *Desastre* (disaster) of 1898, with the loss of the islands of Cuba and Philippines was a shock for the army. Fourthly, they ultimately blamed politicians and politics for Spain’s ills. It is not, however, so easy to find a common



political project for Spain shared by the military as a collective. Among Franco's military comrades, there were Alfonsines, Carlists, Falangists, Conservatives, Social-Catholics and even those without an identifiable ideology.

As I started saying, the Francoist Regime was a military dictatorship. The military occupied an outstanding position during its whole existence, particularly during the first twenty years. Out of Franco's 113 ministers, 33 were members of the military. The data show that the greatest numbers of military ministers in Franco's governments were during the first two decades. As Álvarez (1984) has shown, 25 per cent of the ministers in the first government (1938-1939) were military, 11.6 per cent in the two subsequent governments (between 1939 and 1945) and 22.4 per cent in the government that was created in 1945 and lasted until the crisis of 1951. In particular, the military were well placed in departments such as the Office of the Chief of Government, Industry, Public Works and Home Affairs. The military also occupied posts in key institutions such as the Council of State, Council of the Kingdom and the *Cortes*. Another sign of the military nature of the regime was their consumption of national economic resources. The military budget in the post-war years amounted to up to a third of the total public expenditure (González García, 1978).

These data should be complemented with a qualitative addition, that is the prestige and personality of those who occupied the ministries during the first decade of Franco's regime. Indeed, the military who were appointed to such important positions were distinguished warriors of the so-called "crusade" who were greatly admired by their army comrades. The list encompasses names such as Juan Yagüe, Enrique Varela, Carlos Asensio, Juan Vigón, Galarza or Muñoz Grandes (González García, 1978). Thus, their appointments were not due to their administrative knowledge, technocratic profile or because they were the most suited for the posts they occupied, but because of their military prestige and the fact that they were Franco's comrades in arms. Once the war was finished, many military officers found a place in the Public Administration or in public companies (such as the National Institute of Industry) or other institutions (such as the *INP*).

The persistence of repressive laws and the state of war until 1947 gave the Armed Forces a tool to be part of domestic policy. In fact, the military increasingly perceived themselves predominantly as defenders against possible internal enemies than foreign aggressors. The institutional design of Spain's defence system and the placement of garrisons were designed to quickly suppress any social revolt. A key figure was the Captain-General, appointed by Franco, who had a major political role. He was in charge of reviewing 'the sentences of military courts empowered to try civilians for acts of terrorism and similar offences of a political nature' (Medhurst, 1973: 48).

But how influential was the Army in setting up the institutions of the regime, in determining the policies and in controlling Franco?

The fact is that there was not a unique or single political solution, due to the variety of political ideologies that military officers had. As Gunther put it, 'since the Spanish military elite was heterogeneous in its political preferences at that time, the military was not in a position to dictate the adoption of specific institutional forms' (Gunther 1980: 21). It was also crucial, as Payne (2000: 279) says, that Franco avoided any risk of letting the military have a collective voice in opposition that could challenge his personal power or could interfere with his decisions or the policies of his governments. In Payne's words, 'another characteristic of the institutional modernisation achieved by Franco was the relative "de-politicisation" of the military, even though when the regime was initiated as a military government and although Franco was also explicit about how confident he was in the ability of the Armed Forces to maintain the stability of the system. With the military hierarchy, he always had a special relationship; at the same time as he maintained it at a certain distance, he manipulated it, changing and rotating the principal posts, and, in general, avoiding any concentration of power among them. The fact that (the military) occupied individually so many posts as ministers and other important administrative positions –especially during the first half of the regime- tended to obscure the fact that Franco tried to prevent the interference of the military in the government and suppressed any possibility of its having an independent role, corporatist or institutional, for them, out of their own sphere of the Armed

Forces. The officers that occupied posts in the offices or governmental institutions, or that had a seat in the Parliament, did that as individual administrators which took part in the coordinated and integrated state institutions, not as independent corporatist representatives of the Armed Forces' (Payne, 2000: 279).

The military demanded to be present in all the major decision-making bodies of the regime, even though they did not play the leading role (either because they lacked expertise, alternative policies and programs, or they lacked the willingness to do so). This role is bigger than a mere veto exercise, as Gunther (1980: 21) said. It implies more than the mere reactive capacity to obstruct policies and it can eventually become a pro-active policy-making resource.

With regard to power struggles among families of the regime, the military firmly opposed the totalitarian ambitions of the Falangists. Moradiellos (2000) points out that the army particularly defended its domain on issues of public order and foreign policy. It was not difficult for the military elite, on the other hand, to collaborate with the Catholic Church, with whom they shared common political views.

### **5.1.2. The *Falange***

In the "Epoch of Fascism", a political movement identified with that ideology was founded in Spain. In 1931, a tiny group of activists in Madrid formed the Conquest of the State group, commanded by Ramiro de Ledesma Ramos. At the same time, another pro-fascist group was created in the Castilian region, the Castilian Groups of Hispanic Action with Onésimo Redondo as its leader. In October 1931, both groups merged to form the Groups for the National Syndical Offensive (*JONS*). The objectives of this group were to establish in Spain a "anti-liberal, syndicalist and corporatist" socio-economic regime (Rodríguez Jiménez, 2000: 103). Another pro-fascist group, *Falange Española* was created



in October 1933, under the charismatic leadership of José Antonio Primo de Rivera, son of the former dictator Miguel Primo de Rivera. In the 1933 national election, in the Second Republic, José Antonio Primo de Rivera became a member of Parliament.

The political weakness of both *JONS* and *Falange Española* and their ideological similarities led them to merge in February 1934, adopting the name *FE de las JONS*. The *Falange* was clearly in the majority in the party resulted from the merge, although *JONS* made a fundamental contribution both to its manifesto and its symbols (Rodríguez Jiménez, 2000). As a fascist party, *FE de las JONS* did not reject the use of violence as a political tool. In the turbulent years of the Second Republic, violent clashes between Falangists and left-wing groups such as anarchists, communists or socialists were common. The ideology of the party was shaped at the First National Assembly of *FE de las JONS* in October 1934, expressed in the form of bullet-points, 27 in total, that ranged from the definition of Spain as “unity of destiny in the divine plan”(*unidad de destino en lo universal*), to a proposal for the establishment of a totalitarian state and a criticism of the capitalist economic system (although defending private property). At that point, *FE de las JONS* modelled themselves on Italian Fascists, rather than German Nazis. As with its Italian counterpart, *FE de las JONS*’s totalitarian political project sought to conquer the state and subsume all social, economic and political groups and institutions under the control of the party.

However, in 1935, *FE de las JONS* was a very small organisation in terms of members and political salience. Its power was confined to a few regions and provinces, including Madrid, Castilla, parts of Andalucía and Santander. It did not have representation in the key industrial areas of Cataluña, País Vasco, Valencia or even such bastions of conservatism as Galicia (Rodríguez Jiménez, 2000: 193). The membership never rose above 6000 people. Economically, the party had serious problems. And although their public presence was high, their political power was very low: they never gained more than 2 per cent of the votes in any national election.

When the left-wing coalition, the Popular Front, won in the 1936 elections, *FE de las JONS* was banned. It would not be until the outbreak of the Civil War that the party got

its opportunity to gain more political salience, immediately supporting the military coup and joining the “nationalist side”. In those places where the party was well established, party volunteers joined the “militias” assembled to fight alongside the military rebels. However, despite the enthusiasm of young Falangists for fighting and bringing about the “Falangist revolution”, the war was directed by the military and, as later became clear, the peace too.

The need for co-ordination and military control if the war was to be won forced the unification of the political groups of the Francoist coalition. Falangists and Carlists were starting to take their political differences to the streets. Thus, the Decree of 25 September 1936 banned any partisan political activity. In December 1936, Falangists and Traditionalist militias were put under military command. These two decrees preceded the so-called Decree of Unification of 19 April 1937, creating a new political *FET de las JONS* as a result of the merge of *FE de las JONS*, the Carlists and the Alfonsines Monarchists. The institution that emerged from this unification was later called the National Movement, which Chueca (1986: 65) defined as ‘a boxing ring for political struggle, a party of parties, more than a unified party’. Undoubtedly, *Falange* was the most influential political group within the National Movement, and even more after the massive withdrawal of Carlists from the party in 1939 (Payne, 1986: 195). But let us not forget, above all factions and groups within the Movement, the incontestable leader of the party from then onwards was Francisco Franco.

Once the war ended, *FET de las JONS* was allotted a salient role in the new State. But this role would bring about a very difficult and paradoxical situation for *FET de las JONS*, which led the party to a tumultuous political period. The party was dragged to the paradox of having the chance of achieving its highest ever political power and opportunity to set up a pure Falangist state, while, at the same time, being forced to get attached to a regime that would never allow the set up of the Falangist dream of social revolution. This schizophrenic situation (Marín, Molinero and Ysás, 2001: 46), clearly perceived by party members, led to a dramatic power struggle within the party.

On the one hand, the power of the party seemed to be ubiquitous. Affiliation to the party was made compulsory to anyone wishing to have a position in politics or in the

administration. Falangists in key ministries shaped the policies of the Francoist governments. At the same time, after the war, Falangists massively joined the Public Administration at the local and regional levels (Payne, 1985: 203). The Francoist regime adopted the symbols and discourse of *Falange*. The propaganda and censorship machines were in their hands. *FET de las JONS* controlled the Syndical Organisation (thus in charge of labour relations and worker's control), the Youth Front and the Women's Section. Especially at the local level, the party was hugely powerful (Marín, Molinero and Ysás, 2001: 35).

But, on the other hand, *FET de las JONS* never achieved its dream of establishing a totalitarian state in Spain. It was far from being able to make its "social revolution" even at the peak of its power, around 1940. Franco designed *FET de las JONS* as a party of the state and as nothing more than an instrument of keeping national cohesion (Payne, 1985: 202). Franco used the party to balance the power of other "families" and to recruit personnel for the administration. The party organisation and roles reflected the needs of the state and not the other way round (Chueca, 1986: 66).

Falangists encountered firm opposition of both military and the Catholic Church to its Fascist project. In 1940, the Falangist militias were reorganised and their role reduced to providing military instruction to new soldiers. In that same year, the General Captaincy Administrations were re-introduced, gaining the military another tool to extend their power and control over the civilian population, without needing *Falange*. Finally, in September 1942, the Falangist militias were suppressed (González García, 1978). Therefore, it seems obvious that the struggle between the military and Falangists was won by the former. In the case of the battle with the Church, the situation was similar. As Montero (1986) pointed out, the Catholic Church was also much more prepared to exert the role of legitimatisation that the regime needed.

In conclusion, *FET de las JONS* failed to conquer the state and to place individuals and the whole society under its totalitarian project. The failure of *FET de las JONS* was a personal failure of the most powerful individual of the first six years of the Francoist regime, after Franco himself, -his brother-in-law Ramón Serrano Suñer, who was appointed Foreign



Affairs Minister in August 1940. He commanded the faction within *FET de las JONS* known as the *Serranistas*. Serrano Suñer was pro-German and developments in the Second World War up to 1941 reinforced his power position within the regime.

But *FET de las JONS* was far from being a harmonious and unified party and different groups were challenging the position of the *Serranistas* (Rodríguez Jiménez, 2000). Opposed to this group were those who had assisted in the birth of Spanish Fascism in the early 1930s and wanted to preserve Jose Antonio Primo de Rivera's legacy. This group of disappointed old Falangists started conspiring, right at the beginning of the 1940s, against Franco's plan to fully integrate the Movement into the structure of the state. Finally, a third group, which became more influential after Serrano Suñer's decline in 1942 was formed by those young Falangists who considered themselves followers of Jose Antonio but had never been involved in politics before.

In any case, the *Falange*, though internally divided, managed to exert a highly visible and arguably influential role during the first six years of the regime, under the leadership of Serrano Suñer. But when it was realised that the long-awaited social revolution led by the Falangist principles might, most probably, not occur within the Francoist regime and the Francoist state, feeling within *Falange* escalated. Suñer's faction took a step forward and moved on from prudential rhetoric to the presentation of explicit demands. On 12 January of 1941, the Falangist newspaper *Arriba* demanded the acceleration of the establishment of the Falangist revolution (Rodríguez Jiménez, 2000). In the First Syndical Council in November 1940, the National Delegate of Syndicates Gerardo Salvador Merino denounced the hostility of all those conservative forces that impeded the setting up of the Falangist project (Salvador Merino, 1941: 11). On 27 April 1941, Dionisio Ridruejo (perhaps the most important Falangist thinker and journalist at the moment) wrote<sup>1</sup>: 'It seems that, at the moment, there are not in Spain any other revolutionary people than us... However, there are "the others", those whom we call reactionary people, and, due to the fact that only

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<sup>1</sup> Ridruejo, D., 'Ser Revolucionarios', *Arriba*, 27 April 1941, p. 4.

they and us remain, it seems clear that it is them against whom we have to raise our (Falangist) flag'.

In the Second Syndical Council in June 1941, Salvador Merino promised the Syndical Organisation sole monopoly over the organisation and control of the Spanish agricultural workforce<sup>2</sup>.

With this gradual radicalisation of its position, the *Falange* faced the opposition of Catholics, military and the rest of the families, leading to the most important crisis faced by the regime since the end of the Civil War: 'Those pro-Serrano Falangists kept complaining about the opposition they were finding against their attempt to occupy all areas of power and to proceed to modify the prevailing legislation, while the old Falangist guard was progressively feeling itself less and less represented by Serrano and saw that Franco had marginalised the accomplishment of the pending revolution...There has to be added to this situation the struggle between the Party (symbolised in Serrano's team) and the Armed Forces' (Rodríguez Jiménez, 2000: 351)

Franco, perhaps fearing the radicalisation of Serrano's *Falange*, sought to counterbalance its perhaps excessive power, handing over more leverage to the military and promoting other factions within the party. The government crisis of June 1941 might have had this purpose. He appointed Colonel Valentín Galarza as Home Affairs Minister and Generals Kindelán and Orgaz, bitterly opposed to Serrano, to the General Captain Administration of Cataluña and the High Commissariat of Morocco. To replace Galarza at his former post of Under-Secretary of the Office of the Chief of Government, Franco appointed who would since then become the most influential man in the regime, Captain Luis Carrero Blanco. At the same time, to diminish Serrano's power, Franco appointed young Falangists who did not belong to Serrano's party faction, to ministries such as Agriculture (Miguel Primo de Rivera), Labour (Girón de Velasco) and the General Secretary of *FET de las JONS* (José Luis de Arrese). Primo de Rivera and Arrese were opposed to

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<sup>2</sup> *Revista de Trabajo*, July-August 1941, Nos. 21-22, pp. 177-84.

Serrano, and although Girón was not, he neither belonged to Serrano's faction (Rodríguez Jiménez, 2000: 359).

Arrese became the most important man in charge of the process of stripping *Falange* of its fascist elements (*desfascistización*), making it more bureaucratic and giving its final subordination to the state. In this process, the National Delegate of Syndicates, Gerardo Salvador Merino was dismissed in July 1941 and replaced by Valdés Larrañaga and later by Fermín Sanz Orrio. However, José Luis de Arrese, Sanz Orrio and Girón de Velasco were not only in charge of transforming *FET de las JONS* and making it fit the requirements of the regime, but also to find and secure for it a role and an unchallenged sphere of influence within the state. It was their aim to secure for *FET de las JONS* a place within the new state. Cazorla (2000: 36) refers to this effort led by Arrese and others as an attempt to *reinvigorate Falange*. The means of doing this was by duplicating the state institutions and public bodies with its party parallels. The simile of the "shadow state" can be used here to refer to this process of creating institutions within the party or dependent upon the party with identical functions and roles to those of the state, with the purpose of taking them over at some point.

This crucial aspect of *Falange* seeking to duplicate within its own organisation those institutions of the state or public bodies that badly wanted to take over control has passed much unnoticed in the specialist literature<sup>3</sup>. However, it seemed to have been quite clear at that time. Carrero Blanco, in the First Report on Spain's Internal Situation, issued on 25 August 1941 (quoted in Cazorla, 2000: 24), criticised the party for having complicated the organisation of the state by duplicating state institutions. On 4 March 1943, the Falangist Minister of Labour José Antonio Girón de Velasco stated: 'Our immediate task is to conquer the State, within which we already have fantastic positions, but in which we still need to take over many important pockets of resistance. Old entrenched conceptions have blocked our advance. However, how should we understand the conquest of the state? To conquer the state does not mean to fill the state departments with our own men, nor to put chains on the

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<sup>3</sup> Baena (2002: 326) refers to this in passing. Cazorla (2000: 24) puts a bit more emphasis on it.



state with a network of parallel organisms of the party. In themselves, these two facts do not mean the slightest improvement, because, in the first case, our men could be more conquered than conquerors, while, in the second case, we could just be making twice as much bureaucracy'<sup>4</sup>.

So, that was in fact the case! *Falange*, so far, had not been able to do anything else than stuff the state with their own party members and duplicate state institutions with their own ones. But for Girón de Velasco, neither of these two strategies were succeeding in achieving the ultimate goal, -the conquest of the Francoist state. For him, conquering the state meant 'achieving that an organism of a liberal state becomes a National-Syndicate state body, with its style, its spirit, paying obedience to the theoretical commands and following exactly the concrete orders issued by the superiors of the party'<sup>5</sup>. To put it in less poetic words, it meant taking over existing state bodies.

It is one of the hypotheses of this thesis that, from the spring of 1941 onwards, one of the spheres of influence coveted by the *Falange* was social welfare, in particular social insurance. I will come back this point later in this chapter, when studying the different approaches to social insurance. At this point, however, I want to highlight the way in which the new *Falange*'s interest for social welfare led to the duplication of many of the social welfare institutions which were already in place. For example, Syndical Foundation for Social Insurance duplicated the *INP*. When the National Office of Syndicates set up the Syndical Foundation for Social Insurance, it justified the move in the following terms: 'The National Office of Syndicates believes that the moment to create the Syndical Foundation for Social Insurance has arrived, whose mission is to collaborate, with Falangist spirit and from the syndicate sphere, with the *INP* in carrying out its broad responsibilities'<sup>6</sup>.

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<sup>4</sup> *Revista de Trabajo*, February-March 1943, Nos. 40-41, p. 249.

<sup>5</sup> *Revista de Trabajo*, February-March 1943, Nos. 40-41, p. 250.

<sup>6</sup> *Boletín de Información de la Caja Nacional del Seguro de Accidentes del Trabajo*, July-August 1941, Nos. 7-8, p. 108.

It is worth noting that the *INP* never required this collaboration and, in fact, fiercely opposed it<sup>7</sup>. But this was not the only case. The Syndical Foundation for Housing paralleled the National Institute for Housing. The Syndical Foundation for Settlement-Building also interfered with the National Institute of Settlement-Building of the Ministry of Agriculture (Cazorla, 2000). The Syndical Foundation of 18 July entered into competition with the General Directorate of Health, a department which reported to the non-Falangist Ministry of Home Affairs. In March 1943, the guilds of the Social Institute of Fishermen were taken over by the Syndical Organisation.

With regard to policies, we will see in the following chapters how most of the social insurance schemes run by the *INP* were duplicated by the party with their own schemes or the party attempted to gain full control of the already existing ones. Thus, Family Subsidies had to compete with Family Plus. The Old Age and Disability Scheme was threatened by the Labour Mutual Aid Insurance Institutions. The Syndical Organisation fought very hard to monopolise the provision of the Sickness Insurance Scheme, partially succeeding. In 1944, the Subsidy against Forced Unemployment was eliminated (without much explanation and when unemployment was quite high) precisely to give way to the newly created Syndical Foundation for Fighting Unemployment. And finally, the reason why it was not possible to create a Comprehensive Social Insurance Scheme was because, if the Falangist project had succeeded, the whole management of the social insurance system would have been in the hands of the Falangist Syndical Organisation, leaving the *INP* no more than a social welfare research institute.

Obviously, there are no clear-cut changes in these political processes nor in the development of the different political strategies pursued by Falangists. It is not possible to point to a concrete date for the process of stripping *Falange* of its most fascist elements nor to say that *Falange* had never been interested in welfare issues before 1941. Nevertheless, I believe that the suggested spring and summer of 1941 are very useful signposts to locate a

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<sup>7</sup> Girón acknowledged that for the *INP*, the acceptance of the Syndical Organisation's collaboration was a huge sacrifice. See Minutes of the Governing Body of the *INP*, 26 October 1944, No. 75.

crucial crossroads for *Falange* and the regime. Things changed substantially from then on. If the impressive military triumphs of Nazism had catalysed the influence of the most pro-Nazi members of the Francoist regime, the defeats of the Axis powers from November 1942 onwards compromised their political fates. Those groups within *FET de las JONS* opposed to Serrano Suñer took off, especially José Luis de Arrese, Serrano's former disciple (Cazorla, 2000). Serrano Suñer was replaced as Minister of Foreign Affairs in September 1942 by the Count of Jordana. Before, in the summer of 1942, serious incidents between Falangists and Carlists (the most well-known the attack made by a group of Falangists with grenades against the Carlist meeting in the Sanctuary of Begoña in the Basque Country while the traditionalist General Varela was present) led to a major crisis that also involved the military.

With Serrano out of place and the turn in the progress of the war, José Luis de Arrese speeded up the process of *desfalangistación*. When the Second World War ended in 1945, the Francoist Regime was forced to introduce changes to show how different it was from the defeated totalitarian regimes. The setting up of the *Cortes* in March 1943, the Spanish People's Charter in 1945 or the take-over of key ministerial posts by Catholics (reinforcing the Catholic and anti-Communist discourse) meant the definitive marginalisation of *FET de las JONS*. In 1945, the party was definitively demoted to a secondary role (Cazorla, 2000: 39).

### *Girón de Velasco*

It is now worth referring to the man in charge of the Ministry of Labour between 1941 and 1957, the Falangist José Antonio Girón de Velasco. He started his Falangist career in the Castilian Groups of Hispanic Action in the city of Valladolid. During the Civil War, he actively took part in the Northern Front and was decorated for his bravery. In the summer of 1939, with the support of the Falangist General Agustín Muñoz Grandes (at that moment General Secretary of the Movement) he was appointed National Delegate of Ex-Combatants. In those years, his relationship with Serrano Suñer deteriorated and the political decline of



the latter came at the same time as Girón's promotion as Labour Minister (a position in which he stayed until 1957).

His speeches were full of invective against bureaucracy, Liberalism and Communism and of promises of a social revolution which was permanently delayed. In his account, the recent Spanish history had been characterised by the chaos brought by Liberalism and Marxism and the solution was to reconstruct the country from its very foundations (González Murillo, 1998: 14) with a programme resulting from blending Ultra-Conservative Catholic principles with the *Falange's* doctrine<sup>8</sup>. For Girón de Velasco the *Falange* was the only group which could deliver such a promising future for Spain. This explains his permanent references to the negative aspects of past Spanish history and the positive results brought about by the new Francoist regime (González Murillo, 1998: 216). As we will see, this led him to completely ignore the achievements of the *INP* since the beginning of the twentieth century.

Girón de Velasco, together with José Luis de Arrese and other Falangists, played the role of adapting *FET de las JONS* to the structures and needs of the state (González Murillo, 1998: 16). In this sense, his idealism, demagogy and pro-Nazi stand were just words which never interfered with his most important commitment: to Franco. His loyalty to the dictator was reflected in his active opposition to any attempt by others to conspire against Franco<sup>9</sup>, who, in return, kept him as Labour Minister for seventeen years.

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<sup>8</sup> This revelation of Girón de Velasco having been influenced by Catholic Social Doctrine came from Florentino del Valle, a Jesuit priest whom I interviewed in Villagarcía de Campos (Valladolid, Spain), on 25 August 2000.

<sup>9</sup> Girón de Velasco sacked his Under-Secretary of Labour, Blas Pérez, for conspiring against Franco (Girón, 1994).

### 5.1.3. The Catholic Church

Right in the middle of the Civil War, in 1937, all Spanish bishops but two signed the *Carta Colectiva del Episcopado Español*, a letter to the Catholic community over the world in which they explained their reasons to support Franco's faction in the war (that they believed was a "crusade"). After that, the Catholic Church was officially linked to the Francoist regime and, thanks to this, it would benefit from its triumph in the war. The Catholic Church in 1939 was a victorious and triumphant church.

As with everyone else in Spain, the Civil War polarised the political attitudes of the Catholic Church and the Catholic population. However, there were different sensitivities, mentalities and groups within Spanish Catholicism. A Social-Catholic movement had coexisted with an ultra-reactionary Catholicism and it became as influential in politics as the other ultra-traditional Catholic movement.

Social Catholicism 'refers heuristically to Catholic responses to economic modernisation in particular, hence to the industrialisation process and its consequences in the social classes' (Misner, 1991: 3). Social changes taking place in Western Liberal Democracies since the eighteenth century -starting in Great Britain and expanding with the outset of the nineteenth century into Belgium, France and a bit later Germany- produced in these latter countries a Catholic response. Müller in Germany in the 1910s, Lamennais in France in the 1830s, bishop Ketteler in Germany by the mid of the century discussing with the emergent Socialist ideology, Albert du Mun and René de la Tour du Pin, they all are names that theorised about the role of Catholicism and the Catholic Church in the Public sphere of a changing society. Pope Leo XIII's encyclical *Rerum Novarum*, published in 1891, became the first authoritative declaration on what was then called the "Social Question", which meant the living conditions of the working classes. The *Rerum Novarum* set the theological framework to address social issues and exerted a huge impact on the Social Catholic movement.

Social Catholicism also arrived in Spain. Although its collective identity was not too consolidated, there were quite influential people that ascribed themselves to this Catholic body of thought and who had very deep social concerns. Luis López-Dóriga Mereguer, Jerónimo García Gallego and Angel Carbonell were among those who promoted social reforms to answer the problems of the workers. Moreover, Angel Carbonell even argued for the compatibility of collective solutions with Catholicism. The Dominican Priest Pedro Gerard raised his voice asking for the right of adequate wages and rejecting the ineffective means of charity. But among them all, Severino Aznar Embid stood out as the best representative of the Spanish Social Catholicism of the first half of the twentieth century. Together with Aznar, other crucial names as Cardenal Guisasola, Gallegos Rocaful, Maximiliano Arboleya, Inocencio Jiménez Vicente must also be quoted as representatives of the Spanish Social Catholicism.

Since its very beginning, the *INP* was a place for influential Social Catholics to meet and work on social issues. Even during the period of the Second Republic, Social Catholics such as Severino Aznar, Inocencio Jiménez and Jordana de Pozas were involved in the drafting of social insurance laws and in the running of the Institute.

But, despite this, to the most part of Spanish Catholics, the Second Republic appeared to be deeply anticlerical. This is not the place to clarify whether the Church just reacted against attacks from the Republican government (in the form of anticlerical legislation) and mass violence against the Church, and therefore fell into Franco's arms or whether it had been conspiring against the Republic independently of what the latter would do in religious matters. What is important here is to understand that the Church soon backed up the military uprising and when the war was over, it claimed its portion of power in the new state.

The Church started asserting its control over education and morality. Republican legislation that harmed the Church's privileges was suppressed: divorce was prohibited, only ecclesiastical marriages were allowed, cemeteries were returned to Church's control and state funding to Church's activities returned. Bishops were granted seats on the main



political institutions of the regime such as the National Movement, the *Cortes* and the Council of the Kingdom. By the Law of 25 November 1944, the Cardinal of Toledo obtained a seat in the Council of State. Catholicism became again the official religion of the Spanish State. In return, the Church played a crucial role in legitimising the regime. Franco was named Leader of the Crusade by God's grace, entering the Churches under a canopy.

The most powerful Catholic group was the *ACNdeP* (Catholic National Association of Propagandists). The *ACNdeP* became an influential group in the Second Republic through its journal *El Debate*. Its leader during those years, Angel Herrera, developed a more conservative attitude. When he decided to become a priest, he passed the responsibility to an obscure but powerful man, Martín Sánchez-Juliá. The *ACNdeP* was organised territorially and conformed by groups of intellectuals, academics, businessmen and aristocrats that met together to discuss about a set of topics previously agreed. In these years, the *ACNdeP*, in close collaboration with the Ecclesiastical Hierarchy designed the strategy for Catholic political support to help in consolidating the dictatorship (Montero, 1986: 102).

This task involved competing with the *Falange*, and opposing the *Falange's* totalitarian project of taking over the state and the society, which ultimately meant shaping and conquering the Francoist regime. However, for this battle the Church was much better equipped (in ideological terms). The Catholic Church was better prepared than the Falangists to provide the regime with resources for its legitimisation (Montero, 1986: 105), among other reasons because Falangists had lost their leaders in war. In any case, a struggle developed for the control of many policy areas: the Catholic syndicates, the youth and university organisations, the press and the social welfare system. Ultimately, National-Catholicism won and the process of adopting a more fascist and totalitarian profile was stopped and abandoned. It was then that the *ACNdeP* saw its long-awaited moment. In 1945, one of his most salient young members, Alberto Martín Artajo, was appointed Foreign Affairs Minister. The composition of the new government of 1945 reflected the change of image of the regime and the shift of power to the Catholic side.

There were many ways Social Catholicism and the Catholic Church had to leverage Francoist social policy was. Of course, the ultimate decision-making power was the Minister of Labour, thus, lobbying him and his acolytes would be the first most successful way of influencing the policy-making process. Second, the *INP* was the place to be for leveraging the design of social insurance policies, as this was the institute in charge of this area during Francoism. Social Catholics were well present (however unevenly throughout the period) in the Governing Body of the *INP* (its highest authority) and key Social Catholics occupied key executive posts in the Institute.

Third, Social Catholics (and the Catholic Church in general) sought to influence social policy by providing material for discussion, drafting policies and spreading ideas via its different publications and other resources. Articles on social justice, social welfare or labour relations were everywhere in Catholic magazines such as *La Ilustración del Clero*, *Razón y Fe* and *Ecclesia*.

Fourth, it was perhaps the activism of Social Catholic academics within the Royal Academy of Moral and Political Sciences, who were at the same time in the *INP* or in other public bodies, which constituted the most influential lobbying in Francoist Social Policy. People such as Severino Aznar, Luis Jordana de Pozas, Inocencio Jiménez, Zumalacárregui Prat, Pedro Sangro y Ros de Olano (and later Primitivo de la Quintana) were members of the *INP* and the Royal Academy of Moral and Political Sciences at the same time, and they all were well-known Social Catholics. The Royal Academy of Moral and Political Sciences was divided into four sections: "Philosophical Sciences", "Political Sciences and Law", "Economic Sciences" and "Social Sciences". The last was formed in 1945 by the following academics: Luis Redonet, the Viscount of Eza, José Gascon y Marín, Severino Aznar Embid, Leopoldo Palacios de Morini, Pedro Sangro y Ros de Olano, Count de Altea, Luis Jordana de Pozas and Eduardo Aunós Pérez<sup>10</sup>. The sections held frequent sessions during which one member presented a paper on a previously agreed topic, which was later discussed. Thus, the

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<sup>10</sup> Real Academica de Ciencias Morales y Políticas (1945), *Anuario 1945*, Madrid, Hijos de E, Minuesa, p. 32.

fact that the President (in 1945, Sangro y Ros de Olano, but previously Jiménez Vicente) and Director of the *INP* (Jordana de Pozas) were in the same section of the Royal Academy of Moral and Political Sciences, together with the highest Spanish experts on social insurance (Aznar, Gascón y Marín) leads us to imagine that, on many occasions, from the debates held at the Royal Academy of Moral and Political Sciences, they would eventually come up with common points of view regarding the *INP*, social insurance schemes or any other Francoist social policy<sup>11</sup>.

#### 5.1.4. The Monarchists and Traditionalists

On 14 April 1931, the Second Republic was born, which meant that the Spanish state was no longer a Monarchy, with King Alfonso XIII departing for exile. Thus, the military coup d'état against the Republic was welcomed by all monarchic factions (since the Carlist wars of the nineteenth century, two main groups aspired to restore the Monarchy, -the Alfonsines and the Carlists) who then saw their window of opportunity.

The *Comunión Tradicionalista* was integrated into the Movement by the Unification Decree of 1937, and, as we have already seen, relations with *FE de las JONS* were not easy. Their leverage within the National Movement was very limited and within the state, they could only exert their control over the Ministry of Justice.

Well-known Monarchist officers such as General Aranda and General Galarza had always claimed for the restoration of the Spanish Monarchy. But it would be the developments in the Second World War around 1943 and the internal progressive weakness of *Falange* what encouraged Monarchists to demand it from Franco. Thus, in March 1943, King Alfonso XIII's son, Juan de Borbón, sent a letter to Franco asking to return to the

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<sup>11</sup> The issue of how the Royal Academy of Moral and Political Sciences participated in the Francoist regime has not been studied yet. Although I looked at annual reports and checked the biographies and activities of some Royal Academy of Moral and Political Sciences members, my conclusions still require more research.



Spanish throne. Franco rejected his claim. In June 1943, a group of members of the newly created *Cortes* sent a letter to the dictator asking for the restoration of the Monarchy. They all were removed from their posts and their alleged leader, the Count of the Andes, sent into exile. A new monarchist challenge for Franco came later that year when some top generals demanded, once more, the restoration of the monarchy. Franco met each one of them to force their change of opinion and those with whom he did not succeed were removed from their posts.

In March 1945, when the triumph of the Western democracies in the Second World War had left Francoism in a very dangerous situation, Juan de Borbón wrote the *Manifiesto de Lausana* in which he denounced the totalitarian nature of the Francoist regime and demanded the immediate restoration of the Monarchy as the legitimate form of the state. However, at this stage, very few of those supporting the Francoist regime, even Monarchists, would risk changing to a different political regime and state (Marín, Molinero and Ysás, 2001: 55).

To neutralise the Monarchic threat, the Succession Law was passed and presented in referendum on 6 July 1947. This Law depicted Spain as a kingdom without a king until Franco died. And it was Franco who had the power to nominate the future king of Spain. Juan de Borbón, the exiled pretender to the kingdom, rejected the Law, but his case against Francoism lost much of its power. Institutionally, the Spanish State appeared not to be a totalitarian state of the kind set up by the Fascists, the Nazis or the communist Russia. Neither was it a liberal democracy, that is also right but, at least institutionally, it was a “yes but not yet” kingdom with some kind of representative institutions. To many, it was preferable to the unpredictable plan of Monarchy proposed by Juan de Borbón, which also brought bad memories of political chaos and violence of the last monarchic period and its republican successor. Juan de Borbón’s momentum had passed, so in August 1948, he agreed with Franco to send his son Juan Carlos to be educated in Spain, so he could one day become King of Spain (Cazorla, 2000: 63).

### 5.1.5. The Bureaucracy

Spanish Bureaucracy has suffered from the chronic weakness of the Spanish State since its origins as a modern nation-state in the nineteenth century. Bravo Murillo's Royal Decree of 1852 established a civil service and a career structure in which promotions to higher levels in the hierarchy was based on merit were created. This organisation remained until the reforms of 1963.

Later, with the Law of 22 July 1918 (further developed in the two Royal Decrees of 7 September 1918), administrative corps were established in each ministry, with a broad division between "general" and "special" corps. In both, a strong sense of corporate identity developed (Medhurst, 1973). Within these groups, there was another division between technical posts and auxiliary posts. To enter into the public service, an exam was required, and for some posts, a university degree was also required. The Law provided the civil servant with a very stable job, due to the fact that it was not easy to remove someone from its post unless for disciplinary measures. The Council of Ministers could remove from their posts those most senior civil servants, but procedure demanded presentation of the case to the Parliament, the hearing of the individual affected by the measure and the publication in the official bulletin. However, the civil servant removed from his post had the right to appeal against it.

Republican governments attempted to reform the civil service but the political turmoil that shook the system did not permit this. Thus, for the period studied in this thesis, the legal framework that regulated the civil service was that established by the Law of 1918 and that was the norm for the previous political regime of the Republic. In any case, despite the continuity of the legal framework, we have to take into account that the Civil War and the dramatic repression that came afterwards deeply altered the composition of the Spanish public service. Through an array of norms – the Decree of November 1936, the Order of August 1937, the Order of February 1939, the Ministerial Order of March 1939 (that applied

the same repressive procedures to local administrations) and the 1940 Law of Repression of Masonry and Communism – the regime wiped out of the public administration anybody suspected of collaboration with the Second Republic. The vacancies caused by this and by those civil servants dead in the war were occupied by ex-combatants, military and Falangists, as a means of rewarding their services to the Francoist cause.

Julián Álvarez (1984) has studied the role of bureaucrats in the Francoist regime. Although he admits that his study is incomplete for the period 1936 to 1945, we can, however, follow him here in drawing some conclusions about the presence and role of bureaucrats in Francoism<sup>12</sup>. Francoism was a “bureaucratic regime” in the sense that ‘it was a political system not only administered, but also led by professional civil servants, from whose superior strata the members of the political class would be preferably recruited’ (Álvarez, 1984: 8).

Between 1938 and 1939, 89,3 per cent of the ministers were bureaucrats (military or civil servants). This figure dropped to 62,1 per cent from 1939 to 1945, being the lowest score of bureaucratic presence of the whole dictatorship. Between 1945 and 1951, the degree of bureaucratisation (measured as levels of military or civil servant presence) in the government rose again to 88,8 per cent (Álvarez, 1984).

These data are better explained when a distinction between groups of bureaucrats is drawn. Among all the groups of state servants, the military, the university academics and the state lawyers are the most influential and better represented. Precisely, the military reached the highest levels between 1938 and 1939 (25 per cent) and between 1945 and 1951 (22,4 per cent), while falling to 11,6 per cent from 1939 to 1945. There seems to be an obvious reason for the high level of military in the first government: the war was not over until 1939.

However, the real power of the bureaucrats started in the fifties. For Baena del Alcázar (1993: 189), the rise of the bureaucrats, due to the increase in the recognition of the value of technical knowledge over political issues, happened between 1951 and 1957.

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<sup>12</sup> For a comparison between Francoism and the later democratic period, see Baena (2002).



An explanation of the role of the bureaucrats in the Francoist State, especially during the first years, has to take into account how they were incorporated in the New State. Some of them joined the military uprising right from the beginning, finding their way to escape from the Republican side and passing over to the rebel zone. This was the case, in particular, of members of the special bureaucratic corps, such as the diplomats, who were more sympathetic to the cause of the rebels (Medhurst, 1973; Viñas, 1980).

Bureaucrats found it difficult to be accepted by the non-bureaucratic newcomers who were seeking access to power. Falangists were their most ferocious opponents. The Falangist Labour Minister since 1941, José Antonio Girón de Velasco, hated and openly criticised the figure of the civil servant lacking passion for the social revolution. He used to say that Spain did not need “civil servant gentlemen” (*señores funcionarios*) but “Falangist comrades”(camaradas *Falangistas*) – even more, “squadron members” (*escuadristas*) (Girón, 1943). In the atmosphere of social revolution pursued by the Falangists, the figure of the rational, non-passionate and civil servant did not fit in easily.

Therefore, civil servants during the first decade of Francoism were not as relevant and influential as they would be in the following years. The purges on former civil servants, the appointment of new people without skills as a way of rewarding (and securing) loyalty to the regime, the outdated organisation of the civil service, the uncertainty about the future of the new political institutions, the ferocious opposition of the powerful family of the Falangists,- these are all factors that explained the scarce collective power of the civil servants during the first decade of the Francoist Regime. The situation in 1964, when a Law on Public Servants was passed, was very different to that of the period studied here. However, by the 1960s, access to the Public Administration was not so dependent upon personal links, regime loyalty, rewards and so on as it had been during the post-war years.

### 5.1.6. The Interest Groups

Linz (1981) traced the development of interest politics since the Restoration period up to the emergence of democracy in Spain. He concluded that never has the Spanish system of interest groups achieved the position, stability and importance of other European systems. Only during the Second Republic (1931-1936) did the system come close to the level of other democracies, but this development was abruptly interrupted by Francoism which established a model of “exclusionary state corporatism”, in which labour movements were repressed and excluded from politics. The Decree of 13 September 1936 banned any political and interest group activity. Only later, in the 1950s and 1960s, due to the economic and social changes occurred, the patterns of interest aggregation that had characterised the autarkic period of the 1940s were transformed.

Thus, as the Labour Movement was being excluded from the political process, in the period we are studying, only the large landowners, the financial groups and the industrial oligarchy had a chance to exercise the defence of their interests. The employers were allowed a certain degree of freedom within the structure of the Syndical Organisation in order to form staff associations for each sector of the economy (such as the steel, electricity and automotive industries). Tamames (1988: 183) called it ‘the real maintaining power’ (*poder mantenedor*) of the whole structure of the Francoist system. Carlos Moya used the term “financial aristocracy” to mean the network of family contacts and social interactions between the aristocracy and the industrial and finance groups (quoted in Juliá, 2000: 88).

How influential were interest politics in Francoist policy making process? Well, although industrial and financial elite groups and landowners could potentially influence the policy making process, there were no institutionalised mechanisms for this to happen. In addition, interest groups would be more involved in the later stages of the policy process than in the early stages of agenda-setting or policy-formulation. As we will see in the

following chapters, interest groups were not at all involved in the process of social insurance policy-making, a point also made by Guillén (1996).

In any case, they were not organised in a “social corporatist model” that characterised interest-aggregation in other European countries. Linz argued that the power of landowners and industrial and financial elite groups ‘was reduced with the greater institutionalisation of the regime at the end of the Civil War and the entry of old and new Falangists into the cabinet in the first period of Franco’s regime’ (Linz 1981: 387). Victor Pérez Díaz (1985) referred to this model of interest aggregation as “half corporatism” (*corporatismo a medias*). Moreno Fonseret (1999) argued that, although apparently it was a corporatist system (due to the participation of interest groups in the *Cortes* and the workers and employers co-operation via the Syndical Organisation), it never worked like that. The Syndical Organisation never attempted to represent the workers, but to control them, while granting freedom to the employers’ organisations. And there was never the aim of seeking common interests by joining up forces and reaching agreements that would later be raised up to the hierarchies of the Syndical Organisation or the government, because the initiatives run in a top-down direction within the “command and control” policy-making model. Thus, a “corporatist approach” cannot explain the emergence of the Francoist social welfare system between 1936 and 1950.

## 5.2. Approaches to Social Insurance within the Francoist Regime

In this final section, I systematise the different approaches to social insurance that existed in the 1940s in Spain. The spectrum of ideas was quite broad, from those advocating the withdrawal of the state from legislating on this issue (and leaving it to be sorted by the



workers and their companies) to those supporting extensive mechanisms of social protection such as the Beveridge's plan.

Due to the fact that the struggle for the control of the Francoist social insurance system took place between Falangists and Social Catholics, my main concern will be the approaches assumed by these two families. No other Francoist families than Falangism and Catholicism attempted to control the social insurance system and, moreover, none even put pen to paper in order to provide its own model of social protection. The only reference I have found, the Traditionalist author of the 1937 book *Corporativismo Gremial*, did no more than describe the already existing insurance schemes (working injuries, old age and maternity) within the framework of corporatist labour relations. But neither did it tackle any of the hot issues which were being discussed at the moment (such as the unification of schemes, their management and the extent of the coverage of risks and population) nor did he propose to create any new schemes (such as sickness, unemployment)<sup>13</sup>.

The first conclusion is that there were many people advocating a social security model and the number of those supporting Beveridge's views grew over the 1940s. But it was also rejected by many on the basis of the financial incapacity of the Spanish economy to set up such a system (Bufill, 1947: 164). Among the critics, the economist Germán Bernacer<sup>14</sup> argued that Beveridge's plan would not be viable in Spain because it would increase inflation and encourage labour absenteeism and laziness. However, he was aware that he was among the very few who were not completely convinced by Beveridge's model when he quoted, in passing, that he did 'not want to spoil the fun by criticising Beveridge's plan'. In addition, other people rejected Beveridge's model for cultural reasons. Falangist Manuel Tena Ibarra, for example, claimed that a social security system such as was being implemented in the UK at that time would go against the long-standing Spanish tradition of charitable assistance – the *Beneficencia*.

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<sup>13</sup> J.V.C. (1937), *Corporativismo Gremial. La Organización Social de la España Nueva*, Burgos: Editorial Requeté.

<sup>14</sup> Bernacer, G., *El Español. Semanario de la Política y del Espíritu*, 20 April 1946, No. 182.

Elite groups were open to accept a universal, comprehensive and integrated model of social security. Most of these people were members of the *INP* or were indirectly linked to the Institute. And among them, there were many Social Catholics. Thus, the second conclusion is that there are no grounds for maintaining cultural arguments about Catholic rejection of the development of a comprehensive and modern welfare state. There were no elements of Catholic Theology that prevented its development nor pro-active resistance put up by Catholics. The third conclusion points to the need to revisit the hypothesis of Falangism as the ideology that inspired Francoist social insurance policies. The *Falange* did not contribute a coherent and systematised model of social insurance to the development of the Spanish welfare state.

### **5.2.1. Catholic Approach to Social Insurance**

As we have already shown, Spanish Catholicism had been committed to the development of a social insurance system since the very early ideas of protection against social risks started to be considered by Spanish elite groups. It always held a cautious attitude towards the intervention of the state in the society and the economy, evolving towards a more interventionist approach as the decades of the twentieth century passed. However, the principle of Subsidiarity, as theorised by Catholic Social Doctrine, acted as a limit for state intervention. This principle stated that the state should intervene whenever society could no longer act by itself, although never eliminating the freedom and initiative of individuals.

Social Catholic elite groups in the *INP* were aware of international social policy developments. These people had been advocating the establishment of social insurance schemes and were at that time demanding the creation of more unified, comprehensive and universal mechanisms of social insurance, such as the Comprehensive Social Insurance

Scheme. The rest of the Catholics and Catholic elite groups who were not involved in social policy moved during the 1940s towards the acceptance of a more direct, public, universal and comprehensive model of social welfare.

By the time the Francoist regime started to establish its social welfare system, the first object of Catholic interest was the Family Subsidies and they went on to demand the protection against other social risks (sickness, unemployment, disability and death) plus the granting of more benefits to an increasing number of people. In the 1940s, their energies focused on the passing of an integrated insurance system –the Comprehensive Social Insurance Scheme. They were clearly opposed to corporate insurance schemes (organised by each company for its own employees) (Aznar, 1952: 6) and supported national insurance schemes, which were much more effective than mutual aid insurance schemes (Aznar, 1942).

Eugenio Pérez Botija<sup>15</sup>, professor of Administrative Law and indirectly linked to the *INP*<sup>16</sup>, argued that social insurance schemes should be managed either directly by the state or indirectly via non-departmental public bodies. In any case, these institutions should include representatives of the affiliated workers and their employers to ensure that the system was responsive to their demands. What he openly rejected was the syndicate management of the insurance schemes and he argued his position based on two reasons: 1) the schemes would be subject to political struggles, while in the *INP* would not and 2) the syndicates did not have the knowledge or capabilities to organise schemes which demand actuary, economic and statistical analysis.

With regard to the management of the insurance system, Social Catholics in the *INP* obviously defended the role of the *INP* as the sole institution in charge of it and fought against any take-over from the Syndical Organisation or any other institution.

Carlos Martí Bufill (1947) became, during the 1940s, one of the most influential social insurance experts. In his book *Presente y Futuro del Seguro Social*, he acknowledged

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<sup>15</sup> *Boletín de Información del INP*, November 1942, No. 11.

<sup>16</sup> Pérez Botija used to collaborate with the *INP* by writing for the *Boletín de Información* or participating in conferences organised by the Institute, but never was part of the organisation of the *INP*.



being inspired by Catholic Social Doctrine. Although the economic situation of Spain did not permit, in his view, the introduction of a social security system of the type proposed by Beveridge, he nevertheless advocated the establishment of a comprehensive package of social insurance schemes in the form of the Comprehensive Social Insurance Scheme (Martí Bufill, 1947: 160-1). Thus, he completely rejected the system of the Labour Mutual Aid Insurance Institutions, because this was a step back towards the old model of fragmented occupation-based insurance schemes (1947: 168-9).

As references to social welfare ideas of the Social Catholics in the *INP* will be appearing all over the thesis, it is not necessary to insist on them here any more. The point now worth emphasising is just that there was a clear determination among this elite group to pursue a more comprehensive, integrated and universal welfare system with unified management.

On the other hand, Catholic elite groups not so directly involved in social policy evolved their thinking from the idea of creating insurance schemes for each sector of the economy, occupation or region, managed independently by different institutions (both private and public) to the idea of universal, comprehensive and integrated insurance schemes with unified management in a single institution. In the beginning, regional funds were preferred to national (Montero, 1988: 159-50). Thus, at the early stages of the regime, the prevailing view within the Spanish Catholic hierarchy was still for a system of social insurance via mutual aid<sup>17</sup>.

In the evolution of ideas, the next step was to advocate first a public insurance scheme that replaced the mutual insurance system, and later, a more integrated way of providing social protection, either by unifying the social benefits<sup>18</sup> of the different schemes

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<sup>17</sup> See Episcopado Español (1937), *Ha Hablado la Iglesia. Documentos de Roma y del Episcopado Español a propósito del Movimiento Nacional Salvador de España*, Madrid: Editorial Española.

<sup>18</sup> The young economist Manuel Alonso Olea, later the highest authority in Spanish social security issues, proposed at that time the equalisation of social benefits. Family Subsidies benefits should rise to the levels provided by Family Plus. See Alonso Olea, M. (1961), 'Salarios y Subsidios Familiares en la Mater et Magistra', *Revista de Política Social*, Vol. 52, October-December, pp. 131-48.

or by creating a single scheme by which all social risks were protected<sup>19</sup>. In 1939 the priest Francisco González Cordero wrote in the Catholic magazine *Ilustración del Clero* that a Family Subsidies national fund was much more effective in spreading equitably the loss of income, as the risk was shared among the entire Spanish population instead of among a small group of workers<sup>20</sup>. Therefore, ten years later, by the end of the 1940s Beveridge's model of social security was more than welcomed by the Catholic Church. The priest Pedro Cantero, in an article in the Catholic newspaper *Ya* welcoming Beveridge to Spain, depicted Beveridge's plan as essentially "Christian" and an insuperable way of achieving social justice<sup>21</sup>.

A good example of the Catholic evolution of ideas with regard to social insurance and social welfare can be seen in the writings of the Catholic Theologian and Sociologist Joaquín Azpiazu. In his 1939 book *Orientaciones Cristianas del Fuero del Trabajo*, Azpiazu claimed that a unified insurance schemes system was a dream impossible to achieve. Therefore, the best way to protect workers was by promoting mutual aid occupational schemes and private insurance, although heavily supervised and controlled by the state (Azpiazu, 1939: 151-2)<sup>22</sup>. However, by the end of the 1940s, his approach to social welfare was radically different: as his prior reluctance to accept public social insurance was dropped, the state was supposed to contribute with employers and employees in the funding of social insurance schemes (Azpiazu, 1948: 1021). Moreover, Azpiazu was keen to interpret the phenomenon of social security within the framework of the Catholic Social Doctrine (Azpiazu 1947; 1948; 1950).

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<sup>19</sup> In 1945, Jesuit priest Martín Brugarola advocated the establishment of the Comprehensive Social Insurance Scheme in the Catholic magazine *Razón y Fe*: Brugarola, M. (1945), 'Realizaciones Sociales en España', *Razón y Fe*, November, Vol. 132, pp. 52.

<sup>20</sup> González Cordero, F. (1939), 'En torno al Subsidio Familiar', *Ilustración del Clero*, Vol. 3, pp. 290-301.

<sup>21</sup> Cantero, P., 'Beveridge y su Doctrina', *Ya*, 2 April 1946.

<sup>22</sup> See also Azpiazu (1939b) for his choice of free and company-based Family Subsidies Funds instead of compulsory and public.

### 5.2.2. Falangist Approach to Social Insurance

The *Falange* lacked the expertise and knowledge to design the Francoist social insurance system. In fact, *Falange* never achieved to develop a theory of social welfare<sup>23</sup> and the absence of any reference to social insurance in Jose Luis de Arrese's *La Revolución Social del Nacional-Sindicalismo* (Arrese, 1942) is a good proof of this. The book, aimed at putting forward the economic and social model which the *Falange* was going to establish, only referred to the unemployment benefit scheme, which was meant to be abolished once the National-Syndicate state managed to sort unemployment out (Arrese, 1942: 98-105).

Rather than a system of social welfare, the *Falange* came up with partial solutions and temporary policies. Before 1941, the Falangist presence in the *INP* was reduced and marginal and *Falange*'s welfare policy ideas were copied from Nazi Germany (for example, *Auxilio de Invierno*). The watershed, by which social insurance came into the *Falange*'s agenda, was around the spring and summer of 1941<sup>24</sup>. In March 1941, in the First Syndical Council, Gerardo Salvador Merino, National Delegate of Syndicates said that Falangists should direct their attention to social issues (Aparicio, 1986). In June 1941, in the Second Syndical Council wholly dedicated to the agrarian problem, José Luis Arrese, just appointed Minister-General Secretary of the Party told the participants that it was urgent to study the applicability of social insurance schemes to agricultural workers. He said: 'You should claim as your duty this task of establishing a social insurance system'<sup>25</sup>.

In the closing ceremony of that Second Council, Gerardo Salvador Merino put forward a number of reforms which would take place in the near future on issues such as the

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<sup>23</sup> Gerardo Salvador Merino recognised in the *Revista de Trabajo* (October 1940, No. 12, p. 893) that Falangists lacked theorists and theories, therefore were forced to improvise and "come up" with solutions out of the blue and along the way. If he meant this regarding any policy sector or political or social areas, it was particularly true regarding social policy.

<sup>24</sup> In April 1941, one of the leading Falangist theorist, Dionisio Ridruejo, demanded a more radical social programme: 'Where will we go with progressive reforms and with the bourgeois social justice? ...The true Falangist cannot promote any but radical and comprehensive solutions: the Syndical Organisation, the nationalisation or syndication of credit, the reform of the bourgeoisie property system, etc., etc'. See Ridruejo, D., 'Ser revolucionarios', *Arriba*, 27 April 1941, p. 4.

<sup>25</sup> *Boletín de Información del INP*, June 1941, No. 6, p. 58.



organisation of the state or labour relations<sup>26</sup>. Although the Council primarily dealt with agricultural policies, some references in his speech were of a general character, not only limited to agriculture. For example, one was that membership to the Syndical Organisation was to be made compulsory and another foresaw the abolition of all the Commerce and Industry Chambers. Among these references to changes not only in agriculture but at every state-level, one stated that the *Falange* was called on to intensify its social activities and to monopolise the management of the social insurance schemes. In his own words: 'It will be decreed that the administration and implementation of social insurance schemes will be transferred to the Syndical Organisation. The benefits that are provided by the social insurance system will be administered and offered by the Syndical Organisation, and only through the Syndical Organisation'<sup>27</sup>.

On 14 June 1941 (during the ceremony of transferring the tomb of the founder of the Castilian Groups of Hispanic Action, Onésimo Redondo to Valladolid) José Luis de Arrese confirmed this new responsibility granted to the *Falange*: 'Precisely in these days –and here are the Ministers of Labour and Agriculture to confirm it!– we (Falangists) have assumed responsibility for social and agricultural matters'<sup>28</sup>.

Once in control of the Ministry of Labour with the appointment of Girón, the *Falange* developed eclectic and "ad hoc" policies, revealing a lack of theorising and an absence of a coherent social welfare plan. For example, *Falange*'s option for organising the "family salary" was by creating occupation-based funds instead of a comprehensive national fund (as otherwise proposed by Social Catholics and the *INP*) (Iglesias and Meil, 2001: 33).

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<sup>26</sup> *Arriba*, 21 June 1941, p. 4. Salvador Merino explicitly said that he was authorised by Arrese to say that.

<sup>27</sup> *Boletín de Información del INP*, June 1941, No. 6, p. 63. In *Arriba*, 21 June 1941, p. 4, the wording changed slightly: 'It will be decreed that the administration and implementation of social insurance schemes will be transferred to the Syndical Organisation. We assume the responsibility to achieve better efficiency for those schemes and we will not admit the slightest interference in its administrative organisation'. Of course, such a criticism of the former management of the system was hardly acceptable to the *INP* staff, which perhaps explains why that it was not included in the article of the *Boletín de Información del INP*. Note also how, once having taken over the management of the scheme, Falangists would not permit the splitting of the running of the system with any other public or private institution.

<sup>28</sup> *Arriba*, 14 June 1941, p.4.

On the other hand, Minister Girón de Velasco defended compulsory and nationally-based insurance schemes, but organised separately and funded independently (Girón, 1943: 20). At the same time, the National Office of Syndicates' proposal for creating a Sickness Insurance Scheme was based on making it compulsory for only wage-earning workers, sustained only by workers' contributions (not employers') and run jointly by public and private institutions.

Higinio París Eguilaz was, to my knowledge, the only Falangist who attempted to draft a social insurance plan<sup>29</sup>. But his theories on social welfare changed profoundly over the decade of 1940. The way his approach to social insurance evolved was, surprisingly, the opposite to that of other elite groups such as the Catholics. Thus, in 1939, París Eguilaz argued that social insurance should be fully public and directly managed by the state (París, 1939). He criticised what he called the "classist social insurance schemes", as they were not instruments for protecting workers but tools for encouraging social struggles. Thus, he openly criticised the Spanish social insurance system created so far, in particular the Old Age Compulsory Retirement Scheme, the Working Injuries Insurance Scheme and the Plan to Unify the Social Insurance Schemes of May 1936, ignoring the other two compulsory insurance schemes –the Maternity Insurance Scheme and the Family Subsidies. He proposed to abolish the *INP*. Instead, París Eguilaz proposed to nationalise all insurance schemes and extend them to the entire population. In this, his proposal was innovative, as in structuring the schemes as pay-as-you-go. However, only workers would directly contribute to the scheme, while employers would pay the state an amount proportional to the number of employees they had in their companies. The state would only support the system via subsidies and funds. The social risks planned to be covered were only old age, working injuries, death, sickness and unemployment, leaving out disability and maternity. Instead of an independent institution, such as the *INP*, running the system, he proposed to manage it

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<sup>29</sup> At the same time, the most distant of the Spanish economists to the theories of Keynes (and Beveridge). See González (1996) who defines París Eguilaz's economic theory of central planning with private property as "squaring the circle".

centrally from a ministerial department –such as the Department of Social Insurance Schemes within the Ministry of Finance or a newly-created Ministry of Social Insurance Schemes.

However, eight years later (París, 1947), París Eguilaz rejected the expansion of the benefits of the existing social insurance schemes and the introduction of new ones due to the economic situation of the country. In addition, he preferred the capitalisation of all schemes, instead of a pay-as-you-go funding system. He argued that the latter was harmful for the economy because: 1) it reduced employer's benefits, 2) it reduced the volume of savings, 3) it reduced investment incentives, 4) it encouraged inflation (because workers demanded higher salaries), and 5) it was an obstacle to the recovery of the economy.

In conclusion, Higinio París' thought changed drastically from proposing a system of national social insurance schemes, centrally run by the state, to the capitalisation of all the existing schemes and the blocking of their further expansion. In fact, the path that *Falange* followed during the 1940s resembled more the model of independent and fragmented schemes of the Bismarckian type than a comprehensive system of social security. The Labour Mutual Aid Insurance Institutions exemplified this. It can therefore be concluded that, with regard to social insurance, Falangist policy-makers did not possess any clear vision of what to create.



# **Chapter 6**

## **The Francoist Regime (II)**

### **Institutions**

In Chapter Three, I suggested an analytical model of the policy process centred on the role played by non-democratic political institutions in framing the power struggles between the different actors of regimes and in filtering policy ideas. These institutions therefore determined the evolution and shape of the social insurance system. In this chapter, I will apply that analytical model to our particular case study.

The Francoist regime was shaped in its very early stages by the developments of the Civil War. In fact, there was no previously designed plan for constructing the regime, and this was done out of the blue (Payne, 2000; Ellwood, 1986; Thomás i Andreu, 1999). In the final years of the war and in the immediate post-war period, the design of the main institutions of the Francoist administration was in the hands of the most powerful figures of the regime (Serrano Suñer, Arrese, Carrero Blanco) but also involved some well known university professors of Administrative Law who had supported the Nationalist cause. People like Luis Jordana de Pozas<sup>1</sup>, Eduardo Pérez Botija, José Gascón y Marín<sup>2</sup> and Antonio Royo Villanova<sup>3</sup> were at the time either highly involved in drafting laws and policies or writing in support of the administration and political system set up by the new state. It is worth noting, in passing, that most of these men were, at the same time, members of the *INP* and of the Royal Academy of Moral and Political Sciences. The books and articles written by these people will constitute a valuable resource for what will be said in this section.

In the first section I describe the historical process of state-building, which was highly spasmodic and chaotic (Thomas I Andreu, 1999), evolving as a result of the power struggles among the families and public bodies of the regime and the developments at

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<sup>1</sup> Among Jordana de Pozas' publications, the following books and articles in administrative law can be quoted: *El Estatuto Municipal de Calvo Sotelo*, *Las Corporaciones Profesionales en el Derecho Administrativo Español anterior a la Dictadura*, *Tendencias Europeas Actuales del Régimen Local*, and *La Administración Pública en los Veinticinco Años Últimos*.

<sup>2</sup> Gascón y Marín published the manual in administrative law *Tratado de Derecho Administrativo Español*, which already in 1945 was in its eighth edition. In 1941 he wrote *El Poder Legislativo y el Ejecutivo en las Nuevas Constituciones*, a comparative analysis of legislative and executive powers in Europe.

<sup>3</sup> Royo Villanova's manual *Elementos de Derecho Administrativo* was in the 17<sup>th</sup> edition in 1942.

international level. In the second section, I will look into the main political institutions of the regime to identify which ones have been crucial in shaping the policy process.

As in other non-democratic regimes, power was centralised in the executive, specially in the Chief of State and Government and in the ministers. The latter had extraordinary legislative powers and were accountable only to the dictator. The existence of party institutions (the National Movement) which paralleled those of the state led to struggles for power and fragmentation, duplication and inefficiency. Formal mechanisms for resolving jurisdictional conflicts were totally absent.

As a result, the principal actor of the policy process was the minister and the very small number of people involved in the policy-making process. They provided the policy ideas and solutions, which were not specially bound by strong ideological commitments. Indeed, in the Francoist regime, the lack of a strong and articulated ideology left room for the existence of several ideas on social insurance that could potentially be selected by policy-makers.

## 6.1. The Sequence of Governments<sup>4</sup>

The aim of this first section is to describe the historical process through which these institutions developed between the outbreak of the Civil War and the government crisis of 1951; its ultimate goal is to show how the institutions of the Francoist state evolved. Many of the changes occurred in social insurance and to the *INP* were a reflection of government crisis and changes at the more general political level. For example, the reconstitution of the *INP* had to wait for the first Francoist government to exist. The major changes occurring

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<sup>4</sup> The number of Cabinets during the Franco Regime is still a matter of debate (Linz, Jerez and Corzo, 2002: 76). In my opinion, there were the following political Cabinets between 1936 and 1951: the National Defence Committee, the State Technical Committee, the first government of February 1938 and the governments of August 1939, May 1941, September 1942, July 1945 and July 1951.



within the *INP* from June 1941 onwards reflected the government crisis of 20 May 1941, while the new political situation of 1945, which brought about a new government in July, favoured the taking over of the Institute again by Social Catholics. Thus, this section aims to provide the context of the evolution of the *INP*.

### ***The National Defence Committee***

The needs of the Civil War led to the construction of basic military and administrative structures. Thus, when the leader of the coup, General Sanjurjo, died in an air crash two days after the outbreak of the revolt, it appeared necessary to find a new leader. On 24 July 1936, the leading generals of the military subversion established the National Defence Committee under the presidency of General Cabanellas (Moradiellos, 2000). At this stage, it was still not a fully-formed dictatorship or a political regime. The aim of this first institution was to co-ordinate the military actions of those who had rebelled against the Republic, but not exactly to order the war operations because they were decided independently by generals Mola, Franco and Queipo de Llano (Moradiellos, 2000).

This Committee dictated on 28 July 1936 a legal norm which expanded the “situation of war” to the whole Spanish territory (and that lasted up to April 1948). The political parties of the Republican Popular Front were banned on 16 September 1936. On 28 September 1936, any political or syndical activity was declared prohibited.

Therefore, the administrative and political structure built up to the end of September and beginning of October of 1936 was clearly a military organisation intended to achieve the necessary degree of co-ordination that eventually guaranteed triumph in the war. Soon, it was required not only to co-ordinate the war operations but also unify them in a single war effort. Thus, the generals elected Franco as the Commander-in-Chief of the Armed Forces. Together with the unification of the military leadership came the single political leadership and the first political structures. By the Decree 138 of 29 September 1936, Franco was nominated as Chief of Government of the Spanish state. And by the Law of 1 October 1936 he finally became Chief of State.

### ***The First Political Institution: 1 October 1936***

From then on, the state institutions established sought to concentrate all power in Franco's hands (Thomás I Andreu, 1999). He controlled the military and the military actions on the war because of his position as Commander-in-Chief of the Armed Forces. The position of Chief of State and Chief of Government required the establishment of institutions such as the General Secretary of the Chief of State, the Diplomatic Cabinet Office, the War Secretary and the Foreign Affairs Office.

As the war was still on, Franco opted to concentrate on the military operations and political developments, delegating the administration to a new institution –the State Technical Committee. This body, created on 1 October 1936, was presided over by General Dávila, and was divided into different commissions (Finance, Justice, Industry, Commerce, Agriculture and Labour, Culture and Education, Public Works and Communications) (Guaita, 1959: 21). A crucial landmark in the process of accumulating power for Franco was the Decree of Unification of the National Movement of 19 April 1937.

### ***The First Government: 1 February 1938***

The Law of the Central Administration of 30 January 1938 suppressed the State Technical Committee and designed the political structure that would be imposed in the New State. By Article 17 of the law, Franco retained the power to legislate. The public administration copied the traditional departmental division of ministries. The ministers, when meeting with the Chief of State constituted the government. By this law, a Vice-presidency was also constituted, although it would be suppressed one year later.

Thus, the first Francoist government was established on 1 February 1938. Eleven people formed the 1938 government, four being representatives of the military (in the Ministries of Defence, Public Order, Industry and Foreign Affairs), three Falangists (Ministries of Agriculture, Syndical Organisation and Action, Home Affairs), a Carlist (in Justice), two monarchist Alfonsines (in Education and Finance) and a technocrat (in Public Works) (Moradiellos, 2000). The Home Affairs Minister was Franco's brother in law,

Serrano Suñer, also appointed as National Chief of Law and Propaganda of *FET de las JONS*.

Quite a few acts and decrees of relevance were passed at that moment. First, the Labour Charter, passed on 9 March 1938, was the first of the later called Fundamental Laws. Inspired in the Fascist Italian example, the Labour Charter designed the general framework for Spanish labour relations and social welfare. The family, the local community (*municipio*) and the syndicate were identified as the natural entities and foundations of social life. The principles that were to organise the latter, the Syndical Organisation, were declared in Article 13. Under this law, each Spaniard had the right to education, social assistance and social insurance or private property. Work was considered to be a right as well as a duty and an honour for all and the law secured the right to a fair salary, non-excessive hours of work and annual paid leave. It also created the Labour Tribunal. Regarding social insurance, the Labour Charter promised to improve 'social insurance against old age, disability, maternity, working injuries, professional illnesses, tuberculosis and unemployment, and to advance towards the creation of a Comprehensive Social Insurance Scheme' (Article 10).

Secondly, the Press Law was passed in April 1938. Thirdly, an important repressive Law was passed on 9 February 1939, the Law of Political Responsibilities. Fourthly, the Law of Modification of the General Administration of the State of 8 August 1939 abolished the Vice-Presidency, concentrating the power even further in Franco's hands. The former functions and departments of the Vice-Presidency were then assumed by the Office of the Chief of Government.

With the war over and the starting of a new phase for the regime, it was the moment for major transformations of the Spanish state and the Spanish economy. The state intervened massively in the economy with the clear and explicit intention of achieving the ideal of a self-sufficient economic model – the autarky. The institutions created to provide a legal framework in which the economy could develop were the Law of Industries of National Interest, the Law Organisation and Defence of Industry, both of 1939, but mainly the National Institute of Industry, set up in 1941. In the agricultural sector, the regime set up two



bodies: the General Commissariat of Resources and Transport and the National Service for Wheat Production (Barciela, 1986; Molinero and Ysás, 1999). The Republican Institute for Agrarian Reform was replaced in 1940 by the National Institute of Settlement-Building in charge of establishing plans for irrigation and for expanding cultivatable land (Medhurst, 1973).

The first years of the regime's existence were, economically speaking, tough times. The three years of war had worsened the economic conditions of Spanish society and left the state bankrupt. The level of GDP per capita also dropped abruptly, not recovering the 1935 level until 1952. In 1930, it amounted to 789 US dollars (of the 1970 equivalent), falling to 746 US dollars in 1940 and to 649 US dollars in 1950 (Moradiellos, 2000). Electricity use was restricted and so were other products like paper. Spaniards got used to queuing for food and basic goods, keeping the record of what they were allowed to consume in the (in)famous *cartilla de racionamiento* (ration book). The critical situation and direct price controls fostered the rise of black-marketeering. The price of some products on the black market could be two or three times as much as the official price, as Barciela (1986) has shown.

The ten years between 1939 to 1949 have been called 'the night of Spanish industrialisation' (García Delgado, 1986). The level of industrial production was below the pre-war level until 1945 and recovered slightly after this year, but to a much lesser extent than other south European countries that had also gone through the war (such as Italy, Greece and Yugoslavia). In 1935, the industrial production index reached 97.9, falling to 83.9 in 1940, 86.9 in 1945 and recovering slowly to 97.7 in 1949.

In 1940, Spain had a population of 25,87 million (Moradiellos, 2000). In 1930, the Spanish population had grown by 11.4 per cent from the year before, while in 1941 it had increased only by 0.9 per cent. The rapid trend towards the urbanisation of Spanish society slowed down during this decade of the 1940s. In 1930, 31 per cent of the population lived in cities, out of which 14.9 per cent lived in urban settlements of more than 100,000 people. In 1940, the figures were 36 per cent and 19.1 per cent respectively. Tamames (1988: 184)

calculated the size of Spain's middle class in 1939 as around 17 per cent of the total population.

Due to the economic situation, the labour force moved back towards the agricultural sector. The agrarian labour force grew again to 50 per cent (Juliá, 2000: 85). In 1939, Spain had 2 million peasants (Tamames, 1988: 185), 52 per cent of the total active population, from 46 per cent in 1930 (Moradiellos, 2000). In 1950, there was a slight reduction to 49 per cent of the total active population. The figures for the industrial labour force show the opposite trend, moving from the 30.5 per cent in 1930, to 24 per cent in 1940 and 25 per cent in 1950. The service sector, which accounted for 21 per cent of the Spanish active population in 1930, rose slightly to 24 per cent in 1940 and 24.5 per cent in 1950.

### ***The Second Government: 9 August 1939***

On 9 August 1939, Franco reorganised the government. It was formed of five ministers from the military (occupying the Ministries of Army, Navy, Air Force, Industry and Commerce, Foreign Affairs), two Falangists (one in the Ministry of Home Affairs and another Minister without portfolio), two Catholics (the Ministries of Education and Finance), a Carlist (the Ministry of Justice), a Monarchist (the Ministry of Agriculture), a technocrat (the Ministry of Public Works).

Serrano Suñer was the most influential minister in the government (Moradiellos, 2000) and the strongest man of the regime, after Franco. In fact, this was the period of greatest power of *FET de las JONS* and the moment when Spain came closest to having a totalitarian regime. Some of the laws passed within this period reflect the Falangist stamp:

The repressive profile of the regime was institutionalised in two laws: the Law of Repression of Masonry and Communism of 1 March 1940 and the Law of State Security of 29 March 1941. Together with the Decree of 5 November 1936 and the Ministerial Orders of 1937 and May 1938 issued by the Ministry of Syndical Organisation, these repressive laws forced many people to be subjected to scrutiny and lose their posts in public administration.

### ***The Third Government: 20 May 1941***

This was a hectic period for *FET de las JONS* and for the regime itself. There was a growing discomfort among Falangists with the way things were going and with the kind of political regime that Francoism was becoming. At this moment, the toughest opposition to the Falangist plan came from the military. The political tension between both families led to the government crisis of May 1941.

Colonel Valentín Galarza, openly opposed to Falangists, was appointed Home Affairs Minister, but to compensate, they got quite a few ministerial posts. José Luis de Arrese was appointed as General Secretary of the Movement, Miguel Primo de Rivera, became Minister of Agriculture and Demetrio Carceller Minister of Industry (appointed in October 1940). Serrano Suñer retained the Ministry of Foreign Affairs and the Ministry of Labour was occupied by José Antonio Girón de Velasco.

Arrese undertook the task of integrating the party within the state. For that purpose, Gerardo Salvador Merino, having shown “too much” political ambition, was replaced as National Delegate of Syndicates in July 1941 by Fermín Sanz Orrio. The retreat of the most radical and autonomous members of *FET de las JONS* was on the way.

### ***The Fourth Government: 3 September 1942***

The disputes between Falangists and other families of the regime, namely the military and the Traditionalists, went one step further in the summer of 1942. On 16 August, the Falangist attack on the Carlist meeting in the sanctuary of the Virgin of Begoña, led to a furious reaction of the Traditionalist family and some military like General Varela, who himself was present at the meeting. This risky situation, together with the developments in the battlefields of Europe (with signs of a possible change of luck for the Axis nations) and the challenge put by the Monarchists who were demanding the restoration of the monarchy in Spain (Marín, Molinero and Ysás, 2001: 48) – all these forced Franco to take the political initiative. In the cabinet reshuffle of September 1942, Blas Pérez González became Home Affairs Minister, Varela was replaced as Minister of the Army by General Carlos Asensio,



and, by far the most important change, was Serrano Suñer's abandonment of the government, being replaced as Minister of Foreign Affairs by the Count of Jordana.

The American and British invasion of northern parts of Africa in November 1942 and the German surrender in Stalingrad in February 1943 was seen by the Francoist regime as a sign of the change in the fortunes of the Axis nations. The strategy of the regime was to make minor adjustments to its core institutions and to downplay its most totalitarian features in order to make the dictatorship more acceptable to the democratic allies. For this purpose, on 17 January 1943, the pseudo-Parliament called *Las Cortes* was reconstituted, although, as we will see below, it was neither the legislative body in Spain nor a democratically-elected and representative chamber.

### ***The Fifth Government: 18 July 1945***

The victory of the Allies in the Second World War obliged the regime to present a less fascist face, or even more, a pseudo-democratic structure. This required the elimination of some of the most "fascist" elements of the regime, the renunciation of the territories occupied while Europe was under Nazi rule (retreat from Tanger on 22 October 1945) and the passing of pseudo-democratic laws (Moradiellos, 2000). It implied that *FET de las JONS* could no longer be the face of the regime. In September 1945, it was decreed that the Falangist salute was prohibited. Within the structures of the state, the General Secretary of the Movement lost its ministerial status and was left vacant, therefore causing the party to lose much of its power in the government and losing ability to shape policies too. However, Franco would never have allowed the complete defeat of *FET de las JONS*, as it would meant the abandonment of the politics of power equilibrium in which the regime was based. Without the *Falange*, Franco might not be able to reject the demands of the Monarchists for an immediate restoration of the monarchy. Thus, it was quite clear that Franco needed the party as badly as the *FET de las JONS* needed Franco (Marín, Molinero e Ysás, 2001: 62).

At the institutional level, the regime made some minor changes but that had quite a big propaganda impact. On 17 July 1945, the Spanish People's Charter was passed. It was a

declaration of rights which granted freedom of expression, freedom of association and legal equality. Of course, there was no guarantee for these rights and they all were highly restricted. In the very same month of July 1945, the Law of Local Authorities organised the local administrations formed of representatives of the three sections in which the population was divided: families, vertical syndicates and interest groups. The idea of political representation held by the regime was that of "organic democracy" as opposed to the citizen's representation in liberal democracies (in which political parties compete for votes in free and regular elections). On 22 October 1945, a Law for Regulating the Referendum was passed, by which the Chief of State had the power to hold a referendum on whatever laws he wanted. The obvious purpose of this law was to show the international community that the citizen participated in the policy process in Spain and to give the impression of democratic normality.

The composition of the government of July 1945 reflects the changes within the regime motivated by the changing situation at the international level. The majority of the government were military ministers: Fidel Dávila in the Ministry of the Army; Francisco Regalado in the Navy; González Gallarza in the Ministry of Air Force; Fernández Ladreda in the Ministry of Public Works; José Antonio Suanzes in the Ministry of Industry and Commerce. There were three Falangists in the government: Raimundo Fernández Cuesta in the Ministry of Justice; Carlos Rein in the Ministry of Agriculture; Girón de Velasco remained as Minister of Labour. But the most crucial post at that time (due to the fact that the biggest danger for the regime came from outside the country), the Ministry of Foreign Affairs, was handed over to the Catholics, to the young figure of Alberto Martín Artajo.

Alberto Martín Artajo's primary aim was to obtain for the regime the support and acquiescence of the Catholic international community. The regime thus intensified its Catholic and anti-Communist stance. The democratic countries, however, were not impressed by these moves. In February 1946, France closed its border with Spain and in March, a joint declaration between France, Britain and the US condemned the Francoist regime and wished for the restoration of democracy in Spain. The General Assembly of

United Nations, in its resolution of 12 December 1946, condemned the regime and recommended countries to withdraw their ambassadors from Spain. The Vatican, Portugal, Ireland, Argentina and Switzerland were the only ones that did not implement the measure (Cazorla, 2000).

The regime fought hard to win the propaganda battle, precisely in the year that was, most probably, the most difficult one for the regime. Undoubtedly, this was one of the reasons for organising Sir William Beveridge's visit to Spain between March and April 1946, precisely when the international community was discussing what should be done with Franco. The threat from outside was far more serious than the one coming from inside the country or from within the regime, which was posed by the Monarchists. I have already referred to how their aspirations, with the Law of Succession of 1947 and the new international situation, had been watered down.

That was the picture in 1946. But by mid-1947, however, the fate of the regime had changed. Developments in the international context, fuelled by the outbreak of the Cold War, made Western democracies rethink their foreign policy towards Franco's Spain. The fear of Communism spreading across Europe and taking over Spain if Franco's regime was to be replaced forced a halt in the policy of international pressure on the regime. In November 1947, the United Nations General Assembly failed to pass a resolution against the Francoist Regime as it had done the previous year. In February 1948, the French-Spanish border was re-opened. Thus, by 1948, the international community had already dropped their idea of deposing Franco. A new era for Francoism opened up.

### ***The Sixth Government: 18 July 1951***

Francoism was "forgiven" (Marín, Molinero and Ysás, 2001: 87) by the General Assembly of United Nations in November 1950, when the condemnation of 1946 was revoked. The pacts with the United States and the Concordat with the Vatican later in the decade followed this new international perception of the regime. Military and Catholics within the regime sought to take the credit for these diplomatic triumphs, reinforcing their



positions vis a vis against Falangists. However, the cabinet reshuffle on 18 July 1951 did not mean either defeat or triumph for any of the political families. Six military ministers stood in the Ministries of the Army, Air Forces, Navy, Industry, Home Affairs and the Minister-Undersecretary of Presidency (for Carrero Blanco), three Catholics in the Ministries of Foreign Affairs, Education and Tourism and Information, the Carlists kept control on the Ministry of Justice, a Monarchist for the Ministry of Public Works and three Falangists in Labour, Agriculture and Minister-General Secretary of the Movement. Finally, two technocrats in the Ministries of Commerce and Finance.

## **6.2. Institutions of the Regime**

The New Francoist State was highly centralised, both politically and administratively, and power remained in the hands of the Chief of State and the ministers. With regard to the distribution of power between local and central institutions, it was also highly centralised in the central public administration.

The most fundamental political institution was the Chief of State. Franco occupied this post until his death in 1975, making extensive use of the huge powers provided for this post in the Fundamental Laws. In addition to being Chief of State, Franco also was Chief of Government.

The executive power was, by far, the most important of the three powers, for the legislature lacked capacity and leverage to determine policies and lead politics during the years that we are studying. However, decisions at the executive level were not made by the Council of Ministers acting collectively, but by the Chief of Government (in regard to the overall policy) and by each minister (within his particular domain of competence). These were the two actors who had the resources to initiate the policy-making process, commission their drafting, approve drafts of laws and decrees or exert veto power.

In the Francoist policy process, other consultative institutions such as the Council of State or Council of the Kingdom were also important. In this institutional framework, the National Movement played its role, although not great enough to shape policies, -not at least in the policy sector studied here, social welfare. The National Council of the Movement, the highest political body of the party, was a state institution, but not so the party-dependent Syndical Organisation. Finally, there were other ad-hoc institutions such as the Council of Regency.

Territorially, the Francoist state was highly centralised in the Central Public Administration. At the local level, the public administration was divided into two. In the province, the Civil Governors, who were the highest political and administrative authority in the province and who later became Chiefs of *FET de las JONS*, had the power to appoint the management committees of the provincial administrations. In the cities and villages, also management committees appointed by the civil governors were in charge of running local affairs, with the exception of the big cities, whose mayors and presidents were appointed directly by the Home Affairs Minister.

### ***The Chief of State and the Chief of Government***

After the Decrees of 30 September 1936 (issued by the National Defence Council), 30 January 1938 and 8 August 1939, Franco became Chief of State, Chief of Government, Leader of the National Movement and Commander-in-Chief of the Armed Forces. As Chief of Government, Franco was also in charge of the Spanish Public Administration.

As Chief of State, Franco had the most important prerogative: the power to issue laws at his discretion. The Law of 30 January 1938, in Article 17, granted the Chief of State the 'supreme authority to dictate legal norms of general character'. All laws and decrees were approved and signed by Franco. When the laws were initiated and drafted by the Parliament (this was not frequent during the period studied here), Franco retained the power to return them to this body if he was not happy with them. Obviously, this constituted a powerful veto.

The Chief of State was clearly above the Spanish Parliament, in that he was the one who called for its assembly and designated its president. The Chief of State was also above the government, as it was his duty to appoint the Chief of Government. Finally, being above all the institutions of the state such as ministerial departments, the judiciary or the party, the Chief of State had the ultimate power to decide when disputes arose among them (Montoro, 1992).

As Chief of Government, Franco was, in general terms, responsible for the coordination of the ministers and the political leadership. He was the one who appointed and sacked ministers and other senior civil servants and senior military. The Chief of Government issued the decrees of the Office of the Chief of Government. Between 1938 and 1973, Franco occupied this post himself, although from 1951, Luis Carrero Blanco, as Minister-Undersecretary of the Office of the Chief of Government, was in practice doing much of the required co-ordination work among the ministers.

Thus, Franco concentrated both the legislative and executive powers in his hands, in clear contradiction of the democratic principle of division of powers. However, Francoist commentators still claimed that the Francoist political system outstripped the liberal system of division of powers<sup>5</sup>.

### ***The Ministers and the Council of Ministers***

The Council of Ministers under Francoism lacked three characteristics that are essential to the organisation and functioning of the Council of Ministers in liberal-parliamentary states: political autonomy, a common political project and collective responsibility to Parliament (López Garrido, 1992: 167).

The Council was formed by the Chief of Government when sitting with his ministers<sup>6</sup>. But, as the ministerial posts were dependent upon Franco's ultimate willingness,

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<sup>5</sup> See for example, Royo Villanova (1942) or Gascón y Marín (1945).

<sup>6</sup> For us, as for the public administration doctrine and policy-makers at that time, government and council of ministers were synonymous terms. See Guaita (1959: 11).



the Council of Ministers lacked the first of the characteristics, -political autonomy with regard to the supreme power of the state.

There was a sort of established practice under Francoism for the families of the regime to monopolise ministerial departments. Thus, the Ministry of Labour was occupied largely by Falangists, the Ministry of Education by Catholics, Justice by Traditionalists and the Ministries of the Armed Forces and Home Affairs by the military. It was a way of achieving equilibrium among all those groups who sustained the regime. With such political arrangements, it was very difficult for the Council of Ministers to build up a coherent political plan from which policies could originate in a more or less coherent way. The Council of Ministers was more than anything a council of individuals, each one representing a family or group. However, ministers were not mere spokesmen of the different families neither had they an imperative mandate from their groups of origin. The ultimate source of their positions was Franco, not the families to which they belonged. So, in Franco's Spain, the Council of Ministers did not possess the second characteristic that can be found in democratic governments: the minimum political plan that holds it together, giving it a minimum political coherence.

The absence of the third characteristic of collective accountability of the government to the Parliament or any other body arose from both previous characteristics. Due to the fact that each minister was appointed by Franco and was not bound by a common political programme, he was not responsible for his actions to anyone other than the dictator, and obviously, he was not responsible for the actions of his peers.

What was the role of the Francoist Council of Ministers between 1938 and 1950? López Garrido (1992) pointed to the "technical-administrative" role, without any political function. In his account, the Council of Ministers, right after the war and up to 1950, was just a set of monologues by which each minister presented the drafts he wanted to get approved, with no further role. The big issues were never presented and debated in the Council of Ministers (López Garrido, 1992: 175). Basically, the Council played a consultative role (Guaita, 1959) and served as the place to share and contrast non-conflictual opinions. The

Council was not able to dictate legal norms, as this power was only granted to the Chief of State in the case of laws and decrees, and to the ministers when dictating decrees (with Franco's signature) and ministerial orders. But the Council of Ministers itself did not have this capacity to issue norms nor the power to issue regulations. The "orders agreed at the Council of Ministers" were discussed at the Council of Ministers but passed by the Office of the Chief of Government, therefore decided and signed by Franco. This legal institution was not stipulated anywhere in the Spanish legal system. So, this institution of the "orders agreed at the Council of Ministers" was only an arbitrary tool in the hands of the Under-Secretary of the Office of the Chief of Government and ultimately, Franco himself. The experts on Administrative Law were openly against it and called for its abandonment (Guaita, 1959:53).

In addition, there was no regulation of the roles, composition or functioning of the Council of Ministers (Guaita, 1959: 9; Gascón y Marín, 1956: 49). In fact, until the Law of the Legal System of the State Administration of July 1957, the only norm that referred to the Council was the one of 30 January 1938 that established the first Francoist government. However, this Law of 1938 only stipulated in Article 16 that 'the ministers, when meeting the Chief of State, constitute the government of the nation'.

There was not even the practice of taking minutes of the weekly meetings, as, in fact, we do not have records of them until 1957. It was the Law of the Legal System of the State Administration which established the requirement of taking minutes. In the absence of any written proof, it was difficult to be sure that what had been first approved in the Council was later published and promulgated without alteration (López Garrido, 1992: 173). This issue was important, as the "orders agreed at the Council of Ministers" were a very arbitrary procedure that lacked any legal regulation. The order would be passed after an alleged discussion and alleged consensus among the ministers, but this was impossible to prove in the absence of written transcriptions of the debates at the Council.

These weaknesses of the Council were noticed by the political commentators and experts on Administrative Law and Public Administration at that very same time. In 1942, Royo Villanova (1942: 59) demanded that, 'when the announced political laws will be

promulgated and the organs of the state that will collaborate with the Leader in the different functions of the state, especially in the legislative role, will be constituted, the issues and matters about which the government can spontaneously dictate norms should be determined, following the example of the Italian Law of 31 January 1926'.

This, however, did not happen during the first twelve years of the regime and not until the 1950s would the Council of Ministers play a more political role in the Francoist policy process. The crucial actor of this process, after Franco, was each individual minister when shaping policies in their own sphere of responsibility.

Each minister owed his post only to Franco, so he was responsible only to him. This did not pass unnoticed at the time: 'In contrast to what happens in a Parliamentary regime, in which ministers must count on the support of the majority of the Parliament, in the New State, ministers, as collaborators of the Chief of State, only need to have his trust, as it is him who appoints them and sacks them' (Royo Villanova, 1942: 163).

Francoist Ministers had the following prerogatives and roles (García Oviedo, 1953):

1. They had the power to organise, lead and inspect their departments.
2. They had the power to issue regulations (*potestad reglamentaria*) to augment existing laws.
3. They had executive power (*potestad ejecutiva o de gestión*).
4. They appointed or dismissed their subordinates. In some cases, ministers could only propose the appointment or dismissal to the Chief of State.
5. They could command and penalise their subordinates.
6. They had jurisdictional power over issues of their competence.
7. They had the right to create and administer their departmental budgets.
8. They created the drafts of the laws on issues of their competence.

The doctrine at the time conceded the need to pass a law regarding the appointment of ministers, because this was a serious gap in the Spanish legal framework (Guaita, 1959: 31). The practice of Franco appointing ministers at his will was not based on any legal grounds.



With regard to his own affairs, the minister had absolute freedom, 'although this was perhaps less true in certain strategic ministries, such as Defence and Foreign Affairs' (Linz, Jerez, Corzo, 2002: 74). There were several reasons for this freedom. First, the minister was not limited to a political program or lines of action dictated by the Council of Ministers. Secondly, most of the ministries lacked regulations on the departmental organisation, the roles and functions of the minister and top civil servants or the processes setting up in detail how to draft policies or issue norms such as ministerial decrees, resolutions or other minor norms. Regarding the internal regulations of the ministries, there was complete chaos. The Ministry of Justice had given itself regulations in 1890 while the Ministry of Industry did not pass its until 1954<sup>7</sup>. Thirdly, a crucial departure from the traditional Spanish system of Administrative Law introduced by the Francoist regime was a concession to the ministers of the power to dictate regulations (*potestad reglamentaria*). By the Law of 30 January 1938, the ministers had the power to dictate norms in the form of ministerial orders. Finally, the ministers were not obliged to ask for the report of the Council of State with regard to the norm they were seeking to pass. As we will see when talking about the Council of State, Francoism stripped this institution of its most influential prerogative, enhancing the ministers' freedoms in the policy process.

All these features granted ministers huge discretionary power. If this also holds true for later periods of Francoism (Gunther 1980), it was however more evident in the first 12 years of the regime. One of the key regime men of the 1960s and 1970s, Laureano López Rodó said in his autobiography that 'it was not the same being minister in 1945 ... or even 1951, before the legal state was in place, that entering the government in 1957 when the Law of Forced Expropriation of 1954 had recognised the principle of responsibility of the Public Administration and the Law of Litigious-Administrative Jurisdiction of 1956 allowed appeal against general norms issued by the government or the ministers' (quoted by Beltrán Villalba, 1994).

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<sup>7</sup> Santamaría Pastor, J. A. (2002), *Principios de Derecho Administrativo*, Vol. I, Madrid: Centro de Estudios Ramón Areces, p. 61.

With regard to the number and type of ministerial departments, they changed substantially during the years studied in this thesis. The following table summarises the list of ministries:

1-2-38 10-8-39	10-8-39 20-5-41	20-5-41 3-9-42	3-9-42 18-7-45	18-7-45 19-7-51
Office of the Government of State	Office of the Government of State	Office of the Government of State	Office of the Government of State	Office of the Government of State
Vice-Presidency				
Foreign Affairs	Foreign Affairs	Foreign Affairs	Foreign Affairs	Foreign Affairs
Justice	Justice	Justice	Justice	Justice
Defence	Army	Army	Army	Army
	Navy	Navy	Navy	Navy
	Air Force	Air Force	Air Force	Air Force
Home Affairs	Home Affairs	Home Affairs	Home Affairs	Home Affairs
Finance	Finance	Finance	Finance	Finance
Commerce and Industry	Commerce and Industry	Commerce and Industry	Commerce and Industry	Commerce and Industry
Agriculture	Agriculture and Labour	Agriculture	Agriculture	Agriculture
		Labour	Labour	Labour
Education	Education	Education	Education	Education
Public Works	Public Works	Public Works	Public Works	Public Works
Syndical Organisation	Secretary of the Party	Secretary of the Party		
	Minister without portfolio			
	Minister without portfolio			

There were ministers with portfolio and ministers without portfolio. The latter were not in charge of a department but had a purely political role and for this purpose had a seat in the Council of Ministers.

Although for our study the most relevant ministry is the Ministry of Labour, the most salient one was the Office of the Government of State which had the task of political leadership, co-ordination, control and mediation and resolution of conflicts of jurisdiction among departments. But due to the fact that Franco was at the same time Chief of State and Chief of Government, the major administrative activity of the Office was done by the Under-Secretary, a therefore highly important political figure. Since the Decree-Law of 19 July 1951, the Under-Secretary of the Office of the Government of State had also the category of minister.

Finally, a quick word on the current crucial issue of achieving policy co-ordination. Nowadays, governments have placed the need to co-ordinate efficiently their departments, agencies and public bodies at the top of the reform agenda. However, in the Francoist State at the beginning of the 1940s, policy co-ordination was not an issue. Only with the reforms of 1957, inter-departmental committees and other institutions were set up. Before that year, there were only informal meetings and sub-committees for ad-hoc policies. Hierarchy and unity, more than horizontal co-ordination, was the style of public management.

### *The Parliament*

The law constituting the *Cortes* was passed on 17 July 1942, although the first session took place on 17 March 1943. A single chamber formed the Francoist Parliament. Its appointed members were called *procuradores*, some of them having been directly elected by male heads of families and married women, some others appointed by the Chief of State, some were made *procuradores* due to their other posts in the Francoist regime and state (the case of ministers, the president of the Council of State, members of the National Council of the Movement and finally a portion of them were elected from the syndicates, local authorities, families, economic groups, institutions of culture (the university or the Royal Academies) (Ramón Arango, 1976).

The most powerful post in the chamber was that of the President. He was appointed and removed by the Chief of State. Ramón Arango (1976: 169) affirmed that, although a member of the legislature, he was not the agent of the *Cortes* but of the government and the Chief of State.

The *Cortes* had a very limited role in the structure of the state and in the policy process. During the period studied, this institution hardly passed any legislation. For the Spanish People's Charter, the role of the *Cortes* was merely to discuss and eventually make amendments to the drafts submitted by the Chief of State. So, ultimately, its role was to "rubber stamp" the decisions of the government.



## *The Council of State*

The Council of State before the Second Republic was an extremely important consultative body, as it was a compulsory requirement for the government and the Parliament to previously consult with the Council of State before the passing of any law or decree. The Second Republic, by the Decree-Law of 22 April 1931, abolished the plenary meeting of the Council, although it maintained the consultation to the Permanent Commission (Royo Villanova, 1942: 191).

Francoism reconstituted the plenary meeting by the Law of 10 February 1940 but dispossessed it of most of the power and leverage that it used to have in the past. On the one hand, it was kept in a very provisional situation from its reconstitution to 1945. It was then, by the Law of 25 November 1944 and the Regulations of 13 April 1945, when it acquired its definitive organisation. On the other hand, the report from the Council of State became optional for ministers and the Chief of State, instead of compulsory as it was before. This reinforced even further the position of the ministers in the policy process, as they were not obliged to be confronted by the opinion of the Council.

Therefore, the Council of State became a consultative body but with very limited capacity to provide an expert opinion, unless explicitly required, in matters such as conflicts of jurisdiction, interpretation of norms, contents of laws, decrees and ministerial orders, organisation of the state or legal and technical matters. Otherwise, the Council would have played a major role in this first period of institutionalisation of the regime, when the role of clarifying the newly-created norms or the competencies of each department was so badly needed. As we have seen, this role was the absolute and exclusive prerogative of the Chief of State. With regard to the design of the Francoist social welfare, if the Council of State had had this prerogative, its consultation would have been compulsory in order to resolve the conflicts that arose between the *INP*, the Syndical Organisation, the General Directorate of Social Insurance and the General Directorate of Health.

The Council was formed by the President and six councillors (later, by the norms of 1945 there would be fifteen), all appointed by the Chief of State, chosen from former

ministers, former members of the National Council of *FET de las JONS*, attorneys of state, former councillors before the Second Republic, top civil servants and members of the Royal Academy of Moral and Political Sciences.

### ***Other Consultative and ad-hoc Bodies***

Only when the Francoist regime defined itself as a kingdom (despite having no king), could it have such institutions as the Council of the Kingdom and the Council of Regency. They were both established by the Law of Succession of March 1947 which was passed in the referendum of 6 July of that same year.

The Council of Regency was set up to take over power in case Franco died without having appointed his successor. It was formed by the President of the *Cortes*, the most senior Catholic bishop that occupied a seat in the *Cortes* and the most senior General Captain in service (by order, the Army first, the Navy and the Air Force).

The Council of the Kingdom was formed by the highest Catholic bishop who was also *procurador* in the *Cortes*, the highest general captain in service (again by order), the chairman of the Joint Chiefs of Staff of the three military forces, the President of the Council of State, the President of the Hispanic Institute, and one or two councillors elected from each of the sections of the *Cortes* (the party, the syndicates, the local councils and the families, the university chancellors and the professional associations). Regarding its functions, Jordana (1963) pointed out that it was a consultative body with quite a limited political role.

In addition, there were other consultative bodies for specific policy sectors, such as the Council of National Education, the Council of Public Works and the Council of the Hispanic Identity. By the Law of 4 June 1940, the Council of National Economy was established. A president, a secretary and a variable number of members appointed directly by the Chief of State formed it. The Council of Health was established within the Ministry of Home Affairs by the Decree of 6 February 1939. However, none of these councils exerted any major influence in the Francoist policy-making process.

### 6.3. The National Movement and the Syndical Organisation

As we already know, the Decree of 19 April 1937 unified the *Comunión Tradicionalista Española* with *Falange Española de las JONS* in what it became the unique party *FET de las JONS*, also called the National Movement. On 19 October of that same year, the National Council of the Movement was established and the Party Regulations were passed on 31 July 1939.

Franco was the National Chief of Movement. Below him, there was the National Council, whose members were all appointed by Franco. In the annual meeting on 17 July, the National Council was presided over by Franco as National Chief of the Movement and included the President and Vice-President of the Political Committee, the General Secretary of the party, the Chief of the Movement's Militias, the National Delegate of Syndicates and other members of the party. It was both Franco's consultative body and the highest authority of the party, in charge of discussing high political issues brought before it by the Chief of the National Movement.

The executive authority of the party was the Political Committee, which met monthly and was chaired by a president appointed by Franco. Its mission was to orientate the actions of the Movement and to produce initiatives to be presented to the Chief of the National Movement, Franco. But the day-to-day running was in the hands of the General Secretary of the Movement.

The party occupied a special position within the Francoist state, due to the fact that it was not a private association set up by its members in a deliberate and free act, but an institution set up by the state by a norm (the Decree of April 1937). Thus, it was 'a decree of the Caudillo...(which gave) the party its legal existence, and above all, which has incorporated it in the state's political management' (Royo Villanova 1942: 161). However, it was not a ministerial department, although the General Secretary of the party had a seat at the Council of Ministers. At that moment, the debate among Francoist commentators on Public Administration Law was whether the party was or was not part of the state. Royo



Villanova (1942) pointed out that the National Council of the Party was considered to be, in the legal system, a state body, but the party itself was not a part of it, but an institution set up to serve and support the state. On the contrary, Gascón y Marín (1945: 56-7) argued that the administrative activity of the party in matters of public interest suggested that the party was somehow involved in the activity of the state, being therefore a part of it. However, Guaita (1959: 32-4) saw the administrative activity of the party as a mere concession from the state, therefore implying that its actions did not make it a state body.

Dependent upon the party was the Syndical Organisation. The Decree of 4 August 1937 that passed the regulations of *FET de las JONS* said that the syndicates were a necessary service to the party (Article 23), which were controlled by the leaders of the party to make sure that they served the national interest (Article 29). In fact, the leaders of the Syndical Organisation were appointed by the General Secretary of the Movement and only members of *FET de las JONS* could hold senior posts within the syndicates.

While still at war, on 21 April 1938, Francoism created by decree the National Central Syndicates (Aparicio, 1986). However, the definitive organisation called the Syndical Organisation came later. The structure of the Syndical Organisation was regulated by the Law of Syndical Unity of 26 January 1940 and the Law of Bases of the Syndical Organisation of 6 December 1940.

The highest authority of the Syndical Organisation was the National Delegate of Syndicates. The first National Delegate was the charismatic Gerardo Salvador Merino, whose alleged political ambitions forced him into exile in July 1941. He was denounced as a Freemason, one of the most serious political offences at the time. He was temporarily replaced by Manuel Valdés Larrañaga until December 1941, when Fermín Sanz Orrio took over, performing until 1951 the role of shaping the Syndical Organisation to fit into the mould of the Francoist state. Salvador Merino had been the one who had organised the Syndical Organisation and who had sought to create an ideological corpus on which to base it. In fact, that was one of the purposes of the First Syndical Council. However, Sanz Orrio's

purpose was to bring the Syndical Organisation in line with the new state by suppressing any attempt to intervene in the economy (Aparicio, 1986).

Institutionally, the Syndical Organisation was divided into three different institutions:

a) The National Central Syndicates aimed at controlling workers and employers (who both were collectively called producers, *-productores*). Therefore, they were tools for controlling the labour force and for this purpose it was made compulsory since 1942 the registration of all employers and employees in the National Central Syndicates. These bodies were public law corporations, territorially organised, with regulations approved by the National Delegate of Syndicates. In each province, it was presided over by the Provincial Delegate of Syndicates.

b) The National Syndicates were established to advise the government on labour issues such as how to improve economic performance, price regulation or labour discipline. (Thomás I Andreu, 1999). Instead of territorially, they were organised according to different areas of economic production. They were public law corporations that brought together all the participants in a single sector of production such as cereals, fruits, beer and drinks, fishery, chemical industries, paper and press, transports and communications or banking and finance. The number and type of Syndicates were established by the Law of 23 June 1941.

As public law corporations, they were not proper institutions of the state as the ministries and other departments were, but institutions with their own legal status for the service of the state (Royo Villanova, 1942: 493). Their roles and functions were established in their own status, which was approved by the National Council of the Movement. The authority of each syndicate was held by a Syndical Central Committee chaired by a Chief, all appointed by the General Secretary of the Movement.

c) The Syndical Foundations were aimed at articulating a social role for the Syndical Organisation (Cazorla, 2000: 132). They were all created between 1939 and 1942, although their real development came after the Regulations of Activities of Assistance of March 1946. Let us quote a few of them. The Syndical Foundation for Settlement-Building, set up in

March 1941, sought to transform the agricultural situation, colliding inevitably with the Institute of Settlement-Building of the Ministry of Agriculture. The Syndical Foundation for Fighting Unemployment of 1944 put in place schemes for fighting unemployment. The Syndical Foundation for Education set up in 1939, organised after-hours outdoor and indoor activities for workers, in a clear attempt to keep the workforce under control all the time. The Syndical Foundation for Housing, of December 1939, was concerned with the dramatic housing problem, for which a solution was already in place – the National Institute of Housing. The Syndical Foundation of 18 July, created in 1940, was dedicated to provide healthcare to workers, while the Syndical Foundation for Social Insurance, of 1941, was dedicated to social insurance. Both of them were obviously interfering with the *INP*'s work. The Maternity and Infant Foundation, of November 1940, provided medical assistance and run educational programmes for mothers and workers' wives.

The Syndical Organisation never managed to play an influential role in the elaboration and implementation of economic and social policies, becoming most of the time a mere auxiliary instrument of other state public bodies, primarily the Ministry of Labour (Marín, Molinero and Ysás, 2001: 37). Cazorla (1999: 180) has also referred to how the Syndical Organisation was left dependent on the Ministry of Labour from 1941 onwards.

This explains one of the findings of this thesis which will be studied in detail in the following chapters. In my account, the control of the Syndical Organisation exerted by the Ministry of Labour explains that the struggle of the Syndical Organisation against the *INP* for the control of the social insurance system was supported from inside the Ministry of Labour, mainly from Girón de Velasco himself. We could have expected the Ministry of Labour to be defending one of its dependent institutions, the *INP*, from the attack of a non-state body, the Syndical Organisation. However, the opposite was the case. The Ministry of Labour permitted the attack on the *INP* and even forced it to accept the take-over of many of its roles by the Syndical Organisation.



## 6.4. The Ministry of Labour

In the first stages of the Francoist regime, still at war, there was no Ministry of Labour. In the first government, established on 1 February 1938, the department responsible for labour relations was the Ministry of Syndical Organisation and Action, presided over by Pedro González Bueno. This Ministry was organised by the Ministerial Order of 9 July 1938 into five sections: Syndicates, Labour and Housing Jurisdiction, Social Insurance, Emigration and Statistics (Payne, 1985: 190). The Chief of the National Service of Social Insurance, the department within the Ministry of Organisation and Syndical Action in which the *INP* was included, was Severino Aznar Embid.

Later, with the government crisis of 9 August 1939, the Ministry of Syndical Organisation and Action was suppressed and all labour issues were transferred to the Ministry of Agriculture, presided by Joaquín Benjumea Burín. Pablo Martínez Almeida replaced Severino Aznar as Chief of the National Service of Social Insurance. In September 1939, this post of Chief of the National Service of Social Insurance changed its name to General Director of Social Insurance and Martínez Almeida was replaced by Fernando Camacho Baños.

The creation of the Ministry of Labour took place with the re-organisation of the government on 20 May 1941. José Antonio Girón de Velasco was appointed Minister. Girón occupied the post of Minister of Labour until 1957, being thus one of the Francoist ministers that remained longest in his post. However, during Girón's mandate, changes of personnel at the levels of Under-Secretary and General Directors were frequent, in particular the role of General Director of Social Insurance. The first Under-Secretary was an old Falangist, Manuel Valdés Larrañaga. Girón said in his autobiography that they did not get on well (Girón: 1994: 95), so he was replaced in 1941 by Esteban Pérez González, Girón's right hand man until his fall in disgrace in April 1945. Carlos Pinilla, also a young Falangist who went to fight with the *División Azul* in Russia, became the Under-Secretary.

The first General Director of Social Insurance appointed by Minister Girón de Velasco was Francisco Greño Pozurama. In February 1943, Buenaventura José Castro Rial took over and in May 1948, Camilo Menéndez Tolosa, a military friend of Franco, was briefly appointed to the post.

It is worth referring to the basic institutions which, depending upon the Ministry of Labour, aimed at structuring the Spanish labour relations. One was the Industrial Tribunals, established by the Decree of 13 May 1938, which until 1962 could only rule on cases concerning individuals (employers and their employees) (González Murillo, 1998). Another institution was the Labour Regulations of 1942 which regulated quite broadly things such as ways of organising labour, job classification, salaries, promotions within the company or sanctions (González Murillo, 1998: 52). A much later innovation was the Decree of 18 August 1947, which drafted the Company Juries, which were finally implemented by the Decree of 11 September 1953 (therefore falling outside the period of time covered by this research). They were committees formed within each company by the managers and representatives of the workers (thus reflecting the Francoist idealised view of a harmonised labour relationship between workers and employers) and they were intended to reduce labour conflicts, which started in the early 1950s.

The Ministry of Labour lacked proper internal regulations for many years, as the old Republican Regulation of Services of the Ministry of Labour of May 1932 was never modified to accommodate the changes that came later. So, during the period that we are studying in this thesis, from 1936 to 1950, the Ministry of Labour did not have a formal regulation that specified the internal organisation of the department, the role of the minister, senior civil servants and the rest of the staff or the administrative procedures<sup>8</sup>. It was up to the minister to decide who he wanted to include in a committee or the number of committees required for drafting a law.

## 6.5. Resolving Jurisdictional Conflicts between Institutions

Understandably, the institutional complexity of the regime that I have just described might have led to quite a few jurisdictional conflicts among ministerial departments, autonomous public corporations, councils and the Movement. How were these conflicts tackled and resolved? In addition, which institution was in charge of clarifying any legal norm whose interpretation might be open to discussion? If we are to believe the official argument, Francoism did not have jurisdictional conflicts, but 'only different interpretations of what constitutes the powers of institutions' (García Oviedo, 1953: 317, footnote 5). However, this was a self-serving way of putting it, because, in reality, serious disputes among institutions occurred.

Francoism did not pass any law for resolving jurisdictional conflicts until the Law of Jurisdictional Conflicts of 17 July 1948. Therefore, during almost the entire period studied in this thesis (1936-1950), the regime did not have an established regulation or a legal framework to resolve conflicts regarding administrative and political competences, because the Royal Decree of 8 September 1887 was obviously obsolete, overtaken by the political events of the intervening years. Thus, the power to decide when jurisdictional conflicts arose was in Franco's hands (García Oviedo, 1953: 317). He had absolute freedom to determine the outcome of the conflict and his decision could very well be based on political reasons or any circumstantial motives. For example, it was Franco who decided whether the Law of 5 November 1940 -which granted the Ministry of Finance the right to evaluate and determine the viability and future of all state-dependent or autonomous bodies- also applied to the *INP*. By the Decree of 3 December 1942 the *INP* was excluded from this law applying to it.

To some extent, jurisdictional conflict resolution became more institutionalised, at least formally, when the Law of Jurisdictional Conflicts was passed in July 1948. This law regulated three kinds of conflicts: jurisdiction (*competencias*) between ordinary tribunals and

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<sup>8</sup> Medina, L. and Marañón, M. (1945), *Leyes Administrativas de España*, edition of Gascón y Marín, Ubierna y Eusa, Fábregas del Pilar and Pérez Botija, Madrid: Instituto Editorial Reus.



contentious-administrative tribunals; “issues” of jurisdiction (*cuestiones de competencia*) between the Public Administration and tribunals; and roles (*atribuciones*) (Gómez Montoro, 1992: 227). In this latter case, the law established that when conflicts occurred within the same administrative body (for example, a ministry), it was the most senior person in that department who should resolve them. However, if the conflict was between ministerial departments, it was the Chief of Government (therefore, Franco himself) who should resolve it (Royo Villanova, 1942: 167). Article 1 of the 1948 Law just formalised existing practice, stating that any problem arising between institutions or any clarification regarding the interpretation of any particular legal norm had to be resolved by Franco.

## 6.6. The Policy Process in the Francoist Regime

Research on the Francoist policy-making process (Anderson, 1970; Medhurst, 1973; Gunther, 1980) has centred almost exclusively on the later stages of the regime, mainly since 1957. In his seminal study on authoritarianism, Linz provided valuable insights into the policy process of the Francoist regime, although never attempted to describe it systematically. First, limited political pluralism among families, bureaucracies and other social actors was tolerated, therefore limiting access to policy-making to a few influential actors. Secondly, the absence of political mobilisation led by a strong totalitarian party kept the policy process within the state. Decision-making occurred within state departments and other state bodies. Thirdly, ideology did not shape policies and the policy process as in totalitarian regimes, and the latter could be exposed to quite a wide-ranging set of ideas. Fourthly, the whole policy process was ill-defined in legal and formal terms, leaving room for informal and personalistic elements, but whose outcomes were largely well expected and predictable.

How was the policy-making process in the Francoist regime conducted? In order to systematise our understanding of it, it will be useful to apply the theoretical framework suggested in Chapter Three and disentangle the three components of the policy process commonly identified by Public Policy literature: ideas, actors and institutions.

### *Actors*

In contrast to democratic regimes, the balance of power among different departments and “families” of the regime was determined by the dictator Franco in order not to allow any group to stand above the others. *FET de las JONS* failed to take over the state because of the opposition of the military and the Catholic Church, basically but, at the same time, Franco did not allow the suppression of the party even when this could have been done.

The principal actor of the policy process being the minister, the influence of each family was determined by the ministries that they controlled. A very small number of people exercised political power in Francoism. They constituted what elite theories have called the “core” –more specifically defined as the group of people who manage to occupy several posts in any given political regime (Baena, 2002). Thus, policy communities in specific policy areas tended to be very reduced and limited and the number of people involved in the policy-making process very small. For example, the Francoist Labour Charter was drafted by two teams of just two or three people (Payne, 1985). The Press Law of 1938 was also prepared by a small number of Falangists (Chulia, 1999). Only two people, Severino Aznar and Jordana de Pozas drafted the Law of Official Property Chambers. The latter people prepared many of the social insurance laws established by the Francoist regime. In such small communities, variables such as the importance of interests and preferences of the reduced number of actors involved, their ideologies and their personal relationships acquire crucial importance (Guillén, 1996).

The masses never shaped the timing nor the process of policy making. At the other end of the spectrum, interest groups were not influential, at least with regard to social policy making. In fact, interest groups were more influential in other stages of the policy process

(mainly at the time of implementation) than at the time of agenda setting or selection of a policy.

### ***Ideas***

Lacking a strong and articulated ideology, the system was open to different and even contradictory policy solutions. Therefore there was room for what Kingdon (1984) called the “primeval soup”. He meant that ideas float around at the disposal of policy-makers, waiting to become policies.

That is why it was common among policy-makers to search for policy alternatives and ideas abroad. Francoist policy makers sought for innovations and solutions elsewhere and, at least in the social welfare policy sector, they kept up to date with the latest policy developments around the world.

However, there were limitations and institutional vetos to the entry of ideas and policies of any possible type. Only those with a “ideologically neutral” profile, which could not put in risk the stability of the regime, were accepted. Franco himself exerted that role of being the watchdog of assessing the validity of the policies adopted and implemented.

### ***Institutions: the Legislative Process***

I have already pointed out that the legislative process was centred on the government, in particular on the ministers and their senior officials within each ministry. The absolute freedom of the minister was enhanced by a number of elements that were characteristic of this non-democratic regime:

1. Absence of regulations within ministries. This was particularly important when it came to deciding the number of committees that were required to draft a policy and the composition of these committees.

2. The previous report of the Council of State was not compulsory for passing legislation, therefore avoiding an otherwise formidable veto point. In fact, there was no veto point for legislation between the minister and Franco’s final approval.



3. The Council of Ministers did not govern and only performed a technical-administrative function. Very rarely were policies and laws vetoed in the Council of Ministers.

4. Use and abuse of the decree and the ministerial order, by which the minister could pass legislation which had been previously accepted by Franco, therefore bypassing the Council of Ministers. The so-called ministerial decrees had the only signatures of Franco and the minister who proposed the draft. When reasons of urgency required, Franco could legislate by decree without previously informing the Council of Ministers.

5. When jurisdictional conflicts among departments and public bodies arose, there was no formal procedure to resolve them. The ultimate decision was in Franco's hands.

6. Ministers were granted the prerogative of passing regulations (*potestad reglamentaria*), and they could do this by issuing ministerial orders. This was unknown in the Spanish administrative tradition. Using this fabulous tool, ministers were capable of transforming any legal norm that had been previously approved, altering completely its purpose or content.

### ***Agenda-Setting and Policy-Drafting***

The absence of public discussion meant that the role of setting the agenda and defining the problem to tackle was fulfilled within the ministry or the non-departmental public body in charge of a specific policy sector. Interest groups and the media did not play an influential role at this stage, although some relevant "think-tanks" such as the Royal Academies could join in the discussion.

Due to the fact that there was no ministerial regulation, the whole process was open to the discretion of the minister. He was absolutely free to decide how to organise the decision-making process, the number of the committees, their composition or the time period for these committees to work on the policy drafts.

### ***Decisions taken by the Minister***

The draft, once written, was passed to the minister, who decided what to do with it. He had several options. First, he could agree the draft and present it straightaway to Franco and afterwards to the Council of Ministers. Secondly, he could reject it and call up another committee to draft a different project. Thirdly, he could abandon the idea completely or file the project until another political circumstances would make it viable again. In both cases, the process was blocked and paralysed. It is highly improbable that the draft was circulated among other ministries or departments to get comments on it.

### ***Legitimation of the Chosen Policy***

Once the minister had decided on what policy to carry out, it was his responsibility to pass it through to the government to grant its approval. The first thing to do for each incumbent minister was to see Franco personally in order to secure his approval. As we have already seen, the Council of Ministers was more than anything a deliberative body and did not perform any role of blocking legislation that had already been agreed by Franco. Once Franco had approved the policy, the chances of passing it through the legislative process successfully were almost a hundred per cent. Neither the *Cortes* nor the Council of State were any major veto point for ministers' aspirations.

The final stage of this process was the promulgation of the legal norm. The Francoist hierarchy of norms differentiated among laws, decrees, orders and resolutions (*resoluciones*), decisions (*decisiones*) and providences (*providencias*) with regard to the author of each one. Both laws and decrees were signed and promulgated by Franco. Those decrees that regulated issues of the Chief of State exclusive competence (such as the appointment or sacking of ministers) or affected different ministerial departments (decrees of the Office of the Chief of Government) were signed only by Franco, while others also carried the signature of the minister that proposed it (Royo Villanova, 1942: 163). In the following table, this hierarchy of legal norms is shown:

<i>Type of norm</i>	<i>Author</i>
Law	Chief of State
Decree	Chief of State
	*Exclusive signature of the Chief of State -Decrees of the Chief of State -Decrees of the Office of the Chief of Government *Signed by the Chief of State and by the Minister -Ministerial Decree
Ministerial Order	Minister
Resolution	
Decision	Under-Secretary, General-Directors or others (delegated by the Minister)
Providence	

This shows that legitimisation was given by Franco as his acceptance and signature was required in all laws and decrees. By the Law of 8 August 1939, the Chief of State could dictate laws and decrees without previous discussion at the Council of Ministers when reasons of urgency required. Thus, Franco could very well legislate bypassing the Council of Ministers.

In the case of the ministers, their task was to convince Franco of the urgency or need to introduce certain policies and pass them as *decretos* (decrees), with just a very general debate at the Council of Ministers or even without any discussion at all. Obviously, if debate on specific policies at the Council of Ministers was avoided, the risk of facing vetoes from other families of the regime vanished almost automatically and nothing could impede the implementation of policies. Once Franco had backed the policy, the rest of the Council knew that there was very little benefit in opposing it.

An example of the abuse of the institution of decree by Minister Girón was the raising of salaries in 1944 which he decreed quite unexpectedly (González Murillo, 1998). In fact, Girón's practices were criticised at the time. Raimundo Fernández Cuesta, General Minister of the Movement, said in the early 1950s that Girón de Velasco had a tendency to 'develop legal norms, which, although very relevant to the national economy, were not previously notified to the Council of Ministers' (González Murillo, 1998: 853).

In addition to this, due to the prerogative given to ministers to issue regulations using the procedure of the ministerial order, the minister could modify any law or decree to



better serve his own interests or introduce important policies. Labour Minister Girón de Velasco, perhaps the Francoist minister who made most use of this mechanism, revealed how this practice was approved by Franco:

‘-My General...I want your Excellency to know their (the miners of Asturias) most urgent demands, because later, in the Council of Ministers, things get much more complicated.

Franco studied those demands. Then he said:

-Listen, Girón: Forget about the Council of Ministers except for the most important laws that you might draft! *For the urgent things, which are many, pass them via ministerial order.* You will always get my support’ (Girón de Velasco, 1994: 114, the emphasis is mine).

## **Chapter 7**

# **The Social Insurance System under the Franco Regime between 1936 and 1950**

The description of the social welfare system and, as part of it, the social insurance system established during the first decade of the Francoist dictatorship is the concern of this chapter. It also presents the developments within the *INP* as a consequence of the power struggles between actors within the non-democratic institutional framework.

The chapter is thus divided into two sections. In the first section, I describe the Francoist social welfare system and more specifically, the social insurance system, with a brief review of the tax system. The whole social welfare system was complex, with multiple institutions which increased its inefficiency. It was a worker's protection system, lacking universal coverage of the whole population. The organisation and administrative procedures were not unified, but rather each insurance scheme was administratively independent. Falangist duplication of welfare institutions brought even more confusion and inefficiency to the system. As a result, the whole system lacked co-ordination and suffered duplication, futile bureaucratic procedures and a waste of economic and human resources.

In the second section, I reconstruct the evolution of the *INP* and the power struggles for its control between 1936 and 1950. I believe that these dramatic changes occurring within the *INP* can be explained as outputs of the power-struggles between families of the regime operating within the non-democratic political institutions.

## 7.1. The Francoist Social Welfare System

The social welfare system of the Francoist regime relied on two pillars: the insurance system and the social assistance system. The latter continued to be the same as the old-fashioned system of charity, remaining in the private hands of Catholic institutions and of the new Falangist organisation of the *Auxilio Social*. The second pillar, the insurance system, was in the hands of the *INP*, although the emergence of the alternative insurance schemes



provided by the Labour Mutual Aid Insurance Institutions fragmented a system that otherwise was marching ahead on the correct path towards its unified administration.

Following on, a brief description of the social assistance system will be provided. But, as the analysis of the institutional configuration of the social insurance system is the aim of this thesis, the next section will be primarily devoted to the description of the insurance schemes established and in draft. For this purpose, it seems more appropriate to analyse the insurance schemes one by one, instead of providing a chronological list of the years when the laws and decrees were passed and the institutions established. Thus, a first thematic division can distinguish between voluntary and compulsory insurance schemes.

### 7.1.1. The Social Assistance System

The *Auxilio Social*, a Falangist institution created during the Civil War<sup>1</sup>, was the most visible institution providing social assistance (Rodríguez Jiménez, 2000; García Padilla, 1990: 431-42). Created by Mercedes Sanz Bachiller, the widow of the Falangist leader Onésimo Redondo, and by Javier Martínez de Bedoya, the *Auxilio Social* organised Free School Meals, Pregnant Women's Shelters, Mother and Toddler Clubs and Brotherhood Kitchens. In the beginning, the *Auxilio Social* was not a state-institution. Neither the organisation, its funding nor its composition were purely public or state-dependent, but party-dependent. In January 1938, it fell under the supervision of the General Directorate of Charity of the Ministry of Home Affairs, thus becoming an autonomous institution under state supervision. The state partially funded the provision of social assistance through the Charity Protection Fund, set up in December 1936, and took an active part in the organisation of social assistance by creating a Council of Charity on 28 May 1938, reporting to the Ministry of Home Affairs (Campos Egozcue, 1996: 241-2).

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<sup>1</sup>It resembled the German Winter Help (*Winterhilfe*) and actually carried the same name as in Germany at the beginning (*Auxilio de Invierno*) until it was replaced by *Auxilio Social*.

As I have said in Chapter Six, the Syndical Foundations were aimed at articulating a social role for the Syndical Organisation, thus playing a two-fold role as institutions for labour relations and also providers of social assistance. The Syndical Foundation for Fighting Unemployment launched employment programmes, the Syndical Foundation of Education organised after-work-hours outdoor and indoor activities for workers and the Syndical Foundation for Housing built affordable houses for workers. The Syndical Foundation of 18 July was dedicated to provide healthcare to workers, while the Syndical Foundation for Social Insurance was dedicated to social insurance schemes. Assistance to women was given by the Maternity Foundation.

The Anti-tuberculosis National Fund was a public institution, established by the Law of 5 August 1939 and the Law of 13 December 1943, reporting to the Ministry of Home Affairs and run by a Central Committee and a President. As we will see, it became one of the big contenders in the race to gain control of the Francoist social insurance system, due to its desire to create and run a tuberculosis insurance scheme, paid by the *INP* but managed by the Anti-tuberculosis National Fund. By narrowly focusing on just this single illness, the Anti-tuberculosis National Fund failed to understand the benefits of a comprehensive insurance scheme covering all health problems.

The Catholic Church maintained its role as provider of charity and social assistance during the Francoist regime. Apart from the constellation of religious organisations, parishes and catholic laic groups granting food, shelter and primary needs to those in need, and precisely to co-ordinate their efforts, a new institution was established in 1942, the National Secretariat of Charity, a part of Catholic Action, later developing into *Cáritas* (García Padilla, 1990: 442). Finally, for blind people, the *ONCE* was funded in 1938.

## 7.1.2. The Social Insurance System

### A) Compulsory Insurance Schemes

#### *Family Subsidies*

An essential component of the Francoist ideology was the idea of the family as a basic cell of society, and to “defend” it the regime dedicated big efforts: ‘It is a rigorous command of our Revolution to promote and strengthen the family in its Christian tradition, as a perfect natural society and foundation of the Nation’<sup>2</sup>. The Labour Charter stated its aim was to create a family subsidy scheme.

Thus, still in war, the Francoist regime created a compulsory system of family subsidies. The Law of 18 July 1938 established a compulsory insurance system, nationally-extended, progressive as for its benefits, financed by the contributions of employers and insured and with a foundational capital provided by the State, and with a funding pay-as-you-go system<sup>3</sup>. It was applied to workers without limit of salary or type of job. The administration was held by the *INP* through the National Fund of Family Subsidies<sup>4</sup>. The regulation for implementing the Law of Family Subsidies was passed on 20 October 1938. It specifically stated that the Family Subsidy was only for wage-earning workers. However, the scheme was later applied to civil servants (local, provincial and central state officials) and the military, although for all of them it was not compulsory<sup>5</sup>.

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<sup>2</sup> See the Preamble of the 1938 Law of Family Subsidies: INP (1938), *Subsidios Familiares*, Bilbao: Editora Nacional, Publicaciones INP No. 500; INP (1939), *La Ley de Subsidios Familiares. Su Doctrina. Normas para su Implantación*, Madrid: Publicaciones INP No. 506.

<sup>3</sup> Iglesias and Meil (2001:35), quoting C. del Peso Calvo (1967), *De la Protección Gremial al Vigente Sistema de Seguridad Social*, Madrid, explain why it was given the name “Family Subsidies” instead of “Family Insurance Scheme”. Although it was a compulsory insurance scheme, it was funded as a pay-as-you-go, not capitalised as was common at the time. To mark that difference, it was wrongly called “subsidy”.

<sup>4</sup> INP (1940), *Caja Nacional de Subsidios Familiares. Caracteres, Organización, Realización*, Madrid: Publicaciones INP No. 513.

<sup>5</sup> For a more extended analysis of the characteristics of the scheme, see González Murillo (1998), especially pp. 250-67.



By 1939, the number of workers registered in the scheme was 250,000, peaking in 1942 around 555,000 and then averaging around 456,000 people between 1944 and 1950. The number of people potentially protected by the scheme (the families of the workers) were 800,000 in 1939, 1,600,000 in 1942, 1,300,000 in 1944 and 1,150,000 in 1950 (González Murillo, 1998: 277).

Although policy makers within the *INP* got inspiration from the Italian, French and Belgian schemes, Francoist propaganda presented the Family Subsidies Scheme as far more advanced than other similar systems established around the world<sup>6</sup>. This assertion sought obviously to gain legitimacy for the regime before its internal audience, although it found support from William Beveridge, who, when visiting Spain at the end of April and beginning of March 1946, commented that the Spanish Family Subsidies Scheme was very developed in comparison with other countries<sup>7</sup>. However, the Belgian scheme covered a bigger pool of workers (in Belgium it was compulsory for all employers and for non wage-earning workers) and the French scheme was financed by bigger contributions (by 1946, workers contributed with 12 per cent of their salary in France, while in Spain it was only 5 per cent) (González Murillo, 1998: 255-7). In addition, both the Belgian and the French states participated in the finance of the scheme, while the Francoist state did not, even though the Law of 10 December 1940 promised the National Fund of Family Subsidies an annual subsidy of 8 million pesetas (González Murillo, 1988: 264).

As the war went on and Francoist troops advanced their positions, the scheme was introduced in the newly conquered territories. Later, the aim was to expand the coverage to more people and also to promote those families with more difficulties. Thus, by the Law of the 23 September 1939, widows and orphans were granted the Family Subsidy Scheme, and complementary provisions such as the Orphans' Subsidy and the Schooling Subsidy were

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<sup>6</sup> Leal Ramos, L. (1938), *El Régimen Obligatorio Español de Subsidios Familiares*, Madrid: Publicaciones INP No. 505, p.5.

<sup>7</sup> My research of Beveridge's trip to Spain will be soon published in the *International Journal of Iberian Studies*. I have consulted the "Beveridge Papers" held at the LSE Archives. This comment appears in section XI, folder 41. Also Beveridge's comments on the Spanish family subsidies system appeared in the Falangist *Diario Arriba*, on 31 March 1946.

created. Other groups (such as domestic workers, agricultural workers and fishermen) also got their family insurance schemes, although, as I point out below, these developed into special systems which integrated different insurance schemes in single packages. Military staff also received family benefits by the Decree of 2 March 1943, although their insurance system differed from the one granted to the civilian population.

Very popular were the Nuptial Loans, established on 22 February 1941<sup>8</sup> and later transformed to the Nuptial Prizes by the Decree of 29 December 1948. They were granted to bachelors of less than thirty years old (twenty five years old if women) who did not earn more than 10.000 pesetas per year, to encourage them to get married. But above all, the regime was keen to promote big families. The Birth Prizes, also created by the Decree of 22 February 1941, were granted to the biggest families of every province.

By the Law of 1 August 1941 (and the regulations of the same day), protection was given to big families, formed by five or more children smaller than eighteen years or adults prevented from working by disability. They benefited by reductions in the school and university fees, getting scholarships and other educational privileges. Fiscal benefits were granted, together with discounts in public transport, preference in getting positions in the public administration or state housing. In order for workers to be eligible, their annual income should not exceed 5,000 pesetas. The Law of 13 December 1943, with its Regulations of 31 March 1944, abolished the previous one and lowered to four the number of children needed to be counted as a big family. The Regulations established a new category for those families with twelve or more children –the Honour Category. With regard to benefits, the new Law of 1943 improved specific things over that of 1941, such as fiscal benefits, and maintained others such as reductions in school fees or discounts for public transport. In 1942, there were around 55,000 families benefiting from this scheme, rising to 147,063 in 1948 (González Murillo, 1998).

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<sup>8</sup> BOE, 7 March 1941.

The Decree of 28 November 1941 ordered that workers' and employer's contributions to the Syndical Organisation would be collected, together with the contributions to the Family Subsidies Scheme, by the *INP*. It might be that, this way, the *INP* got all the blame, appearing as the money collector while the Syndical Organisation would get the money without any come-back.

### ***'Family Plus'***

In 1942, 'Family Plus' was established (González Murillo, 1998). For Iglesias and Meil (2001:38) this is the major diversion of the Spanish Family policies from the European model of family protection in the 1940s. This scheme aimed to distribute additional income to workers with family needs, given the prevalence of very low salaries. It was funded by a company-based deposit, administered almost completely by employers. The deposit was calculated as a percentage of the sum of the salaries paid in each company. That deposit was then divided by the number of workers in order to calculate the so-called point (*punto*). Now, regarding family size and responsibilities, each individual worker accumulated points to form his Family Plus. For example, a married worker obtained five points, a father of two seven while a father of ten children received 15 points (González Murillo, 1998: 338). The scheme did not require affiliation, contributions or special administrative structures (as it was organised on a company basis). Obviously, the scheme only covered wage-earning workers (excluding agricultural workers, self-employed, top echelon civil servants and domestic workers). And, being a company-based scheme, there were huge differences in the value of the point (therefore in the amount of the benefits received) depending on the generosity of the salaries and the number of employees of the company.

This scheme resembled the idea of "family salary" of the Falangists, while the Family Subsidies Scheme followed the Social Catholic view. Girón de Velasco presented 'Family Plus' as an example of the new relationship between employers and employees, therefore an instrument for achieving social cohesion and the harmony in labour relations so badly sought by the regime (González Murillo, 1998). In fact, the real purpose of the scheme



was to block or limit further wage increases. While the family subsidy was 5 per cent of the total salary, 'Family Plus' was 20 per cent (González Murillo, 1998: 327), thus being perceived by workers as a real increase in their wages, although actually coming as a result of a wage restriction.

It was first established in the private banking sector, on 28 April 1942, and from here, it was extended via the Labour Regulations issued by the Ministry of Labour for each sector of the economy. It was generalised to all sectors of the economy in a single legal norm by the Ministerial Order of 19 June 1945 and unified by the Order of 29 March 1946. By the Order of 15 December 1950, the benefits were improved.

### *Old Age and Disability*

The old Compulsory Workers' Retirement Scheme, created in 1919, was replaced by the Subsidy of Old Age established by the Law of 1 September 1939 and regulated by the Ministerial Order of 6 October 1939 and 2 February 1940. The Scheme was of a funded pay-as-you-go system (a novelty with respect to the old workers' retirement scheme), sustained with the contributions of workers and employees and run by the National Fund of the Old Age and Disability Insurance Scheme. The Scheme was applied to workers under contract with annual incomes that did not exceed a specified amount. By 1941, there were 1,902,495 people registered in the scheme and 167,269 people getting an old age pension. In 1945, the figures were 2,524,896 registered and 276,174 benefiting from the scheme (González Murillo, 1998).

The Subsidy of Age was transformed on 18 April 1947 into the Old Age and Disability Insurance Scheme (*SOVI*). The main innovation of the latter was the upgrading of disability pensions to the level of old age pensions. In that year of 1947, 2,079,287 people were registered in the new *SOVI* and 303,551 were receiving a pension, while in 1950, these figures were 2,043,318 and 519,909 (González Murillo: 1998).

## *Working Injuries*

The previous Working Injuries Scheme was reformed slightly by the Decree of 13 October 1938. The wage calculation base rose, therefore increasing the amount of money got on compensations, and some administrative improvements were made, although the funding model system, fully funded (the so-called "capitalisation" as opposed to the "pay-as-you-go" model) remained. The management of the system was in the hands of the National Fund of Working Injuries Insurance Schemes.

In the previous system, there was no compulsory injuries scheme for agricultural workers and, in the industrial and commerce sectors, insurance was compulsory in regards to permanent disability but voluntary in regards to temporal disability. By the Decree of 4 June 1940 (and the Ministerial Order of 30 August), the working injuries insurance scheme was made compulsory for fishermen in regards to permanent disability and death.

For the treatment of the contributing workers who had suffered accidents while in work, there was inaugurated in Madrid on 7 June 1940 the Working Injuries Clinic<sup>9</sup>.

## *Sickness*

But among all the schemes created at this moment, it is without doubt the Compulsory Sickness Insurance Scheme, the *SOE*<sup>10</sup> which was the summit of the social building of the regime. This insurance scheme had been sought by the agents of the *INP* since 1910 (Jordana de Pozas, 1953:31). During the Second Republic, a sickness insurance scheme was drafted and published by the *INP* (in 1936).

Although a Plan of Unified Social Insurance Schemes that included this scheme was proposed in December 1939 to the Ministry of Syndical Organisation and Action, it was not

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<sup>9</sup> I have not been able to identify whether this clinic set up in 1940 had something to do with the one created in 1933. (See Samaniego, 1988: 334). Both depended upon the National Fund of Working Injuries Insurance Schemes to care for those affiliated injured while at work.

<sup>10</sup> As this thesis focus is on the social insurance system, it will not study the organisation of the health system as such, but only as it was linked to the social insurance system via the *SOE*. Other authors such as Benjumea Pino (1990) and Guillén (1996) have researched the health system in depth.

until 1942 that it was finally established, by the Law of 14 December and the passing of the Regulations on 11 November 1943.

Insurance was declared compulsory for all workers of more than fourteen years of age, with low rents, who had fixed contracts (and also builders and workers of the construction, although they were eventual). Insurance was voluntary for workers without contract or fixed work, for the port sector, self-employed workers and also parents who were not included in the previous compulsory categories. In the event of sickness, complete health attendance (general practitioner and specialists supervision and pharmacological, hospital and orthopaedic treatments) and economic benefits of less than 50 per cent of the wage were provided. The insurance also covered the expenses of the funeral of a deceased member.

The system was financed by the contributions of workers and employers, and, theoretically, by state grants, although these were never distributed. The scheme was organised on a pay-as-you-go basis. The *INP* was in charge of its technical and economic organisation via the National Fund of the Sickness Insurance Scheme. However, the Syndical Foundation of 18 July was in charge of the provision of medical services. In addition, agreements were signed with different institutions such as the Social Institute for Fishermen, the Labour Mutual Aid Insurance Institutions and other authorised private companies for providing medical assistance, as regulated by the Decree of 2 March 1944.

The scheme started functioning in September 1944. By 1947, there were 3,034,106 people affiliated to it and 8,320,504 people entitled to use the benefits provided. According to official figures, by 1950, there were 3,064,641 people affiliated and 8,180,636 people benefiting (González Murillo, 1998). As the scheme required a network of hospitals and clinics, it was necessary to draft a National Plan of Installations for the SOE, which was finally approved by the Ministerial Order of 19 January 1945. By 1948, the National Fund of the Sickness Insurance Scheme had established 235 general practice clinics (*Ambulatorios*), 62 specialist clinics, 282 maternity clinics and 24 *Residencias Sanitarias* (hospitals funded



by the Sickness Insurance Scheme)<sup>11</sup>. The military were excluded from compulsory affiliation to this scheme by Order of the Office of the Chief of Government on 29 April 1946<sup>12</sup>.

In comparison with other insurance schemes established around the world, the *SOE* was not as revolutionary and advanced as Francoist politicians claimed. At that moment, the most advanced scheme was the New Zealand's one, established in 1938, which provided coverage to all nationals. The rest of the countries followed what it was called at the time the *labour thesis model*, which meant that coverage was provided to all workers, as in Costa Rica (which introduced its scheme in 1941) or Czechoslovakia. Spanish *SOE* did not even reached that level of coverage of the population as it was only applied to workers with low salaries (Díaz Martín, 1949).

### *Professional Illnesses*

Workers were also insured against those illnesses associated with a specific labour activity. These were called "professional" illnesses. Thus, by the Ministerial Order of 7 March 1941, miners were insured against the risk of suffering from silicosis. This scheme became compulsory by the Decree of 3 September 1941 for the miners of companies extracting highly risky materials such as lead, gold, ceramic and coal. The funding model was "pay-as-you-go" based on the contributions of the companies alone, but by the Decree of 23 December 1944 there was introduced a sort of "mutual aid insurance system". In this, companies with the obligation to insure their workers against silicosis contributed to a common fund from which the pensions were later obtained. The benefits obtained by an insured miner were pensions as well as health assistance. The whole system was under the supervision and management of the National Fund of Working Injuries Insurance Schemes.

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<sup>11</sup> Jordana de Pozas, L. (1948), *Informe sobre los Seguros Sociales Obligatorios y su Órgano Gestor en España*, report presented to the Governing Body of the *INP* on 27 September 1948, p. 27.

<sup>12</sup> *BOE*, 2 May 1946. The Law established that the military were granted health care 'at least to the same extent as the one established in the general regime' and placed the system under the supervision of the Health Services of the Armed Forces, not under the Syndical Foundation of 18 July or the *INP*, as in the general regime.

If the insurance against the silicosis was the first scheme, later, in 1947, the compulsory insurance scheme was extended to protect workers against any so-called “professional” illness. The definitive organisation of the system came with the Decree of the 10 January 1949 by which the Professional Illnesses Insurance Scheme was finally established, run by the *INP* via its newly created National Fund of Professional Illnesses Insurance Scheme.

### ***Maternity***

Finally, the Francoist system protected salaried women in the event of maternity by the Law of July 1948, integrating the former scheme of 1929 in *SOE*. It covered all wage-earning women between 16 and 50 and the wives of the workers affiliated to the *SOE*. To provide clinical assistance, Maternity and Childhood Clinics were opened all throughout the country, Barcelona being the first city to have it, by October 1941.

It must be however noted that this protection to working mothers must not hide the fact that Francoism discouraged (married) women to take on employment. By the Law of 17 November 1939, only legally separated or unmarried women without economic resources, unmarried women with studies or titles or married women whose husbands could not work were allowed to sign on in the employment offices<sup>13</sup>.

### ***Unemployment***

Although the Unemployment Subsidy established in 1931 was in place and although the economic situation did not foresee the ending of the unemployment situation, this scheme was abolished by the Law of 25 November 1944. In 1941, official records showed that there were 447,090 unemployed people, 216,201 by December 1943, 153,522 by December 1944 and 163,459 in 1945 (González Murillo, 1998).

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<sup>13</sup> ‘El Paro Femenino en Madrid: Datos y Orientaciones’, *Revista de Trabajo*, February 1940, No. 4, p. 117.

However, at the same time as the subsidy was being abolished, the Syndical Foundation for Fighting Unemployment was established by the Law of 3 July 1943<sup>14</sup> within the Syndical Organisation to run programmes by which unemployed workers were employed temporarily in public works. Previously, the Law of 13 February 1943<sup>15</sup> had established the National Service of Employment and Labour Force Organisation. Its aim was to “enlist” the labour force and keep statistical records of employment, training and labour mobility, therefore providing technical support to the Syndical Foundation. The Syndical Foundation for Fighting Unemployment and the National Service of Employment and Labour Force Organisation were both chaired by the same person, José Redondo Gómez (González Murillo, 1998: 393). The chaos and mismanagement was such that the National Service made hardly any contribution to resolve unemployment (González Murillo, 1998).

Unemployment in 1946 increased to 189,024 people and then decreased steadily to 105,870 by 1948. However, in 1949, it increased dramatically to 175,407, although more reliable figures point to 282,940 unemployed people in industry and agriculture alone (González Murillo, 1998). In the absence of proper mechanisms of social protection against unemployment, the possibility of resolving this problem in the following years depended on the success of the new economic model that was due to replace the autarky in the 1950s.

### *Special Schemes*

Three special schemes for specific social groups were created: for the agricultural workers, the fishermen and the household workers.

The Special Scheme of Subsidies and Insurance for the Agricultural Sector, established by the Law of 1 September 1939, only insured for an Old Age Pension and granted a Family Subsidy. Sickness, Maternity or Disability Schemes, to quote just the most important ones, were not included. By the Decree of 10 February 1943, it was first granted to

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<sup>14</sup> BOE, 26 July 1943.

<sup>15</sup> BOE, 2 March 1943. The Decree of the Regulations were approved on 9 July 1959 – sixteen years later!.



the wage-earning agricultural workers, but later extended to the self-employed peasants (with their own land). The *INP* and the National Office of Syndicates ran the system together.

The Special Scheme of Social Insurance for Fishermen was created by the Law of 29 September 1943 and later adjusted by the Decrees of 11 March 1944 and 20 January 1948. With regard to the social risks against which fishermen were insured, the benefits obtained and the organisation of the schemes, they all were the same as those granted to industrial workers. The *INP* and the Social Institute for Fishermen shared the management of the system.

On 19 July 1944, a Special Scheme for Household Workers was created, granting them old age, sickness and working injuries schemes, together with a Family Subsidy. However, its organisation was a major advancement as it was established as a single and unified scheme, the first of this kind introduced in Spain and the only one for a few years.

## B) Voluntary Insurance Schemes

Besides these compulsory insurance schemes, there existed voluntary and complementary mechanisms to achieve the aim of protecting the individual from social risks. They were designed to cover those groups not included in the welfare system just described such as the children insurance schemes or to complement the insurance schemes granted by the *INP*, such as the old age and disability pensions.

First, the Old Age and Disability Pensions were, as the name reflects it, pensions obtained by the members affiliated to the Social Insurance Reservoirs. Established during the 1920s, the Social Insurance Reservoirs were defined as 'economic exploitations benefits, organised by groups of workers with the aim of obtaining resources collectively in order to

secure pensions in the event of old age or any other risk that might challenge the ability to work' (Jiménez, 1930: 39).

For the children, the Children Mutual Insurance Institutions aimed to promote the practice of self-protection against future risks. The scheme was channelled through the institutions of Schooling Mutual Insurance and the Social Insurance Reservoirs, under the supervision of the *INP* and the Ministry of Education. By the Law of 17 July 1945, the existence of at least one of these school mutuality organisations was made compulsory in each school.

### C) The Mutual Aid Insurance System

The practice of social insurance by labour categories had a long-standing tradition in the Spanish welfare system. However, since Bismarck's reforms in Germany, the nationally-based and cross-working-categories social insurance schemes have been perceived by Spanish social welfare experts as the most effective way of protection against social risks, the idea that every single labour or professional group had its own specificity, was exposed to a particular set of risks and should be protected quite distinctively from other groups had not been completely abandoned. From the technical point of view, nationally-based and cross-professional insurance schemes are preferred to mutual insurance schemes. Certainly, the fewer the number of independent schemes and the bigger the population concentrated in them, the simpler the administration of the system, the better the re-distribution of risks among the insured and the sounder its economic basis – in short, the stronger the safety net. Thus, although technical reasons were presented in order to maintain particular insurance schemes, the most probable explanation for maintaining such mutual insurance schemes (and, as a result, disparities in the way groups were protected) was not technical.

Quite strikingly, at the time when the creation of a comprehensive and unified insurance scheme was being debated within the *INP* and was catching the eye of social policy experts and policy-makers, the Francoist regime developed a system of occupation-based insurance schemes, the Mutual Aid Insurance Institutions and the Labour Mutual Aid Insurance Institutions, openly in opposition to the former. On 4 December 1940, the already existing Mutual Aid Institutions were put under the supervision of the General Directorate of Social Insurance of the Ministry of Syndical Organisation and Action. But it was one year later, by the Law of 6 December 1941, that both the existing and the new Labour Mutual Aid Insurance Institutions were incorporated within the public social welfare system.

There were some institutions that insured mainly civil servants that otherwise would not have been protected. Thus, the criticism made above is just partially applicable to them, in the sense that although they fragmented the welfare system even more, these mutuality institutions also extended the coverage to new sectors of the population.

The *Mutualidad de la Previsión* aimed to insure "the middle classes" (Jordana de Pozas, 1953: 54) was perhaps the most important one. It was compulsory for all the officials of the *INP* to enrol in this mutuality and it was left voluntary for other semi-public institutions and workers in private companies. The public officials in local administration had their own mutuality established by Decree of 7 July 1944 and reformed by the Decree of 10 May 1946. The civil servants of the Ministry of Agriculture were insured by the Decree of 18 December 1943 and those of the Ministry of Labour got their mutuality by the Decree of 21 December 1943<sup>16</sup>.

In addition to voluntary insurance, Francoism created a parallel system of compulsory insurance schemes called Labour Mutual Aid Insurance Institutions. They were created by the Decree of the Ministry of Labour of 26 May 1946<sup>17</sup>, which granted the Syndical Organisation, companies and individuals the right to create these institutions. They were designed as 'institutions of labour insurance of professional scope, created by the

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<sup>16</sup> *BOE*, 2 January 1944.

<sup>17</sup> *BOE*, 10 June 1946.



Ministry of Labour, whose aim is to protect all wage-earner workers and their families against any future and foreseeable risks, as well as protect the self-employed workers' (INP, 1961: 3).

Therefore, these insurance institutions applied to workers that might already be insured by the *INP* schemes. This unnecessary multiplicity of institutions posed some challenges to the efficient functioning of the overall system and consumed resources that were already limited.

The emergence of the system of Labour Mutual Aid Insurance Institutions under the direct supervision of the Vertical Syndicates side-lined the Spanish welfare system away from the most advanced European counterparts, at the precise moment when the fashionable advice given by social security experts around the world was to progress to the unification of all the insurance schemes in one single system run by a single Institution.

By the Decree of 24 September 1949, the Ministry of Labour in charge of the Mutual Aid Insurance system established a new department, the Central Service of Labour Mutual Aid Insurance Institutions. This was the public body in charge of organising the Mutual Aid Insurance Institutions and controlling their activities.

## D) Conclusions

The Francoist system of social welfare was formed by a series of compulsory insurance schemes which covered most of the possible risks for the worker and his/her family: old age, disability, death, professional accident, sickness, the birth of children and the maintenance of the family. The compulsory insurance schemes were complemented by free insurance and the Mutual Aid Insurance Institutions, but resulted in a very complex, fragmented, unco-ordinated and inefficient system. On the other hand, it was a worker's protection system, not a citizen's protection system. It lacked universal coverage of the

whole population, because it was envisaged to protect only those workers participating in the formal labour market and because the benefits were obtained on the basis of being a worker or dependent upon someone who was a worker (as husband or father).

Public expenditure on social insurance was very low. In 1948, Jordana de Pozas admitted that, among the states which had set up modern social insurance and social security systems, it was the lowest<sup>18</sup>. The figures are shown in the following table<sup>19</sup>:

Public Expenditure on Social Insurance Schemes 1943-1950				
In millions of pesetas of the time				
Type of Social Insurance Scheme	1943	1945	1948	1950
<i>SOVI</i>	178,6	197,7	431,7	1007,7
<i>Labour Mutual Aid Insurance Institutions</i>	--	--	95,7	204,4
<i>SOE</i>	--	198,7	544,4	962
<i>Family Subsidies</i>	318,5	1101,9	1113,9	1035
Total	497,1	1498,3	2090	3104,7

*Taken from Meil (1995: 64)*

A senior officer of the *INP*, Victor Fernández González, estimated that the total expenditure of the state on social insurance schemes (including the 'Family Plus' scheme and the Labour Mutual Aid Insurance Institutions) in 1951 had been five per cent of the Gross Domestic Product<sup>20</sup>.

The *INP* was the main agent responsible for the social insurance schemes, although for certain schemes the administration was shared by different institutions. The organisation

<sup>18</sup> *Revista Española de Seguridad Social*, January 1948, No. 1, p. 46.

<sup>19</sup> There is no data about the Working Injuries Insurance Scheme. In addition, it is impossible to make comparisons with other European countries as data is not available. Meil (1995:67) is only able to offer figures (and therefore compare with other countries) on public expenditure in Family Subsidies from 1958 onwards.

<sup>20</sup> Fernández González, V. and Martí Bufill, C. (1953), *La Política de Seguridad Social Española y sus Realizaciones*, Madrid: Ministerio de Trabajo and *INP*.

and administrative procedures were not unified, but rather each insurance scheme was administratively independent. As a result, the whole system lacked co-ordination and suffered duplication, useless bureaucratic procedures and waste of economic and human resources.

### **7.1.3. The Tax System**

We can hardly overestimate the function of the tax system in shaping the social welfare system of any country. By extracting resources from certain social groups and transferring them to others, taxes influence income distribution. Thus, tax systems can be evaluated with regard to their progressiveness, -this is the extent to which they redistribute resources from the wealthiest social groups to the poorest. At the same time, tax systems differ to the extent to which they are capable of generating high or low revenue (which can be measured as the total amount of GDP collected by the tax system). The more a tax system can collect, thus the more efficient it is, the more economic resources the state might have to fund social programmes.

The Francoist tax system in the forties was not really a “system” (see Steinmo, 2003: 209). It was highly inefficient and easy to avoid and evade by those better-off. García Delgado (2000: 137) affirms that during the 1940s, the Spanish Treasury only managed to collect a third of the total amount that it should have. The most important tax was on private consumption (Meil, 1995; Carreras, 1989), therefore relying on indirect taxation and, as it affected everyone the same way (instead of penalising more those who were better-off), it was highly unequal. The tax on income only applied to a very small number of people (Meil, 1995: 60-1).

By the 1940s, the majority of economists around the world had turned to progressive taxes as the best tool for redistributing income (Steinmo, 2003). However, powerful interests



blocked any chance of reforming the Francoist tax system. The Finance Minister between 9 August 1939 and 19 May 1941 was José Larraz López, who pursued a radical transformation of the Spanish tax system. In the end, all he could do was pass the Law of Tax Reform of 1940, and this failure provoked his own resignation (Rull Sabater, 1991: 118). His successor, Joaquín Benjumea Burín, a wealthy aristocrat and Labour Minister (and Agriculture) before Girón de Velasco, managed to last ten years in the post by not attempting any radical reforms, but implemented minor policy changes such as the Law of Extraordinary Benefits and reorganised the Ministry.

The Francoist tax system that was in place during the period studied in this thesis was one of the factors which impeded the development of a modern and completed system of social security. This resulted in a dependent path for social welfare policy-makers, who had to pursue an alternative social welfare model based solely on contributions. The fiscal constraints of the social insurance schemes created were also provoked by the failure of the state to pay its own contributions. The inadequacies of the system were also possible partially as a result of the inefficiency to collect enough revenue and also because it was not difficult enough to evade payment of contributions.

## **7.2. The Evolution of the *INP* between 1936 and 1950**

In Chapter 4 we looked at the evolution of the *INP* from its origins in 1908 up to the outbreak of the Civil War. What happened during and after the war? As will be shown, the *INP* was re-introduced in 1938 by those who had been in charge of it during the Second Republic and was later taken over by a new generation of social reformers. Whilst having entered the Institute during the 1920s, this young group had learned from the old generation of *INP* figures and remained very much in line with the intentions and orientations of the

founders of the Institute. But the political turmoil of 1941 within the regime and the arrival of a new group of Falangists at the Ministry of Labour changed things, even threatening its continuance. The crucial moment was in the summer of 1941, when Falangist José Antonio Girón de Velasco was appointed Labour Minister, permitting the *Falange* to launch a campaign to monopolise Francoist Social Policy and the *INP*. With the government crisis of 1945, the *INP* would enter a new and different phase, up to 1950.

In accordance with the hypothesis established in previous chapters, I believe that these dramatic changes occurring within the *INP* can be explained as outputs of the power-struggles between families of the regime operating within the political institutions of the regime. Actors' decisions and actions were shaped by the effect of institutions. Minister Girón de Velasco benefited from the absence of regulations within his Ministry, procedures to resolve jurisdictional conflicts and the fact that the previous report of the Council of State was not compulsory. But more directly, he made extensive use of the procedure of the decree to implement policies bypassing the Council of Ministers, therefore avoiding more-than-sure opportunities for vetoes. Other institutions such as the procedure of electing the *INP* General Director also shaped the way things evolved over this period, between 1936 and 1950.

Since the *INP* was the place from which social policies were first drafted and designed, and was the institution in charge of implementing and running the social insurance schemes, it is necessary to analyse its internal evolution over the years. Thus, it is very important to see the way power was distributed within it and how this affected its structure and functions. This is the aim of this section.

The criteria for dividing the whole period into phases is based on institutional reforms affecting the top echelon posts of the *INP* and substantial changes in the composition of the Governing Body of the *INP*. Both factors reflect the struggle between families of the regime for the control of the *INP* and monopolising Francoist's social insurance policy.

### 7.2.1. Reconstitution of the *INP*

During the Civil War, the old *INP* kept functioning on the republican side, although it did not seem to perform efficiently, if the report presented before the Governing Body of the Francoist *INP* in March 1939 is to be believed<sup>21</sup>.

On the Francoist side, the Social Catholics who belonged to the former hierarchy of the *INP*, who had survived the war and escaped from the Republican area were given the responsibility of restoring the functioning of the *INP*. Severino Aznar, Inocencio Jiménez Vicente and Luis Jordana de Pozas were the three men in charge of this task.

In Burgos, the capital city of Franco's zone, the National Commission for Social Insurance (*CNPS*) was formed, by the Decree of 19 September 1936, as a body responsible to the government. The directors of the *INP* Funds of the Spanish regions of Castilla la Vieja, Aragón and Navarra, chaired by the Sub-Director of the *INP*, Jordana de Pozas, formed the Commission, which worked from September 1936 to August 1938, when it was dissolved (Rull Sabater, 1971). Jordana de Pozas wrote with regard to the creation of the *CNPS*: 'it only took someone to suggest it to the National Defence Council and the National Commission for Social Insurance (which met in Burgos and replaced the Governing Body of the *INP*) was created' (Jordana de Pozas, 1958: 487-8).

Obviously, at this very early stage of the war (August and September of 1936), military leaders (and Franco himself) might not have had the time and willingness to focus on many things other than purely military ones. Thus, this situation and the still embryonic design of the Francoist regime permitted anyone who could contribute proposals and to construct state institutions to carry them out. It could even be argued that Jordana, Aznar and Jiménez Vicente realised that the sooner they recovered the control of the *INP*, the more chances they would have to secure its survival and avoid a take over from other families of

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<sup>21</sup> The report noted the performance of the *INP* in Barcelona, whose office did not keep accountancy books, payments were delayed and it lacked human and financial resources (See Minutes of the Governing Body of the *INP*, 7 March 1939, No. 7, p. 56).



the regime. We can imagine how important might have been for the different political actors, at that moment when the regime and the Francoist state was starting to be build up, to outstrip other groups in the attempt to secure their spheres of influence over policy domains. It might have not been mere coincidence that Jordana de Pozas rushed to propose the creation of the CNPS when the Falangists were establishing *Auxilio de Invierno* (later *Auxilio Social*), and that the *INP* was reconstructed two months after the creation of the Falangist National Central Syndicates in April 1938. Arguably, had the *INP* not been reconstructed at this very early moments, future Falangist attempts to monopolise the Francoist social welfare system might have been much easier.

One of the main tasks of the *CNPS* was to reconstitute the *INP*. The passing of the Labour Charter provided the momentum and the legal framework in which to define the organisation and functions of the Institute. This was done by the Decree of 15 June 1938<sup>22</sup>, which set up a Governing Body as the highest collective authority. It was chaired by a President, who acted as the link with the Ministry of Syndical Organisation and Action. The President had the prerogative to suspend any decision taken by the Governing Body which he considered to be 'harmful for the general interest of the nation' or contrary to the government's objectives in matters of social insurance<sup>23</sup>.

The day-to-day running of the *INP* was in the hands of a General Director. This organisation differed quite markedly with that of the *INP* of the 1930s, which, as we already know from Chapter 4, was directed by a Board of Trustees, a President, a Executive Committee and a Council Delegate. The *INP* established in 1938 lacked the Executive Committee. The Governing Body was much more directly involved in the day-to-day running of the *INP* than the former Board of Trustees had been.

In the first session of the Governing Body of the *INP* once the war was over, Severino Aznar affirmed that all the merit for keeping the social insurance schemes working

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<sup>22</sup> *BOE*, 24 June 1938.

<sup>23</sup> This crucial power granted to the Presidency would be the may reason why Minister Girón de Velasco wanted to become the *INP* President in the following years.

in the “national side” had to be given to Luis Jordana de Pozas<sup>24</sup>. Thus, with his effort, the *INP* was formally reconstituted on 22 August 1938 in Santander, the total of members of the Governing Body being sixteen. The composition of this Governing Body reflects a clear continuity with the period prior to the Civil War:

<i>The First Governing Body, August 1938</i>				
	Social Catholics	Falangists	Military	Technocrats
President of the Governing Body	Severino Aznar	Pedro González	Camilo Menéndez	Carlos González
<i>INP</i> President				
<i>INP</i> Director				
<i>CNPS</i> President	Luis Jordana			
Elected Members	Vicente Madera	Jesús Rivero		Enrique Ocharán
		Manuel Tena		Rufino García
	José M. Zumalacárregui	Francisco Greño		Sérvulo Martín
		Isaac Galcerán		
		Rafael Cavestany		

As can be seen, out of sixteen members, five were Social Catholics, one member was military, six were Falangists and another four members were not ideologically committed to any group in particular, but had a more technocratic profile. In any case, the three key posts of the *INP* (the President, Director and the President of the National Commission of Social Insurance) were in the hands of Social Catholics.

Therefore, those men responsible for the *INP* during the Second Republic took charge over the Francoist *INP* again. They all had a true commitment to the work of the *INP* and to the line established by its founders, Maluquer and Marvá, and they all shared a common link to Social Catholicism.

<sup>24</sup> Minutes of the Governing Body of the *INP*, 22 August 1938, No. 1.



At the official act of reconstituting the *INP*, on 22 August 1938, the Minister of Syndical Organisation and Action, Pedro González Bueno, pointed to the program ahead to be accomplished: the creation of the Family Subsidies Scheme, the reformation of the Old Age Insurance Scheme and the design of the Comprehensive Social Insurance Scheme. What was required to deliver this ambitious program? First of all, it was necessary to provide the *INP* with funds. Thus, it was decided to maintain for 1938 the same budget as in 1936, although there was added a clause which said that 'this should not mean that it shared the orientation and the content of the 1936 budget'<sup>25</sup>.

The first consequence of the reconstitution of the *INP* was the quick drafting and passing of the Family Subsidies Schemes. To run the scheme, a National Fund of Family Subsidies was created, dependent upon the *INP*, and for the post of Director of the Fund, there was appointed in October 1938 José Muñoz Rodríguez Laborda, a close collaborator of Inocencio Jiménez Vicente.

A few months later, in December 1938, there was a change in the presidency of the *INP*. Instead of the Minister of Syndical Organisation and Action, the Chief of the National Service of Social Insurance, at that moment Pablo Martínez Almeida, was appointed. It did not involve, however, a major transformation of the work nor ideological orientation of the *INP*, because the vast majority of members of the Governing Body remained in their posts and because Martínez Almeida himself had previously been one of its members. A new member joined the Governing Body, Primitivo de la Quintana, a fervent Catholic, and Severino Aznar stepped down, thus making the total number of members 17:

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<sup>25</sup> This was said by the representative of the Ministry of Finance in the Governing Body of the *INP*, Carlos González Bueno: Minutes of the Governing Body of the *INP*, 23 August 1938, No. 32, p. 13.



***The Second Governing Body, December 1938***

	Social Catholics	Falangists	Military	Technocrats
<b>INP President</b>	Inocencio Jiménez	Pablo Martínez	Camilo Menéndez	Carlos J. González
<b>INP Director</b>				
<b>CNPS President</b>				
<b>Elected Members</b>	Vicente Madera	Jesús Rivero	Camilo Menéndez	Miguel Quijano
	José M. Zumalacárregui	Francisco Greño		Rufino García
	Primitivo de la Quintana	Isaac Galcerán		Sérvulo Martín
		Rafael Cavestany		Enrique Ocharán
		Manuel Tena		

As can be seen, although numerically Social Catholics did not fully dominate the Governing Body, the key post of *INP* Director, the most powerful post, remained in the hands of the Catholic Inocencio Jiménez. In addition, Jordana de Pozas remained as President of the CNPS. However, the situation of the *INP* and its Governing Body in December was uncertain.

With the end of the Civil War, the members of the Governing Body of the *INP* put their posts in the hands of the Minister of Syndical Organisation and Action, for him to decide whether they should continue or not. They did this on the meeting of the Governing Body of 22 April 1939, but never got a response, therefore generating among the members an uncomfortable feeling of being temporary and with a very unpredictable perspective for their future.

In that same meeting, the Falangist representative Jesús Rivero Meneses expressed in writing his criticism of the way the Governing Body was performing<sup>26</sup>. Other members of the Governing Body such as Camilo Menéndez, Quijano, González Bucno and Martínez Almeida angrily replied to Rivero's remarks. After long discussions and apologies from

<sup>26</sup> Minutes of the Governing Body of the *INP*, 22 April 1939, No. 8, p. 34.

Rivero, things calmed down again. However, this incident shows several things. First, two broad factions within the Board were being formed –Falangists against Social Catholics (and other independent members). Secondly, Falangists were not happy with the way the *INP* was being run. Thirdly, the Falangists might have started to think that social insurance policy should be an area of exclusive Falangist monopoly, and perhaps the *INP* was no longer necessary within their labour and social relations model –the one of the Syndical Organisation. Fourthly, a sense of uncertainty was starting to spread within the *INP*. Due to this uncertainty about the future of the *INP*, Vicente Madera Peña, one of the members, raised his voice on 5 September 1939 for the termination of such an anxiety-provoking situation<sup>27</sup>.

### 7.2.2. The Social-Catholic Phase

With the end of the war, the central office of the *INP* was transferred to Madrid, holding the first session in the capital of Spain on 22 May 1939. A crucial landmark for the *INP* in its process of institutionalising took place on 1 September 1939, when the Associated Funds were converted into the Provincial Offices of the *INP*. In that same month, Fernando Camacho Baños replaced Pablo Martínez Almeida as *INP* President. Camacho Baños was a committed Social Catholic. Martínez Almeida stepped down from the Governing Body and did not return until June 1941, when a new Governing Body, with identifiably different ideological orientation, was formed.

But still in September 1939, the Governing Body of the *INP* was overwhelmingly controlled by Social Catholics:

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<sup>27</sup> Minutes of the Governing Body of the *INP*, 5 September 1939, No. 11.

***The Third Governing Body: September 1939***

	Social Catholics	Falangists	Military	Technocrats
<b>INP President</b>	Fernando Camacho			
<b>Director</b>	Inocencio Jiménez			
<b>Director of the National Fund of the Working Injuries Insurance Scheme</b>	Luis Jordana			
<b>Director of the National Fund of Family Subsidies</b>	José Muñoz			
<b>Member proposed by the Syndical Organisation Ministry</b>	José M. Zumalacárregui	Francisco Greño	Camilo Menéndez	
<b>Member proposed by the Ministry of Finance</b>				Carlos José González
<b>Member proposed by Ministry of Home Affairs</b>	Primitivo de la Quintana			
<b>Member proposed by the General Secretary of the FET y JONS</b>		Jesús Rivero		
<b>Members proposed by the Syndical Organisation</b>	Vicente Madera	Rafael Cavestany		Miguel Quijano Enrique Ocharán Sérvulo Martín Rufino M. García
<b>Members proposed by the CNPS</b>		Isaac Galcerán Manuel Tena		

The four key posts –the President and the Director of the *INP* and the directors of the two National Funds– were in the hands of Social Catholics. By 1940, the *INP* showed signs of coming back to normality, such as the re-publishing of the *Boletín de Información de la Caja Nacional de Seguros de Accidentes del Trabajo*. The first edition appeared in January 1940, although still very limited in its extension and number of printings, due to the lack of



paper in the post-war period. Another sign was the approval of the Regulations for the Organisation of Central Services and Regulations of the Personnel, both on 12 June 1940.

In that year, in September, Luis Jordana de Pozas was appointed as Sub-Director of the *INP* and José María López Valencia, a military officer, assumed the then vacant position as Director Delegate of the National Fund of Working Injuries Insurance Schemes. In my view, this reflects the promotion of Jordana de Pozas within the *INP*, undoubtedly the natural candidate to replace Jiménez Vicente.

Inocencio Jiménez Vicente died on 27 April 1941. In the session of 23 May 1941, the Governing Body of the *INP* met to elect Jiménez Vicente's successor as *INP* General Director. A shortlist, comprising three people, was drawn up and put forward to the Minister of Syndical Organisation and Action. This system of election acted as an institution that shaped the decisions of actors. As we will see, the Falangist Labour Minister Girón de Velasco, who, in the end, had to elect the *INP* General Director, was left with limited space to manoeuvre. His choice was limited to those three people in the list.

In the words of Fernando Camacho Baños, *INP* President, it was necessary to include on the shortlist 'the Sub-Director, Luis Jordana de Pozas...(In addition), the other two people who might complete the shortlist should be members of the Governing Body, in order to guarantee the continuity of the social insurance work'<sup>28</sup>. Camacho Baños then proposed, apart from Jordana de Pozas, the names of Menéndez Tolosa and Rivero Meneses, being accepted by the Governing Body by unanimity. It is worth noting that the shortlist was composed of a Social Catholic (Jordana), a military (Menéndez) and a Falangist (Rivero). However, it seemed pretty cleared that Jordana was going to be appointed as *INP* Director, which is what finally happened. I will come back to this point below.

In conclusion, from September 1939 to May 1941, the *INP* remained under the control of Social Catholics, by occupying the key posts of President and Director of the *INP* and of Director of the two National Insurance Funds. The key figure during this phase of the

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<sup>28</sup> Minutes of the Governing Body of the *INP*, 23 May 1941, No. 33, p. 278.

Francoist *INP* was Inocencio Jiménez Vicente. The continuity with the traditional orientation of the Institute was guaranteed...if only a new generation of Falangists had not arrived at the newly created Minister of Labour.

### 7.2.3. The Falangist Stage

As explained in previous chapters, the political turmoil within the regime led to the government crisis of May 1941. The political struggle within the regime at that time was dramatic. New Falangists came to power, among them José Antonio Girón de Velasco who was appointed Minister of Labour by the Decree of 19 May 1941 and, being such an energetic person and enthusiast Falangist, it was quite clear that he was going to introduce big reforms. Girón's aim, as has already been explained, was to secure for *Falange* an area of influence –the Francoist social welfare system. It was then, by the spring and summer of 1941, when social insurance came to the top of *Falange*'s agenda, as Salvador Merino's words in the Second Syndical Council show: 'It will decree that the administration and execution of social insurance schemes will be transferred to the Syndical Organisation'<sup>29</sup>.

Members of the *INP* felt their future was in trouble. That is why, four days after Girón was appointed Minister, in the meeting of the Governing Body to elect Jiménez Vicente's successor on 23 May, they felt the need to secure the continuity of the *INP* by including in the shortlist people with strong bonds to the Institute. Jordana had most chance of being appointed *INP* General Director. Mainly, because the other strong candidate for the post, Rivero Meneses was said in those days of May to be about to be appointed for the position of Minister of Labour (Girón de Velasco, 1995: 76). It is known that the post of Labour Minister went, in the end, to Girón, instead of Rivero. Thus, Rivero and Girón might have had, at that very moment, some sort of rivalry. It was highly improbable that Rivero

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<sup>29</sup> *Boletín de Información del INP*, June 1941, No. 6, p.63.



would be appointed *INP* General Director, a post from which he could interfere with Girón's own political agenda. On the other hand, Menéndez Tolosa, although later General Director of Social Insurance in 1949 did not have by 1941 the profile and expertise needed for the post. Thus, Jordana was, by far, the better candidate of that shortlist, or, put it in another way, the less bad for Girón's plans.

The following nine days saw frenetic activity both in the new Ministry and in the *INP*, as Girón's collaborators were taking over key posts. On 28 May, Fernando Camacho Baños was replaced as General Director of Social Insurance by Francisco Greño Pozurama<sup>30</sup>. And by the Decree of 31 May 1941, the Labour Minister appointed a new governing body<sup>31</sup>:

The Fourth Governing Body, June 1941				
	Social Catholics	Falangists	Military	Technocrats
<i>INP</i> President	Luis Jordana de Pozas	Francisco Greño	Camilo Menéndez	
Commissary				
Sub-Commissary		Jesús Rivero		
Free Elected Members		Mercedes Sanz Pablo Martínez Sebastián Criado Carlos Ruíz García		
Member proposed by the Ministry of Home Affairs	Primitivo de la Quintana			
Members proposed by the National Office of Syndicates		Alfonso de la Fuente Carlos Romero (replaced by Ramón Azaola) José Luis Palao Germán Álvarez (replaced by Antonio Durán and later by Ricardo Martínez) Antonio Rodríguez		Rodrigo Uría
Member proposed by the Ministry of Finance				Carlos José González

<sup>30</sup> *BOE*, 8 June 1941.

<sup>31</sup> *BOE*, 8 June 1941.



Member proposed by the General Secretary of the <i>FET de las JONS</i>	Agustín Aznar Gerner		
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So, of 17 people, there were 12 Falangists, 1 military, 2 technocrats and people from the private sector or other professions but without an specific ideological adherence, and only 2 Social Catholics. We can no longer find well-known social reformists, who had been working in the *INP* for years and were committed to the principles upon which the *INP* had been founded, such as Vicente Madera Peña, Zumalacárregui Prat or Fernando Camacho Baños. Only Jordana de Pozas and Primitivo de la Quintana remained on the Governing Body.

Therefore, by June 1941, the Falangists had taken over the *INP*. Minister Girón made clear that the *INP* could no longer continued to be 'a closed sphere to the Falangist revolution'<sup>32</sup>. This remark revived the Falangist plan with regard to the *INP* and opened the way to an escalation of criticisms of the Institute and its staff. Thus, in February 1943, Girón declared that he did not consider 'the Governing Body of the *INP*, which is somehow the headquarters of our social struggle, to be a simple meeting of civil servants, but as the place to form Falangist comrades...Therefore, among you, there cannot be bureaucrats, but squadron members'<sup>33</sup>.

A new style was imposed on the *INP*, by which the model of the civil servant and bureaucrat was openly rejected. With its criticism came the discredit and oblivion of the previous achievements in social insurance. In his speeches, Girón deliberately avoided mentioning the history of the *INP* or highlighting what others had done in social policy before the Francoist uprising. In Franco's first visit to the *INP* in March 1942, which was also Girón's first visit since his appointment as Labour Minister<sup>34</sup>, Girón de Velasco said:

<sup>32</sup> For the discourse given by Girón to the new Governing Body, see *Boletín de Información del INP*, June 1941, No. 6, p. 15.

<sup>33</sup> *Boletín de Información del INP*, February 1943, No. 2, pp. 1-7.

<sup>34</sup> The first visit Girón paid to any institution after being appointed Labour Minister was to the National Office of Syndicates. At the beginning of June 1941, Girón visited the National Institute of

'The National Movement found in the social insurance system much discussion and few achievements, too much politics without action. Instead of long comparative studies, we prefer the clear and laconic language of numbers'<sup>35</sup>.

In addition to changes in personnel and style, institutional reforms occurred, introduced by the Decree of the Labour Ministry of 31 May 1941<sup>36</sup>. First, it is worth noting the change of words when naming the key posts. Instead of the former description of "Director" or "Sub-Director" of the *INP*, the terms "Commissary" and "Sub-Commissary" were now used. Secondly, the Decree stated that the Commissary would no longer be elected by the Labour Minister from a list of three people provided by the Governing Body of the *INP*. The appointment of the Commissary would be independently decided by the Minister.

Thirdly, the directors of the National Funds of Family Subsidies and the National Fund of Working Injuries Insurance Schemes were no longer members of the Governing Body. This is quite striking, as it would imply a big loss in policy co-ordination. Fourthly, the members proposed by the now extinguished Ministry of Syndical Organisation and Action were suppressed, which meant that the Associated Funds could no longer be present at the Governing Body. The same held true for the members proposed by the *CNPS*. The Ministry of Home Affairs, the Ministry of Finance and the General Secretary of the Movement remained with representatives in the Governing Body. The National Office of Syndicates replaced the Ministry of Syndical Organisation and Action and maintained the same number of representatives. But the greatest change happened regarding the introduction of members of "free designation", which basically meant that they were elected by the Minister of Labour. It is not therefore surprising that most of the Governing Body members elected this way, four out of five, were Falangists and very prominent Falangists indeed, such as Sanz Bachiller and Sebastián Criado del Rey.

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Housing (see *Arriba*, 4 June 1941, p. 3). However, he did not visit to the *INP* until 27 June 1941, to preside the constitution of the new Governing Body: see the *Boletín de Información del INP*, June 1941, No. 6, p. 14.

<sup>35</sup> *Boletín de Información del INP*, March 1942, No. 3, p. 5. A completely different approach to that of Jordana de Pozas (1961: 490-1): 'Against the arrogance of "I did everything", we have to recognise ourselves as sons, heirs and followers'.

<sup>36</sup> *BOE*, 8 June 1941.



Together with the attempt to control it from inside, the *INP* was also surrendering autonomy to the Ministry of Labour. If once the *INP* had been created as an autonomous institution, or “non-political” (meaning by this not being involved in the political struggle between parties), with the arrival of Girón de Velasco and his team, things changed. So in January 1942, by a Decree of the Ministry of Labour, the Governing Body was constituted to work in permanent sub-committees, hollowing out the roles and activity of the whole Governing Body. In fact, these sub-committees acted as advisory bodies for the Ministry of Labour, making them more independent (in this advisory role) of the Governing Body of the *INP*<sup>37</sup>. It was the Labour Minister who decided which committees were to be created and which members would serve on each one of them, while the Governing Body had no right to decide anything. This way, the Ministry could prevent any possible corporate opposition from the Governing Body, although it was not probable, due to the massive presence of Falangists on it.

On 16 October 1942<sup>38</sup>, an important institutional reform was introduced regarding the presidency of the *INP*. Instead of the General Director of Social Insurance, at that time Greño Pozurama, the presidency was transferred to the Under-Secretary of Labour, Esteban Pérez González, the highest authority in the Ministry of Labour after the Minister. This way, the *INP* became more co-ordinated with the Ministry (or, in fact, falling under its control). But the culmination of this process happened two months later, when the Minister himself decided that he was going to occupy the presidency of the *INP*, although with the right to delegate to a subordinate<sup>39</sup>. I have already pointed out that, by the Decree of 1938, the *INP* President had the power to block any decision taken by the Governing Body when he considered it detrimental to the national interest or going against the government’s plans and aims. It is then understandable that Girón badly desired to control this post which would

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<sup>37</sup> Minutes of the Governing Body of the *INP*, 28 January 1942. The justification for such new institutions appears to be the need for a closer relationship between the *INP* and the Ministry of Labour in order to carry out the instructions of the latter more fully.

<sup>38</sup> *BOE*, 22 October 1942.

<sup>39</sup> Decree of 14 December 1942, *BOE*, 29 December 1942.



grant him an extremely important power of veto. Girón delegated to the Under-Secretary of Labour, but the Minister himself had the right to take over again without previous notice. With the appointment of Buenaventura José Castro Rial as new General Director of Social Insurance in February 1943 and first Vice-President of the *INP*, the hierarchy of the institute was finally complete. At the top, there was the Minister of Labour, as *INP* President, delegating to the Under-Secretary of Labour, and below him, the General Director of Prevision as first Vice-President.

In a speech to the Governing Body, in February 1943, Girón de Velasco summarised what he expected the *INP* to be and do: 'We have to transform the *INP* into the best tentacle of the National-Syndical State with regard to social policy. The spirit of the Movement has to preside its work completely, while the best harmony and co-ordination is achieved in all those common spheres with the Falange's organisations. Specifically, a unity of thought, action and style with the Syndical Organisation is needed, understanding each others as comrades with the same faith who fight for the same aim in different fields. The *INP* has to be more than a mere state body: it has to be an efficient element in the advancement of the social policy of the revolution. Its mission is to avoid, by replacing the current managers, this situation whereby profits which resulted from the collective effort only benefit private interests'<sup>40</sup>.

Girón's remarks of the need for the *INP* to work shoulder to shoulder with the Syndical Organisation revealed that, during this phase, not only did the *INP* lose autonomy, giving it up to the Ministry of Labour, but also lost its exclusive hold over the management of social insurance. The involvement of the Syndical Organisation was imposed and duplications tolerated. The *INP* was ordered to collaborate. Previously, Jordana de Pozas, though having no other choice than to accept things as they were, had defended at least the primacy of the *INP* in the organisation of social insurance: 'It is advisable to concentrate in the *INP* the preparation and execution of the legal norms adopted by the Government

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<sup>40</sup> *Boletín de Información del INP*, February 1944, No. 2, p. 3.

through the Ministry of Labour. It is important, however, to highlight that this unification is not meant to be an all-absorbent monopoly, nor does it exclude the possibility of co-ordinating with other public bodies and allied services or collaboration with social institutions such as the Syndicates' (Jordana de Pozas, 1941: 16).

Thus, from June 1941 to January 1943, the *INP* was in state of internal turmoil. All these organisational changes, added to the task of expanding existing social insurance schemes and building new ones, putting the Institute at risk. Jordana de Pozas, in January 1943, recognised the dramatic situation: 'The fair impatience of the state has put the *INP* in such jeopardy that sometimes we have feared its break down...The risk has not completely gone away...But indeed, the moment of highest risk has passed'<sup>41</sup>.

In the following months, new changes were introduced. Sebastián Criado del Rey, who at that time was a member of the Governing Body, was appointed as Director of the newly created National Fund of the Sickness Insurance Scheme and Mariano Fuentes Cascajares replaced José Muñoz Rodríguez as Director of the National Fund of Family Subsidies. A new regulation in January 1944 allowed the directors of the three Funds to participate in the Governing Body but without the right to vote. This limited facility of taking a seat on the Governing Body but not being able to vote was also granted in February 1943 to the Chief of the National Service of Old Age and Maternity. So, by April 1944, the Governing Body of the *INP* was constituted of 18 members:

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<sup>41</sup> *Boletín de Información del INP*, January 1943, No. 1, p. 110.



***The Fifth Governing Body, April 1944***

	Social Catholics	Falangists	Military	Technocrats
President of the Governing Body	Luis Jordana	Esteban Pérez	Camilo Menéndez	
Vice-President and <i>INP</i> President		Buenaventura J. Castro		
Commissary				
Sub-Commissary	José Muñoz (replaced by Constantino Lobo)	Jesús Rivero		Francisco Astigarraga
Free Elected Members		Mercedes Sanz Pablo Martínez Carlos Ruíz		
Member proposed by the Ministry of Home Affairs				
Members proposed by the National Office of Syndicates		Alfonso de la Fuente José Luis Palao (replaced by Joaquín Cárdenas) Antonio Rodríguez Ricardo Martínez Ramón Azaola (replaced by Francisco Norte)		
Member proposed by the Ministry of Finance				
Member proposed by <i>FET de las JONS</i>		Agustín Aznar		
				Carlos José González

As can be seen, the Social Catholic Primitivo de la Quintana left the Governing Body, although the former Director of the Family Subsidies Fund joined in. The Falangists remained, by far, the most represented family.

How could Girón carry out such profound changes? This can be answered by pointing to the institutions of the non-democratic Francoist regime that granted the minister with broad decision-making powers. All these reforms were passed in the form of decrees



and ministerial orders, by which the minister only required Franco's approval, being thus able to bypass the Council of Ministers.

The reader might be asking why Girón did not get rid of Jordana de Pozas and appoint a Falangist as Commissary of the *INP*, therefore completing the total control of the Institute. Moreover, we know that Girón and Jordana had very different styles (and motivations), as Girón himself said in his biography: '(Jordana) had a brilliant curriculum vitae which put him at the front of the *INP*, and liked doing things calmly, too calmly for me...Jordana did not like my urgency' (Girón de Velasco, 1994: 170). There might be different reasons why Jordana remained as Commissary. First, Jordana de Pozas was at that moment one of the most respected experts on social insurance in Spain. Secondly, Jordana himself was not a mere civil servant, but a permanent member of the Council of State, therefore a top politician within the Francoist regime. And thirdly, there was an institution that acted as veto point, impeding the removal of Jordana without very serious reasons. By the *INP* regulations, the General Director (or Commissary) was appointed by the Labour Minister, but could only be removed by a decision of the Council of Ministers and after a formal procedure in which the removed person was entitled to defend himself – in a legal hearing.

Although the *INP* was growing fast and social insurance schemes were being created, reformed and set in motion, or perhaps because of this, the financial situation of the Institute started crumbling. The first shout of alarm was given by the member of the Governing Body Martínez Almeida in the session of 26 October 1944<sup>42</sup>, who foresaw the collapse of the *INP* in four years if the situation was not appropriately tackled. He blamed the Ministry of Finance for not having paid the compulsory state's contribution, which he claimed it was 'a right of the Institute and an obligation of the Treasury'. In July 1945, the deficit amounted up to 45 millions of pesetas, caused by the already-mentioned failure of the Ministry of Finance to pay and the hefty price of introducing the Family Subsidy Scheme in the agricultural sector.

It has been suggested that another power struggle took place between the Ministry of Finance and the Labour Ministry (González Murillo, 1998) for the control of the funds of the *INP*. The Laws of 5 November 1940 and 13 March 1943, drafted by the Minister of Finance, Joaquín Benjumea Burín, stipulated how and where public bodies should invest their funds and how tax exemptions should apply to them. By the Law of 29 June 1943, 60 per cent of the *INP*'s funds had to be invested in national debt bonds, 10 per cent in buildings and 30 per cent in social enterprises such as housing, colonisation and reforestation.

Obviously, the *INP* was at risk with these measures because it was obliged to make investments with no return, while the whole financial architecture of the Institute relied on the revenues obtained via contributions and these investments. Girón de Velasco allegedly wrote to Franco threatening to resign if the Finance Minister was allowed to go on with those measures. Most probably, Girón de Velasco and Benjumea Burín had, in addition to different corporate (ministerial) interests, a personal rivalry, as Girón had replaced him at the Ministry of Labour. However, the result of this struggle was not, as González Murillo (1998) suggests, with Girón and the *INP* as losers, because, by the Decree of 3 November 1943, the *INP* was exempted from the 1940 and 1943 Laws (Jordana de Pozas, 1953: 68).

I do not know how the conflict was resolved, but my guess is that (in the absence of regulations for resolving departmental conflicts) it was Franco who finally decided. In these circumstances, the end of the Second World War placed Francoist regime in a difficult situation and a new balance of power within the regime arose. The government crisis of 20 July 1945 brought changes to the regime and also to the *INP*.

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<sup>42</sup> Minutes of the Governing Body of the *INP*, 26 October 1944, No. 75.



#### 7.2.4. The Stage of Equilibrium and Sclerosis

As explained in Chapter Six, the defeat of the Axis powers in 1945 acted as an external determinant of the political evolution of Francoism, which had as a consequence the government crisis of July 1945. The composition of the new cabinet was altered by reducing the number of Falangist ministers to three, while the military were given six posts. However, the most crucial ministry at that time, the Ministry of Foreign Affairs, was handed over to the young Catholic figure Alberto Martín Artajo. This meant that the Catholic Church was given the task of obtaining for the regime international support and, mainly, the acquiescence of the Catholic international community.

The reasserted power of the Catholic Church within the regime<sup>43</sup> was also reflected in the *INP*, which experienced changes in its top echelon. Social Catholics took over command of the Institute again.

By the Decree of 2 November 1945, Pedro Sangro y Ros de Olano, Social Catholic and member of the Royal Academy of Moral and Political Sciences, was appointed as President of the Governing Body and the Permanent Commission of the *INP*. In addition, the Decree introduced two huge institutional developments with regard to the way the presidency had been organised so far. First, it meant that the Labour Minister was no longer the *INP* President. Secondly, in contrast to former appointments to this position of *INP* President which were the solely responsibility of the Labour Minister, Sangro y Ros de Olano was appointed by the Council of Ministers after having been proposed by the Labour Minister. By these reforms, the position of the *INP* President gained a certain degree of autonomy with regard to the Ministry of Labour. In any case, the autonomy was limited to the ability of the Minister of Labour to suspend any agreement made by the Governing Body

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<sup>43</sup> That a window of opportunity was opening for the Catholic Church was something that had already been felt in October 1944 by the General Secretary of the *ACNdeP*, Martín Sánchez Juliá: 'We, Propagandistas, have already studied enough...we can now put forward (a plan) that has so far been in abeyance', *Boletín de la Asociación Católica Nacional de Propagandistas*, 20 October 1944, No. 338, p. 11.



which he might consider harmful to the general interest of the Nation or not in line with the government's criteria on social insurance schemes<sup>44</sup>. Other changes in the *INP* also show that a new stage was starting. To the prevailing title of "Commissary", closer to Falangist language, the former title of "Director" was added, resulting in the long-winded "Commissary-Director".

These changes were explained by the Under-Secretary of Labour, Carlos Pinilla Turiño, as a "gesture of magnanimity" by the Minister of Labour Girón de Velasco. The new *INP* President, Pedro Sangro y Ros de Olano, also praised the Minister for such an "unselfish" act of handing over the presidency. But, more than a simple functional de-concentration of roles and responsibilities, what explain the changes was the struggle for power within the regime. A bit naïvely, or perhaps totally on purpose, Sangro y Ros de Olano said: 'I must share with you that some people have come to me these days with quite odd intentions. Some people have told me: "Thank God that you go to that house (the *INP*), where you will represent this or that"...Other people have told me: "Now this will be orientated in this or that way". And I have answered them that the orientations on social policy are strictly in the hands of the government, and specifically in those of the Minister of Labour'<sup>45</sup>.

So, clearly, there were people who rejected the *INP* policies, attitudes or styles of the Falangist phase, and saw then the so-long-awaited moment of change. There was, then, a feeling that things were going to progress in a different way from that moment onwards. For sure, Sangro y Ros de Olano's style had nothing to do with Girón de Velasco's revolutionary populism. On the contrary, Sangro, an aristocrat, represented the coming back of the "old" hierarchies of the *INP*, those who had been in charge of it during the 1920s and the 1930s – indeed, in the Republican period. Most surely, for the staff of the *INP*, he would represent a sort of guarantee of the future of the Institute and a symbol that it was then entering a new

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<sup>44</sup> The Decree of 2 November 1945 appeared in the *BOE*, 10 November 1945 and in the *Boletín de Información del INP*, November 1945, No. 11, pp. 2147-50.

<sup>45</sup> *Boletín de Información del INP*, December 1945, No. 12, p. 2403.

phase of much more stability. The change in the name of the journal published by the *INP* was perhaps a sign of the new stage that the institute was just starting. Since January 1947, the former *Boletín de Información del INP* was replaced by the *Revista Española de Seguridad Social*, adopting the fashionable term at the time, *social security*.

The new Governing Body of November 1945 amounted to up to thirty people:

The Sixth Governing Body, November 1945					
	Social Catholics	Falangists	Military	Technocrats	
<i>INP</i> President	Pedro Sangro	Jesús Rivero	José Luis Corral (replaced by Hermenegildo Baylos)		
Vice-President					
Commissary-Director	Luis Jordana				
Sub-Commissary	José Alberto Palanca				
General Director of Health					
Sub-Director of the Institute of Medicine, Hygiene and Safety at Work					Alfonso de la Fuente
Director of the National Fund of the <i>SOE</i>					Sebastián Criado
Director of the National Fund of Working Injuries Insurance Scheme					Isaac Galcerán
Director of the National Fund of Family Subsidies	Mariano Fuentes				
Member proposed by the Ministry of Finance			Carlos José González		
Member representing the National College of Doctors			Antonio Ferratges		
Member representing the institutions which collaborate in the Working Injuries Scheme			Isidro de Gregorio		
Member representing institutions which			Victor Gaminde		



collaborate in the <i>SOE</i>				
Member representing PAI companies <sup>46</sup>			Rafael Rubio	Demetrio Mestres
Member representing companies with higher risk of working injuries <sup>47</sup>				
Member representing "model" companies <sup>48</sup>				Silvestre Segarra
Members representing the Syndical Organisation		Mercedes Sanz Agustín Aznar		Francisco Norte
Members freely appointed by the Labour Minister	Agustín Miranda	Pablo Martínez  Carlos Ruíz	Camilo Menéndez  Joaquín Cárdenas  Constantino Lobo	José Muñiz     Ramón Fernández  José Rodríguez  Manuel Sánchez Valentín Fernández
Members representing workers				
Secretary of the Governing Body				

A great variety of interests were represented on this Governing Body, from different government departments and public bodies to representatives of workers, industries or private insurance institutions which ran schemes in partnership with the *INP*. As a result, the number of the people sitting on the Governing Body increased. But this was not intended to involve all interests in the decision-making centre of the *INP*, as there were big differences in the representation. As can be seen, workers held only three seats in the Governing Body,

<sup>46</sup> PAI stands for *Pago Autorizado o Impuesto*, referring to those companies which operated with special financing regulations.

<sup>47</sup> Such as mines and chemical and steel companies.

<sup>48</sup> It was an honorific title given to companies, based on political (support for the regime, collaboration with political authorities of the party and the Syndical Organisation, political position during the Civil War), social (initiatives with workers, political and syndicate atmosphere within the company) and economic criteria (importance of the company for the economy of the country, policies of the company for improving production and technology). Each Provincial Office of Syndicates proposed three companies to be elected as *Empresas Modelo*.



while industries, private insurance companies and doctors, potential opponents to further expansions of social insurance schemes, held six seats. The Syndical Organisation, with three representatives, retained much of its power for vetoing policies that might harm the development of its own social insurance schemes.

It was, however, clear from the beginning that such a huge Governing Body was not going to be effective. Perhaps it was one of the aims of the drafters of the Decree of 2 November 1945 to set up an apparently interests-inclusive institution, which, at the end of the day, would be ineffectual. Actual decision-making power was transferred to a newly created institution within the Governing Body, the Permanent Commission. By the same Decree of 2 November 1945 the members of this Commission were:

<i>The Permanent Commission, November 1945</i>				
	Social Catholics	Falangists	Military	Technocrats
President of the Commission	Pedro Sangro	Jesús Rivero Meneses	José Luis Corral	
Vice-President	Luis Jordana			
Commissary				
Sub-Commissary				
Secretary				
Free Elected Members			Constantino Lobo	Francisco Norte
			Joaquín Cárdenas	Carlos J. González
				Silvestre Segarra
				Isidro de Gregorio

The establishment of the Permanent Commission was a return to the old days in which the *INP* was run by a Board of Trustees and Executive Committee. The Permanent Commission would be the equivalent of the latter. Most probably, the title of Executive Committee was avoided on purpose so as not to show, too openly, that it was a return to previous times. Otherwise, there would have been a strong opposition from the Falangist faction.

It is extremely interesting to see how none of the worker's representatives or even the doctors, were in that Permanent Commission. Only the top echelon members of the *INP*, together with two appointees by the Ministry of Labour, and one representative each of the Ministry of Finance, the Syndical Organisation, the "model enterprises" and the private insurance companies. As can be seen, this group was fairly balanced in ideological terms.

The Governing Body was expanded on 28 December 1945 to incorporate representatives from the Ministry of Agriculture and the General Council of Official Pharmaceutical Colleges. Representing the former, Carlos Rodríguez Spiteri was appointed, and representing the latter Ramón Turrientes Miguel. In November 1946, the Social Catholic Hermenegildo Baylos Corroza replaced José Luis Corral Sáiz as Vice-President of the *INP*, thus reinforcing the power of the Catholics in the *INP*. One month later, Falangist Pedro Laín Entralgo took his seat as representative of the National Council of Medical Colleges, replacing Antonio Ferratges Tarrida. On 17 January 1947, the Governing Body grew even more with the addition of the representative from the Social Institute of Fishermen. It was also decreed that the member representing the National Institute of Medicine, Hygiene and Security at Work be its Director, instead of the Sub-Director. Also in December, a new member, Martín Merino Charro, joined the Governing Body as member appointed by the Labour Minister. Daniel Zarzuelo Polo did not last in the Governing Body more than seven months, from 9 March to 28 October 1948. In May 1949, Salvador Múgica Buhigas replaced Camilo Menéndez Tolosa in the Governing Body, due to the fact that the latter had been appointed as General Director of Social Insurance. In December 1950, the Ministry of Industry and Commerce placed a representative on the Governing Body<sup>49</sup>.

Although the most difficult moments for the *INP* had already passed, still in 1948 conflicts arose and the Institute had to face serious criticism from the Falangists. On 27 September 1948, the Falangist member of the Governing Body Daniel Zarzuelo Polo presented before the Governing Body a motion of censure against the executive authorities

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<sup>49</sup> By the Decree of 10 November 1950.



of the Institute, mainly Jordana de Pozas<sup>50</sup>. Jordana replied promptly and the Governing Body dismissed Zarzuelo's accusations, but the incident reflected that, although less visible, Falangist opposition within the *INP* had not disappeared. Jordana's reply is extremely interesting because it exposed, crystal-clear, the political struggles that were occurring at the time between Falangists organisation and the *INP*. Zarzuelo's criticisms could be summarised as follows:

- The *INP* was a bureaucratic institution swamped by red tape.
- The social insurance schemes run by the *INP* had failed.
- The person responsible for the failure was the Commissary-Director.
- The Labour Mutual Aid Insurance Institutions were much better than the *INP*'s social insurance schemes, and in particular, 'Family Plus' outstripped the Family Subsidies easily.
- In consequence, the Family Subsidies should be abolished, the rest of social insurance schemes should be transferred to the Syndical Organisation and to private institutions such as Savings Banks, and the *INP* should be suppressed.

Zarzuelo's motion of censure reflected political motives, which very well could have been originated by a feeling of frustration among the Falangists due to their failure to take over the *INP*. It also could have meant a last and desperate effort to dynamite the Institute from within, but, in any case, it did not produce anything else than a strong rejection from the Governing Body, which fully backed Jordana and his team up. Zarzuelo left the Governing Body one month later, on 28 October 1948.

The pace of passing laws slowed down considerably. In five years (1945-1950) only the National Fund of the Old Age and Disability Insurance Scheme was established. The implementation of the *SOE* met serious opposition from the doctors, which led to the

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<sup>50</sup> See Governing Body of the *INP*, 27 September 1948. Document titled *Informe sobre los Seguros Sociales Obligatorios y su Órgano Gestor en España*. Zarzuelo accused Jordana of mismanagement, 'collaboration with previous governments and connivance with the enemy' (p. 44).



establishment of a Commission in October 1947 for ascertaining their demands and solving the problem. And finally, once again, the process of discussing the unification of the social insurance schemes was opened by the Decree of 29 December 1948.

### **7.2.5. The Reorganisation of the *INP* in 1950**

In 1950, the *INP* suffered a major internal reorganisation provoked by: 1) the new political situation, 2) the demands of an increasing complex system of social insurance and 3) the search for new forms of public management. First, the new political situation resulted from the definitive abandonment of the economic strategy of the autarky and the chance to be gradually accepted by the democratic nations that the new international order was giving Francoism. Secondly, the implementation of the new *SOVI* and the consolidation of the rest of the existing schemes provoked changes at the organisational level. Finally, new public sector ideas (mainly the involvement of the users in the design and evaluation of services) encouraged the establishment of new mechanisms to channel demands.

By the Decree of 3 February 1950, the Institute of Medicine and Security at Work fell under the *INP* with regard to its administration and a Special Office of the National Plan of Hospital Buildings of the Sickness Insurance Scheme was created. However, the biggest change within the *INP* came in the summer of 1950. The Decree of 14 July 1950 reorganised the administrative structure of the Institute<sup>51</sup>, granting the authorities of the *INP* with even further independence of the Minister of Labour. The President, the Vice-President and the General Director of the *INP* were to be appointed by the Council of Ministers, although the Labour Minister was to propose the candidates.

But more important, this Decree put forward the principles of rationalisation and decentralisation of services and greater involvement of members (citizens in general and *INP*

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<sup>51</sup> *BOE*, 18 July 1950.

staff), which inspired the consequent reforms introduced. Thus, the Decree introduced four major changes. First, administrative procedures were unified and rationalised. In order to meet this aim, better co-ordination with the Labour Mutual Aid Insurance Institutions was attempted and a compilation and simplification of the diverse regulations on social insurance was carried out. Secondly, the creation of Provincial Advice Councils to involve regional branches in the management and planning of the social insurance system. Thirdly, workers came to be represented on the Permanent Commission of the *INP*, as they had been left out of this body in the 1945 reforms. From now on, the Permanent Commission was to be formed by the President and the Vice-President of the *INP*, the General Director, the directors of the different National Funds of the Institute, plus six other members of the Governing Body: one representing the Ministry of Finance, one representing workers, another representing employers and three members chosen by the Labour Minister.

Fourthly, the most important change was the establishment within the *INP* of General Assemblies, the first one occurring in 1951. These Assemblies were intended to review the work of the Institute every year and bring together the demands and proposals from the different provincial councils. Under the presidency of the Minister of Labour, they would include the General Director of Social Insurance, the highest authorities of the *INP* and the presidents, workers' and employers' representatives of all the Provincial Advice Councils. The Assemblies were presented as an organisational revolution and, as one top echelon civil servant argued at the time<sup>52</sup>, as inspired by the newly fashionable public administration ideas of involving users of public services in the management of the system and schemes. The Decree itself pointed to the need of increasing 'the participation of the affiliated members in the administration and management of the *INP*'. This sudden need could have developed as a reaction to the Labour Mutual Aid Insurance Institutions, because the latter claimed that they were managed by their own affiliates, while they criticised the *INP* for being a hierarchical structure in which the users did not have a say. However, these

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<sup>52</sup> See Hermenegildo Baylos Corroza's speech at the First General Assembly of the *INP* in 1953.



measures were not aimed at democratising nor incorporating users to the policy-making process, but at channelling demands from the party and the Administration in a well-planned way. Not users of public services (apolitical citizens) but carefully-selected civil servants and Falangists comrades were the ones who were invited to take part in these Assemblies and Provincial Councils.

In addition, the expansion of the *SOE* and the untenable situation of fragmented management resulted in the establishment, by the Decree of 21 July 1950<sup>53</sup>, of a National Office of the *SOE*. This was responsible for co-ordinating all the institutions which were involved in the running of the scheme, such as the General Directorate of Social Insurance, the *INP*, the National Confederation of Institutions of Social Insurance or the Syndicates. The National Chief of the *SOE* reported to the General Director of Social Insurance, therefore detaching certain aspects of the running of the *SOE* from the *INP*.

These changes marked the end of the period studied in this thesis. The political struggle between Falangists and Social Catholics which had shaped the evolution of the *INP* and the social insurance system diminished. What had been set up in the 1940s remained until the reforms of the 1960s. The decade of the 1950s did not see any major change in regard to social insurance. The *INP* did not have proper regulations until 1958, when the *Estatutos Orgánicos* were passed<sup>54</sup>. It is thus worth calling a halt in 1950 for our research as that year marked the beginning of the lost decade of the Spanish welfare state, when Spain definitively lost sight of the social security reforms that were being undertaken elsewhere around the world. The Comprehensive Social Insurance Scheme, which would have helped to catch up or even overtake the achievements of the neighbouring countries, was never established. It was a lost decade, or a boring decade, that between 1947 and 1957, from the

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<sup>53</sup> *BOE*, 20 August 1950.

<sup>54</sup> See *INP* (1958), *Estatutos Orgánicos del Instituto Nacional de Previsión*, Madrid: Publicaciones del *INP*, No. 979. The regulations appeared in the *BOE*, 3 February 1958. It was definitively established that the people occupying the posts of President and General Director were to be appointed and removed by decree, after agreement at the Council of Ministers on the candidate proposed by the Labour Minister.



point of view of the institutional development of Francoism (Thomás I Andreu, 1999: 56) and of the Francoist social insurance system.

### 7.2.6. Conclusion

The *INP* was the institution which drafted all Francoist social insurance policies. Thus, the control of the *INP* was a much desired instrument of power for the contending families and policymakers of the regime. The Falangists and, especially Girón de Velasco, clearly perceived the usefulness of controlling the *INP* from within.

However, the *INP* being in the hands of the Social Catholic family, the take-over of the Institute required determination and the use of all the resources available to the Minister, in order to avoid the encountering of fierce opposition or more-than-probable vetoes. Thus, Minister Girón de Velasco made use of the institution of the decree as the legal norm by which all reforms were passed. Clearly, given the radical structural changes suffered by the *INP*, most of the reforms required legal norms of higher status than decrees. They should have been full laws, therefore subjected to the discussion by the Council of Ministers.

The Council of Ministers was therefore bypassed, as also happened with the Council of State –the two institutions which would have eventually opposed Girón's plans. However, institutions also acted to limit the capacity of actors to manoeuvre, as happened when Girón was faced with electing the *INP* General Director from a list of three people which was presented to him and which left him with almost no other choice but to appoint Jordana de Pozas for that post. Girón appointed Jordana but, for the future, decided that the Commissary-Director would no longer be elected that way (from a list provided by the Governing Body of the *INP*) but only by a decision of the Labour Minister.

Due to the fact that ministers and, in this case, the Minister of Labour had extensive institutional resources and total monopoly over his policy areas, Girón succeeded in his plan. Only changes within the Francoist regime in 1945 forced a radical change in his strategy.

Using the *INP* as a platform for policy change, policy actors engaged in the drafting and implementing of social insurance policies. Thus, the evolution of the *INP* does not only have interest in itself, but also because social insurance policies were originated from within the Institute. Therefore, having studied this evolution in Chapter Seven, we are now in a better position to understand how and why social insurance policies developed as they did. This is what I will study in the following chapter.

## **Chapter 8**

### **The Making of Francoist Social Policies**



The aim of this chapter is to analyse the way the major social insurance laws created by Francoism between 1936 and 1950 were shaped by institutions of the regime. The power struggles between the families of the regime taking place within the non-democratic institutional framework explain the configuration of the social insurance system.

All the laws created between 1938 and 1941 (the year when Girón de Velasco was appointed as Labour Minister) were presented to public opinion as a result of the Catholic impulse that ran inside the Francoist regime. The Labour Charter for example was defined as a 'true manual of Christian sociology'<sup>1</sup>, inspired in the Catholic social doctrine of the Malinas Social Code and in Pope Pious XII's encyclical *Quadragesimo Anno*<sup>2</sup>. Alberto Martín Artajo affirmed in the journal *Ecclesia* on 15 May 1941 that those who had written the Labour Charter were Catholics, as well as those who had promulgated it<sup>3</sup>. The same happened to those insurance laws created by the *INP* before 1941, that they were presented as the direct legislative application of the Catholic Social Doctrine<sup>4</sup>. The Family Subsidies Scheme was the purpose of two well-known Social Catholics, Severino Aznar (Aznar, 1950) and José Muñoz. At the same time, the *INP* monopolised the management of the social insurance system in Spain and became the single major think-tank in providing ideas and policy solutions regarding social policy.

Things however changed in 1941, when the Falangists, under the command of José Antonio Girón de Velasco, took over the Ministry of Labour. A power struggle between the Social Catholics and Falangists for the control of the *INP* broke out and continued over the elaboration of policies such as Family Subsidies, 'Family Plus', the *SOE*, Regulations of the *SOE*, the Subsidy of Forced Unemployment and the Comprehensive Social Insurance

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<sup>1</sup> *Boletín de Información del INP*, December 1944, No. 12, p. 1562.

<sup>2</sup> Aznar, S., 'Para Quién se ha dado el Régimen de Subsidios Familiares', *Boletín de Información del INP*, April 1944, No. 4, p.508. The process of constructing the Labour Charter is explained by Payne (1985: 189).

<sup>3</sup> See Antón Ortíz, B., 'Sobre el Espíritu Social Cristiano de la Revolución Nacional Sindicalista', *Revista de Trabajo*, August 1941, Nos. 21-22, p.82.

<sup>4</sup> García Bayón, J., 'Sobre el Sentido Católico del Subsidio a la Vejez', *Revista Financiera*, 5 August 1941, pp. 4-5.

Scheme. As will be shown, the policy-making process of these laws reflects such a power struggle.

The struggle took place through the institutions of the regime, as a battle between the General Directorate of Social Insurance (dependent on the Ministry of Labour) and the National Office of Syndicates on the one hand and the *INP* on the other, with the involvement of other departments such as the General Directorate of Health (under the Ministry of Home Affairs).

## 8.1. The Family Subsidies and ‘Family Plus’

### *The Family Subsidies*

On 18 July 1938, the Francoist regime created a compulsory system of family subsidies, nationally-extended, progressive in its benefits, financed by the contributions of employers, with a set-up capital provided by the State, and with a funding pay-as-you-go system<sup>5</sup>. It was applied to workers without limit of salary or type of job, being later extended to civil servants and military officials. The administration was held by the *INP* through the National Fund of Family Subsidies<sup>6</sup>.

The *INP* had been pursuing the establishment of this scheme for a few years, so a number of studies had been carried out prior to the Civil War. By the time it was decided to implement this policy, policy-makers within the *INP* searched for parallel examples from abroad, mainly from the Italian, the French and the Belgium schemes. The Belgium

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<sup>5</sup> Iglesias and Meil (2001: 35) explain why it was given the name “Family Subsidies” instead of “Family Insurance Scheme”. Although it was a compulsory insurance scheme, it was funded as a pay-as-you-go, not capitalised as was common at the time. To mark that difference, it was wrongly called “subsidy”.

<sup>6</sup> *INP* (1940), *Caja Nacional de Subsidios Familiares. Caracteres, Organización, Realización*, Madrid: Publicaciones *INP*, No. 513.



*Association des Caisses d'Allocations Familiales* sent their registration forms to the *INP* in October 1938 so that the Spanish policy-makers could have an idea of how to make theirs. Luis Jordana de Pozas, then Sub-Director of the *INP*, travelled to France and Italy in 1938 to study the operation of the family social policies in those countries. Also, private Spanish insurance companies, such as the *Caja Compensadora de Cargas Familiares* of Salamanca, a Catholic-dependent institution created on 25 July 1937, gave appropriate advice to the *INP* on how to sort out technical things such as the registration documents or the structure of the scheme<sup>7</sup>.

Social Catholics had long been interested in enacting social policies to protect families and prevent them falling into poverty (Iglesias and Meil, 2001). It was Severino Aznar who developed the Catholic theory of the family salary as the most effective way of protecting the stability and integrity of the family, thus preventing mothers from joining the labour market. For Aznar, mothers were forced to work outside the house because men could not bring home enough to support their families. Without the constant presence of the mother, family life weakened and children were not properly brought up. Thus, the family salary would act as the best way to stop this by paying according to family needs. The debates concentrated on how the family salary should be organised (Iglesias and Meil, 2001). Aznar proposed the form of an insurance scheme as preferable to a direct payment transfer, organised by a national fund instead of by regional funds (Aznar, 1952: 13).

As a result of these initiatives, a draft bill establishing a Family Subsidy scheme was drawn up in Santander on 30 June 1938, called *Anteproyecto de Decreto-Ley en virtud del cual se crea en España un Régimen Obligatorio de Subsidios Familiares*. It was not said who was in charge of writing it, but from different references it seems that it was José Muñoz<sup>8</sup>. The draft was then sent to be reviewed by the *CNPS*, under the presidency of Luis

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<sup>7</sup> See *INP* Archive [4.23.B2], Files 48 and 48-1 (both entitled *Preparación del Régimen Obligatorio de Subsidios Familiares*).

<sup>8</sup> The Governing Body of the *INP* acknowledges the effort put by José Muñoz in the elaboration of the Family Subsidies Scheme by appointing him as first Director of the National Fund of Family Subsidies. See Minutes of the Governing Body of the *INP*, 22 April 1939, No. 8, p. 34.



Jordana de Pozas, which issued its report on 4 July 1938. In its report, the *CNPS* expressed its opinion that it was necessary to avoid the costs of having several insurance companies running the system and that the State should contribute to the finance of the scheme<sup>9</sup>.

The *CNPS* report was then sent to the Minister of Syndical Organisation and Action on 9 July 1938, and later the definitive draft law was submitted to the Government. The name of the draft was *Proyecto de Ley de Bases creando el Régimen Obligatorio de Subsidios Familiares*, that became the Law of Family Subsidies on 18 July 1938. The final Law passed resembled the draft issued by the *CNPS* far more than the first draft written by Muñoz. Many sections were an exact copy of the work of the *CNPS*. A big difference, however, was that the workers' contribution proposal was eliminated from the *CNPS'* draft while in the Law it was finally included.

***The Regulations of the Family Subsidies Scheme***

The process of passing the Regulations of the Family Subsidies Scheme shows how Social Catholics and *INP* top echelons were the ones involved in its writing. A sub-committee within the Governing Body of the *INP* was appointed to draw up the draft. The members of this Sub-Committee were:

***The Sub-Committee, Regulations of the Family Subsidies Scheme, July 1938***

	Social Catholics	Falangists	Military	Technocrats
President of the Ponencia	Inocencio Jiménez			
Secretary	José Ayats			
Members	Luis Jordana			Rafael García
	León Leal			Nicolás Rodríguez
	José María Zumalacárregui			José Sagüés
				Francisco Ipiña

<sup>9</sup> 'Informe de la Comisión Nacional de Previsión Social', *INP* Archive [4.23.B2], File 48-1 (entitled *Preparación del Régimen Obligatorio de Subsidios Familiares*), p. 7.

The Sub-Committee worked in small groups to elaborate different sections, Jordana de Pozas and Jiménez Vicente being in the group that elaborated perhaps the most important part, the way the system was to be organised. They proposed that the National Fund of Family Subsidies was to be run by a director under the supervision of a Governing Body. The final Regulations did not establish a Governing Body, just the figure of the director of the Fund. Thus, starting their work in July 1938, the first draft was prepared by 16 August 1938 and voted and approved by the Sub-Committee.

The draft was then sent to different institutions with interests in the matter (such as the *Caja de Previsión Social de Aragón*, the *Caja de Seguros Sociales y de Ahorros de Andalucía Orienta* or the *Caja Provincial Leonesa de Previsión*) and to the Governing Body of the *INP*, which approved it on 6 September 1938. The vote of the Governing Body together with the comments of these institutions and a personal vote from Falangist Jesús Rivero Meneses were sent to the Ministry of Syndical Organisation and Action. Finally, the Decree approving the Regulations of the Family Subsidies Scheme was passed on 20 September 1938.

### ***‘Family Plus’***

If Social Catholics drafted the Law of Family Subsidies and the Decree passing its Regulations, the institution of ‘Family Plus’ was a Falangist product. Iglesias and Meil (2001) and Meil (1995) showed how the final configuration of Francoist family policies was a result of the struggle between two models of social welfare: the two ways of providing the workers a “family salary”. On the one hand, Social Catholics (Severino Aznar being the most prominent representative) sought to establish such an institution along the lines of a proper social insurance scheme. By the same token, Jordana de Pozas (1939) proposed a family subsidy based on the doctrine of the “fair salary” and not on arguments about the utility or convenience of protecting families with children. On the other hand, Falangists theorists proposed creating an additional salary to cater for the needs of the worker’s family.



Not only were the aims and basis of the scheme a matter of difference, but also its organisation. While the *INP* and Social Catholics such as Aznar opted to create a national fund like the one of the Family Subsidies Scheme, Falangists preferred occupation-based funds, to which different categories of workers contributed and received their social benefits (Iglesias and Meil, 2001: 34).

To summarise, the Family Subsidies scheme followed the path marked by Aznar and the *INP*. The *Falange* counter-attacked by establishing 'Family Plus' (Iglesias and Meil, 2001: 38-9; Meil, 1995: 57-9). It was an obvious duplication of efforts and resources. Although the Family Subsidies Scheme was already providing workers with a family salary, *Falange* justified 'Family Plus' in those bases as well.

Why was there this unnecessary duplication? Social Catholic Severino Aznar also suspected political motivations for this duplication of schemes, although without specifying which motivations these were: 'some kind of reason there would had been to implement the second scheme ('Family Plus') instead of improving the first one (the Family Subsidy)' (Aznar, 1952: 6). Iglesias and Meil (2001: 55) explain it as both the need of *Falange* to extend their social bases of power to factory workers and their conviction that that was the way to calculate a fair salary. As the reader knows well by now, my explanation is that the *Falange* needed to secure areas of influence at a moment it was losing power within the regime.

The way of doing it was by using the institution of the ministerial order, a legal procedure which permitted ministers to avoid the Council of Ministers. 'Family Plus' was established in all sectors of the economy by the Order of 19 June 1945, but, being a policy with such a huge impact on the Spanish economy, it should have been subjected to discussion at the Council of Ministers.

This duplication of institutions led to a serious financial problem. The institution most affected was the Family Subsidies scheme because the newly-created social insurance scheme for agricultural workers required funds which were taken from the resources of the Family Subsidies. So the Family Subsidies scheme could not use its savings to raise its



payment transfers to families, which became ridiculous at the time inflation rose. On the contrary, 'Family Plus' managed to increase its benefits, ending up monopolising financial protection to families (Iglesias and Meil, 2001).

## 8.2. The *SOE*

The *SOE*<sup>10</sup> was without any doubt the most important social policy innovation introduced during the first Francoist period, because of its pre-eminent position in comparison to the other insurance schemes and the importance given to it by policy-makers at the time. Jordana de Pozas defined the *SOE* as 'a social insurance scheme, compulsory, contributory and technical, original and Spanish, conceived ambitiously as a revolutionary political enterprise, based on national solidarity, unitary and flexible, of Christian inspiration, financially autonomous, prepared in calm but executed speedily' (Jordana de Pozas, 1944: 587).

It is true that the *SOE* Law was ready to be passed years before. The *INP* had been calling for the need to introduce this scheme since 1910. During the Second Republic, and again in 1939, the Institute submitted to the Ministry of Labour a plan for the unification of social insurance schemes that included this one of sickness benefits.

Among the public, there was a general feeling that this scheme was necessary and urgent. The *ACNdeP* the most important Catholic lay organisation at the time, was one of the proponents of the scheme. On 4 June 1936, in the Valencian city of Alcoy, the local group of the *ACNdeP* discussed the way such an sickness insurance scheme should be implemented<sup>11</sup>. The atmosphere for the establishment of a *SOE* was ready.

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<sup>10</sup> For a different perspective, see Guillén (1996), who put more emphasis on the pro-active (and positive) role played by Minister Girón de Velasco and his Falangist comrades.

<sup>11</sup> *Boletín de la Asociación Católica Nacional de Propagandistas*, 15 June 1936, No. 221.

*The First Commission*

Minister Girón de Velasco was very determined to create this scheme, so two months after being appointed Minister, he set up the Commission in charge of drafting the first draft of the *SOE*<sup>12</sup>. The members of the Commission were<sup>13</sup>:

*The First Commission, SOE Law, July 1941*

	Social Catholics	Falangists	Technocrats
President		Francisco Greño	
Representing the INP	Luis Jordana  Primitivo de la Quintana	Pablo Martínez	Rodrigo Uria
Secretary	José Ayats		
Representing the Ministry of Finance	Fernando Camacho		
Representing the General Directorate of Health			Francisco Astigarraga
Representing the National Board of Trustees for Fighting Tuberculosis			Bartolomé Benítez
Representing the General Council of the Colleges of Doctors			José Fernández de la Portilla
Representing the Syndical Foundation of 18 July		Alfonso de la Fuente	
Chief Actuary of the INP	José G. Álvarez Ude		
Doctor of the National Fund of the Working Injuries Insurance Scheme			José María Sánchez
Chief Doctor of the Maternal and Infant Fund of the INP	Jorge Juan Bosch		

This Commission had a clear technical profile with some well-known *INP* collaborators and officials, mainly Social Catholics. One of them, Jordana de Pozas, had also been a member in the Commission which studied the Sickness Insurance Scheme during the

<sup>12</sup> Decree of the Ministry of Labour, 11 July 1941, published in the *BOE*, 25 July 1941.  
<sup>13</sup> The names of these members also appear in the *Boletín de Información del INP*, July-August 1941, Nos. 7-8, p. 37.



Second Republic<sup>14</sup>. Important Falangists were on it as well, such as Francisco Grefío Pozurama, who occupied the presidency.

It started working in August 1941<sup>15</sup>. Each member of the Commission received a questionnaire prepared by the General Directorate of Social Insurance for them to answer. As soon as in the second session, on 11 September 1941, the representative of the National Board of Trustees for Fighting Tuberculosis, Bartolomé Benítez Franco claimed that it was more urgent and important to create first an insurance scheme to protect workers against tuberculosis. This was rejected by the Commission as it would imply a deviation from the original tasks. Not satisfied, Benítez Franco presented a particular vote later on 20 November 1941.

The Commission divided into six sub-committees, each one dedicated to different themes: "Risks and Population to Be Covered", "Health Services and Economic Payments", "Management of the System", "Economic Organisation and Finance", "Inspection", "Agriculture". It is perhaps unnecessary to say that the way members had been allocated to each one of these sub-committees is of the highest importance. In those groups which had to deal with more political issues or the way the system was to be organised and managed (such as coverage of population and risks and the management of the system), Jordana was present.

Thus, the first Sub-Committee focused on the population and the risks against which the scheme covered. The team decided to protect all workers (either wage-earning, self-employed or in domestic service) with incomes lower than 12,000 pesetas in industry and commerce and 6,000 in agriculture. It was also decided that maternity and funeral expenses in the event of death of the affiliated be included.

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<sup>14</sup> See *INP, Notas Informativas para la Ponencia sobre la Unificación de los Seguros Sociales*, June 1933, No. 4. This was a pamphlet aimed at informing the public about the work of the Commission. It is a good example of how different the Republican and Francoist policy styles were. The openness during the former contrasts sharply with the secrecy of the policy process during the Francoist dictatorship.

<sup>15</sup> For the data on the works of this commission, see *INP Archive* [4.23.B2], Sub-file 49-1.



The second Sub-Committee, in charge of designing the kind of benefits, decided to provide medical assistance, pharmaceutical and hospital services and economic transfers of a maximum of 50 per cent of the wage. The hospital service should be provided by the *SOE* itself, although it could reach agreements with other institutions in the form of joint schemes. Quite important was the issue of how doctors were to be selected. The *INP* remained as the institution responsible for this and the full organisation of the human resources of the system.

The third Sub-Committee dealt with the difficult issue of organising the management of the system. It was decided that the *INP* would be the only institution in charge of the scheme, ruling out the possibility of private insurance companies and private health institutions administering the *SOE*. Only the Syndical Organisation was allowed by the Sub-Committee to collaborate with the *INP*, but later the Commission rejected this possibility.

The Sub-Committee in charge of organising the financial administration of the system established that it should be based on the contributions of employers and employees, with the state collaborating in the creation of a set-up capital to help establishing the scheme. It was due to be organised as a pay-as-you-go system.

The work of the Sub-Committees ended at the beginning of November 1941, and the Commission came back to function in assembly again. One of the first things that the Commission had to discuss was the report sent by the Falangist-controlled National Syndicate of Insurance, a section of the National Office of Syndicates, on 5 November 1941, containing their proposal of creating a sickness insurance scheme. This proposal was substantially different to the first draft written by the different Sub-Committees. Thus, the scheme was proposed to be compulsory only for wage-earning workers and voluntary for the rest, to be run by different public and private institutions, each one of them able to select their own team of doctors and nurses and funded only by the contributions of the employers. Employees were not supposed to contribute and the state was responsible for backing up the scheme by subsidising the private insurance institutions. Last but not least, the National Syndicate of Insurance proposed to start applying the system to only one illness,

tuberculosis, three years later expanding it to all chronic diseases and finally to all kinds of illnesses.

A big debate in the Commission arose when discussing whether the scheme should be applied all in once or whether it should otherwise be applied step-by-step, these gradual steps being by illnesses or by population sectors. While some members of the Commission thought that it was better to start by implementing the scheme in industry and later include rural workers, others such as Rodrigo Uría or Jordana de Pozas thought that it could be introduced in both sectors at the same time. Falangists such as De la Fuente Chao and Fernández de la Portilla were very keen on protecting agricultural workers, the latter making his case that actually they should be the ones first benefiting from the *SOE* rather than the industrial workers<sup>16</sup>. In addition, some members (those representing the National Board of Trustees for Fighting Tuberculosis and the Council of Doctors and Clinicians) thought that it was better to start applying the scheme to some illnesses first, while others (representatives of the *INP* and the Syndical Foundation of 18 July) argued for implementation all at once.

It was on 30 April 1942, at the last meeting of the Commission, when the struggle between departments and families of the regime came to the surface. As was offered the opportunity to members of the Commission to present their minority reports or comments on the definitive text, Falangist De La Fuente Chao made the case for the Syndical Foundation of 18 July to take over the organisation of the health aspects of the insurance scheme. De la Fuente Chao proposed to split the health section from the economic organisation, the latter to be left under control of the *INP*. In addition, the Syndical Foundation had to be entitled to designate the staff of the health services. Quite strangely, De La Fuente Chao withdrew this proposal when it came to discussion.

The draft of this first Commission together with the minority reports of some dissenting members were all sent to the Ministry of Labour. In this draft<sup>17</sup>, the scheme was

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<sup>16</sup> Minutes of the Governing Body of the *INP*, 26 November 1941.

<sup>17</sup> See the *Anteproyecto de Ley de Seguro de Enfermedad*, *INP* Archive [4.23.B2], Sub-file 49-1, document 57.



available to all workers with low income, including wage-earners, domestic workers and self-employed people. But it was not supposed to cover those workers already benefiting from the Old Age Pension Scheme. It provided medical assistance, pharmaceutical and hospital services, together with cash payments of 50 per cent of the worker's salary. The scheme was to be funded by the contributions of workers and employers, plus subsidies and a special contribution from the state.

In the draft, the *INP* was given responsibility to further specify different aspects which were not regulated in the Law. For example, the *INP* could expand the time the patient could receive medical assistance (Article 11) or could stay in hospital (Article 13). In addition, Articles 26, 27 and 28 granted the *INP* the right to organise and run the scheme, freedom to sign agreements with other public or private institutions collaborating in the provision of services and instructed the *INP* to co-ordinate with the Health Authorities –that is, the General Directorate of Health. Article 27, about the collaboration with other institutions, had been rejected by De la Fuente Chao in his proposal, and, as we will see, would be suppressed in the second Commission. Article 29 declared that the Medical Services of the Scheme should be organised by the *INP*, and Article 30 gave it the right to agree the provision of services with different public bodies or private institutions.

### ***The Second Commission***

With no apparent reason, the Ministry of Labour set up<sup>18</sup>, by the Order of 28 October 1942 a new Commission to review the work of the first Commission, comprising the following people:



***The Second Commission, SOE Law, October 1942***

	Social Catholics	Falangists
President (Under-Secretary of the Ministry of Labour)	Luis Jordana	Esteban Pérez
General Director of Social Insurance		Buenaventura J. Castro Rial
Commissary of the <i>INP</i>		Jesús Rivero
Sub-Commissary of the <i>INP</i>		Alfonso de la Fuente
Chief of the Syndical Foundation of 18 July	José Álvarez Ude Primitivo de la Quintana	
Chief Actuary of the <i>INP</i>		
Health Inspector		Sebastián Criado
National Secretary of Ex-Combatants		José Martínez
Chief of the Section of Social Insurance Schemes of the Ministry of Labour		

In this second Commission, Falangists were in majority, although Criado del Rey never took part of it because he soon left to Russia to fight for Hitler in the *División Azul*. Although the *INP* was still represented, all the representatives of other departments or interest groups that were in the first Commission, such as the representatives of the National Board of Trustees for Fighting Tuberculosis or the Council of Doctors and Clinicians (precisely the toughest opposition) were not in this one.

As I say, there was no apparent need for the setting up of a new Commission. The first one had done its job and produced quite a reasonable result. Most probably, Falangists were not very pleased with the results of the first Commission and decided to start over again with a more “supportive” team of people. The reason why Girón de Velasco could do this was because of the absence of regulations within the Ministry of Labour.

This second Commission started working even before it was officially established. The first session was on 26 October 1942. At this stage, the only minority reports were those of Fernández de la Portilla, De la Fuente Chao<sup>19</sup> and Benítez Franco. The Commission rejected the idea of gradually establishing the *SOE*, starting from the “tuberculosis scheme” as appeared in the documents presented by Fernández de la Portilla and Benítez Franco.

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<sup>18</sup> Order of the Ministry of Labour, 28 October 1942, published in the *BOE*, 6 November 1942.

<sup>19</sup> I cannot pinpoint when he re-introduced his document again.

In the second session, two days later, the Commission discussed De la Fuente Chao's private vote. As we already know, he argued that the Syndical Foundation of 18 July should be in charge of the health services of the *SOE*, without interference<sup>20</sup>. Another Falangist, Sebastián Criado del Rey was also in favour of allocating the medical services to the Syndical Foundation. The *INP* should be in charge of the economic transfers, again with sole control. Jordana de Pozas replied that such a clear-cut separation between monetary transfers and health services in a single insurance scheme was not possible and advised that the management of the system should not be fragmented. Obviously, Primitivo de la Quintana, as representative of the Ministry of Home Affairs, opposed De la Fuente's proposal, because the management of the health system would be fragmented under three authorities: the General Secretariat of the Movement (that is where the Syndical Foundation of 18 July was integrated), the Ministry of Home Affairs and the Ministry of Labour.

In the session of 4 November 1942, the Commission started reviewing the articles of the plan submitted by the previous team, introducing important changes. One of the improvements was the suppression of the clause which excluded from the Sickness Scheme those already receiving an Old Age Pension. However, this second Commission restricted the freedom to further regulate issues not considered by the Law, which the *INP* had been granted by the first Commission. Thus, now, the institution able to extend the time the patient could receive medical assistance was no longer the *INP*, but the Labour Minister<sup>21</sup>. Also, the Commission suppressed Article 27 of the first draft relating to the co-operating institutions with which the *INP* could establish agreements to run the scheme, as Falangist De la Fuente Chao had desired in his proposal to the first Commission. The same happened to Article 28 in which the *INP* was instructed to co-ordinate services with the Health Authorities. All these changes show how Falangists managed to alter the shape of the scheme and wrest control of it from the *INP* into their own hands.

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<sup>20</sup> His opinions were reinforced by the distribution among the members of the Commission of the document *Breves Comentarios al Seguro de Enfermedad*, issued by the National Office of Health of *FET de las JONS*. See the document in *INP* Archive [4.23.B2], Sub-file 49-1.

<sup>21</sup> Article 11.



In the next session, on 9 November 1942, the Commission discussed again the De la Fuente's proposal of transferring the management of the medical services to the Syndical Foundation of 18 July, which would run the medical services exclusively. At this stage, having accepted with resignation that the Falangists were going to be involved in the running of the medical services, it was this "sole control" that the representatives of the *INP* and other public bodies explicitly rejected. A consensus was reached on 12 November, based on a new formula proposed by Jordana de Pozas. As Articles 26, 27 and 28 stated: 'Article 26: The SOE is established under the responsibility of the *INP* as the only insurance institution. Article 27: Medical services of the SOE will be provided by the Syndical Foundation of 18 July, except when by virtue of direct joint schemes with the *INP* is carried out by institutions of the state, provincial or local authorities, or by other public or private institutions. In this latter case, a previous favourable report from the Syndical Foundation of 18 July is required. Article 28: Medical services of the SOE will be organised by the *INP*, in accordance with a national plan of installations and development and with the general plan developed by an interim commission presided by the Under-Secretary of Labour, who can delegate on the General Director of Social Insurance, and in which the General Directorate of Health, the National Office of Syndicates of FET de las JONS and the *INP* should be represented'.

This was thus a big victory for the Syndical Foundation of 18 July, which was allowed to provide the medical services, although their organisation and the rest of the system remained in the hands of the *INP*. In return, the latter was responsible for employing and organising the doctors and the rest of the staff of the medical services, which was something badly wanted by the Syndical Foundation which finally failed to acquire it. And the reference to the "exclusive" right of the Syndical Foundation was dropped and other institutions could participate in running the medical service provided the *INP* established joint schemes with them and the Syndical Foundation agreed on it. But the point to highlight here is that the participation of the Syndical Foundation was not an issue for the first Commission but just a personal opinion of one of its members. Only when a second



Commission was formed with an overwhelming majority of Falangists was it possible for the Syndical Foundation to succeed in its strategy.

The battle for the control of the management of the *SOE* was not only between the *INP* and the Falangists of the Syndical Foundation of 18 July, but also between the latter and the General Directorate of Health of the Ministry of Home Affairs, which was the public body traditionally responsible for the organisation of the public health system. Clearly, the General Directorate of Health was the real loser of this confrontation. In addition, the Council of Doctors and Clinicians and the National Board of Trustees for Fighting Tuberculosis did not even have the chance of taking part in the second Commission.

On 17 November 1942 this second Commission finished its work and sent all to the Ministry of Labour. The Law was finally passed on 14 December 1942 and published in the *BOE* on 27 December 1942.

Falangists quickly sought to obtain political benefits from the passing of the Law. On 12 January 1943, the National Chief of the Syndical Foundation of 18 July, Alfonso de La Fuente Chao gave a lecture in which he said that it was the *Falange* alone who had fought to set up the illness scheme. But suddenly, said De la Fuente, when everything was ready, there appeared 'by spontaneous offspring institutions and men that claim their right to run them'<sup>22</sup>. This was an obvious manipulation of reality, as it was the *INP* and not *Falange* which was the institution that had been most committed to the establishment of this Law. De la Fuente went on quoting the *INP*, the Colleges of Doctors and Clinicians the General Directorate of Health. He specifically criticised the latter for not relying on the capacity of the Syndical Foundation to set up and run efficiently the medical services of the *SOE*.

How was justified the admission of the Syndical Foundation to the running of the medical services before the public opinion? José Antonio Girón said in an interview in the newspaper *Ya* on 30 January 1943 that the split of the management of the *SOE* in two was

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<sup>22</sup> De la Fuente, A. (1943), *Comentarios a la Ley del Seguro de Enfermedad*, Madrid: Delegación Nacional de Sanidad de FET de las JONS, p.10.

based on “practical reasons”, but he did not explain which these were<sup>23</sup>. Those “practical reasons” justified that the Syndical Foundation of 18 July took over the medical services because it was the only institution that could ‘offer, with the guarantee of its professional efficacy, its capacity and determination to proselytise workers...We expect from the work of the Syndical Foundation an splendid performance in both spheres- the technical and the political one’<sup>24</sup>.

The Syndical Foundation could hardly provide a better service than the General Directorate of Health or the *INP*, having been created just a couple of years before. The true reason was explained a few lines below when Girón said: ‘So we offer all those critics of Falange the opportunity to see how well one of its organisations can work when it has the required economic support’. In fact, Alfonso de la Fuente Chao did not refer to practical or technical reasons when he first introduced his proposal of letting the Syndical Foundation of 18 July run the medical services of the scheme, while the first Commission was still at work on 30 April 1942. At that moment, De la Fuente had justified this by the exclusive role the Syndical Foundation had to care for the welfare of Spanish workers as was stated in the Law of Syndical Unity of 1940.

Therefore, more than technical reasons, what justified this transfer of services to the Syndical Foundation was the political motivation of proving how the *Falange* was able to implement policies and secure a place within the Francoist state. That is why Girón kept insisting that the *SOE* was an institution of the *Falange*<sup>25</sup>. And secondly, it was the role of the Syndical Foundation to enlist all doctors within its organisation, therefore gaining the crucial role of controlling one of the most powerful Spanish workforce sectors (Jordana de Pozas, 1944: 634).

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<sup>23</sup> In an interview given many years later, José Antonio Girón de Velasco said that the reason for letting the Syndical Foundation run the medical system was because members of the *INP* themselves (Jordana included) doubted whether the *INP* was going to be able to run it. See Guillén (1996: 180).

<sup>24</sup> The quote also appeared in *Boletín de Información del INP*, January 1943, No. 1, p. 2.

<sup>25</sup> Girón de Velasco, J.A., ‘La Colaboración en el Seguro de Enfermedad’, *Boletín de Información del INP*, January 1944, No. 1, p. 11.



*The Regulations of the SOE: the Sub-Committee*

Once the Law was passed, there was then the turn of writing the regulations that firmed up the practical aspects of the former. To this purpose, in January 1943, a Sub-Committee was appointed to write the first draft- the Regulations of the SOE<sup>26</sup>. It appears quite clearly that Girón de Velasco manoeuvred to place Falangists in the team. In fact, four out of the nine members were Falangists and, even more, they occupied the most important posts – President and Secretary<sup>27</sup>. The members of the Sub-Committee were:

*The Sub-Committee, SOE Regulations, January 1943*

	Social Catholics	Falangists	Technocrats
President	Luis Jordana	Agustín Aznar (replaced by Buenaventura J. Castro Rial)	José Gómez Sabugo
Secretary		Sebastián Criado	
Commissary of the INP			
Members	Primitivo de la Quintana	José María Barceló	
	José G. Álvarez Ude	Alfonso de la Fuente	
	Jorge Juan Bosh		

They started work on 22 January 1943 by answering a questionnaire prepared by Jordana de Pozas. Sebastián Criado del Rey compiled all the answers and from there the Sub-Committee went on working by writing article by article. The work was finished by May 1943 and presented to the Governing Body of the INP on 4 May 1943<sup>28</sup>. Following that, a bigger Commission was appointed to write the definitive draft.

<sup>26</sup> See the names of the members in the *Boletín de Información del INP*, January 1943, No.1, p. 90.

<sup>27</sup> It also appears to be a reward for those Falangists that had fought in the *División Azul*. Agustín Aznar and Sebastián Criado del Rey, who had enlisted in the Russian campaign, had just returned to Spain.

<sup>28</sup> Minutes of the Governing Body of the INP, 4 May 1943, No. 57.



*The Regulations of the SOE: the Commission*

The Commission was formed by representatives of a larger number of institutions than had taken part in the previous Sub-Committee. The General Council of Doctors asked the Ministry of Labour for the inclusion of its representative in the Commission, together with representatives of the Faculty of Medicine, the Royal Academy of Medicine, the General Council of Pharmacists, the College of Dentists and the College of Practitioners<sup>29</sup>. Their petition was ignored. The final composition of the Commission was as follows<sup>30</sup>:

<i>The Commission, SOE Regulations, June 1943</i>			
	Social Catholics	Falangists	Technocrats
President	Luis Jordana	Esteban Pérez	
Commissary of the <i>INP</i>			
Sub-Commissary of the <i>INP</i>		Jesús Rivero	
Members representing the National Office of Syndicates		Agustín Aznar	
		Alfonso de la Fuente	
	Mercedes Sanz		
	José María Barceló		
Members representing the General Delegation of Health		Rodolfo Reyes	Francisco Astigarraga
			Bartolomé Benítez
			Juan Muñoz
			Paulino Borrallo
			Saturnino García
Members representing the <i>INP</i>	Joaquín Espinosa	Buenaventura J. Castro	José Gómez
	Primitivo de la Quintana	Pablo Martínez	
	José Muñoz	Sebastián Criado	
	José Álvarez Ude	Isaac Galcerán Valdés	
	Juan Bosch Marín	Mariano Fuentes	

<sup>29</sup> Minutes of the Governing Body of the INP, 4 February 1943, No. 54.

<sup>30</sup> *Boletín de Información del INP*, June 1943, No. 6, p. 40.

In one month, the Commission managed to finish its work, sending the draft to the Ministry of Labour in July 1943<sup>31</sup>. The Regulations were finally passed as a Decree signed by Franco and Minister Girón on 11 November 1943<sup>32</sup>. The contents of the Law were specified in the Regulations, obviously without major changes. However, there were minor things, which show how the Minister could change aspects of the Law by exercising the power to issue regulations. For example, the Law stated that the scheme should be implemented in three stages, while the Decree of the Regulations reduced them to two<sup>33</sup>. Of more political importance were the additional provisions and the temporary provisions of the Decree of the Regulations, which granted the Labour Minister special powers. For example, he was entitled to resolve conflicts of jurisdiction between the *INP* and the other private and public institutions involved in the running of the scheme<sup>34</sup>.

In addition to the provision of medical services, the *Falange* also took over another role which originally belonged to the *INP*. The National Office of Syndicates managed to take charge of the process of registration of affiliates to the *SOE*, through the local offices of the Syndical Foundation of Social Insurance<sup>35</sup>. On 14 September 1944, the National Office and the *INP* signed the agreement that established the joint implementation of the *SOE*.

Once the Law and the Regulations were passed, the officials in charge of the system travelled around the world seeking information and advice. A commission of four, presided over by Sebastián Criado del Rey<sup>36</sup> went to Central Europe (Germany, Austria, Bohemia and Moravia, Slovakia, Rumania, Hungary and Bulgaria) between July and September 1943. They met top echelon officials and visited different public institutions and also private social insurance organisations such as the Sickness Fund of the firm Siemens in Germany, the

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<sup>31</sup> *Boletín de Información del INP*, July-August 1943, Nos. 7-8, p. 154.

<sup>32</sup> *BOE*, 28 November 1943.

<sup>33</sup> Compare the Fifth Temporary Provision of the Law of 14 December 1942, *BOE*, 27 December 1942 and the First Temporary Provision of the Regulations of the Decree of 11 November 1943, *BOE*, 28 November 1943.

<sup>34</sup> Second Additional Provision of the Regulations of the Decree of 11 November 1943, *BOE*, 28 November 1943.

<sup>35</sup> Minutes of the Governing Body of the *INP*, 28 June 1944, No. 71.

<sup>36</sup> Together with Alvarez Ude, Maestro y Maestro, and Saez de Miera.



Central Institute of Social Insurance in Prague or the Hungarian Institute of Sickness Insurance for Private Employees.

On the other hand, a second team<sup>37</sup> travelled to the United States with the same purpose in October 1945. If the trip to Central Europe sought to acquire knowledge on how to organise the administrative functioning of the system, this one was looking for innovations in health supplies and hospital architectural designs.

A final word is necessary on the health professionals' position to the *SOE*. It has to be said that they did not have the chance of contributing to the making of the Law or the Regulations and that their opposition started quite late, in fact, after 1945. By the Order of 28 October 1947<sup>38</sup>, a commission to study and resolve the demands raised by doctors was set up. So, although doctors resisted the implementation of the *SOE*<sup>39</sup>, they were not influential in the early stages of the policy making process.

### 8.3. The Labour Mutual Aid Insurance Institutions

The Labour Mutual Aid Insurance Institutions were a creation fully inspired by Falangism. In fact, the Syndical Organisation was heavily involved in the running of these institutions, as it was responsible for informing the General Directorate of Social Insurance of any irregularities in their management or exerting political control over the people sitting in the Labour Mutual Aid Insurance Institutions' governing bodies (González Murillo, 1998: 844). In addition, the Syndical Organisation could create these institutions in those areas or

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<sup>37</sup> Formed by Eduardo Garay y Garay and Eduardo Shaw Loring.

<sup>38</sup> *BOE*, 29 October 1947.

<sup>39</sup> The fact that doctors did oppose the implementation of the *SOE* and presented a tough resistance is reflected in that Franco himself had to call for their change of attitude. It was in the speech given at the inauguration of the Hospital of the *SOE* in Ferrol. His words appeared on the *Revista Española de Seguridad Social*, September 1949, No. 9. In that same volume, Severino Aznar referred to the need to overcome the opposition of doctors against the *SOE*.



companies in which it thought it was needed or, on the contrary, veto their creation (González Murillo, 1998: 849).

In his memoirs, Girón de Velasco claimed his authorship of them and pointed out that *INP* officials, mainly Jordana de Pozas, were opposed to the establishment of these institutions (Girón 1994: 75). Alonso Olea confirms this: 'Jordana could not cope with the Labour Mutual Aid Insurance Institutions, which assumed the insurance of the old age and disability risks, leaving the old *SOVI* as a residual scheme' (Alonso Olea, 1997: 280). Girón presented the Labour Mutual Aid Insurance Institutions as a tool for promoting self-insurance among workers, reducing the bureaucracy of the state (thus, of the *INP*)<sup>40</sup>. He believed in the political potential of these institutions.

The Labour Mutual Aid Insurance Institutions blocked the development of the *SOVI* (Guillén, 1997: 155; Campos Egozcue, 1996: 243; Alonso Olea, 1997: 280). Due to this, they were heavily criticised by *INP* officials. Martí Bufill (1947: 168-74) pointed out that they were diverting funds that should have gone to improve the old age insurance scheme. But most importantly, he believed that the Labour Mutual Aid Insurance Institutions were a departure from the trend in social welfare (which was developing throughout the world) of providing a citizen-based social insurance pool. Instead, the Labour Mutual Aid Insurance Institutions were based on the principle of insurance with regard to professional categories, therefore benefits were dependent on the type of job and professional status. If the world trend was towards broadening insurance against social risks to the entire (working) population, the Labour Mutual Aid Insurance Institutions were a step back in this process. Moreover, their introduction further fragmented the management of the system, clashing with the prevailing trend of unifying schemes into a single institution.

Falangists claimed the paternity of the Labour Mutual Aid Insurance Institutions. Blanco (1954) defended them bitterly against critics such as social insurance experts Martí Bufill or Pérez Botija. By doing this, he revealed the deep discussions which were taking

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<sup>40</sup> Girón de Velasco, J. A. (1951), 'Discurso', *Primer Congreso Iberoamericano de Seguridad Social*, Madrid: Ministerio de Trabajo.

place at the time, in which these authors and others such as Jordana de Pozas were involved, but more important, the strong differences and political conflicts.

## **8.4. The Subsidy against Forced Unemployment and the Syndical Foundation for Fighting Unemployment**

Why the Subsidy against Forced Unemployment managed by the *INP*, was abolished in November 1944 at a moment when the economic situation did not foresee the ending of the unemployment situation? Why the Syndical Foundation for Fighting Unemployment had been established one year before, in July 1943? Was the latter the replacement of the former, therefore showing the power struggle between institutions?

In truth, the aim of the Syndical Foundation for Fighting Unemployment was not so much to grant an economic subsidy to unemployed workers (as was the aim of the Subsidy against Forced Unemployment) but to give them, simply, the chance of working. But even accepting the different aims of these schemes, it may also be the case that the Subsidy against Forced Unemployment was eliminated to hand over this welfare policy (unemployment benefits) to the Syndical Foundation.

Gonzalez Murillo, quoting Ritter, refers to how little effort totalitarian countries such as Nazi Germany put into creating unemployment schemes (González Murillo, 1998: 442), replacing them with programmes of active employment creation. Therefore, it could be that Falangists at the Ministry of Labour were inspired by the Nazi example when abolishing the Subsidy against Forced Unemployment and involving the Syndical Foundation in the solution of Spanish unemployment. In fact, this seems to be the case. The reason for the abolition of the subsidy was given by Labour Minister Girón de Velasco in that such a



scheme discouraged workers from returning to work<sup>41</sup>, and the Syndical Foundation, instead of transferring money, run programmes by which unemployed workers were employed temporarily in public works.

As a result of the competition from parallel institutions which ultimately replaced it, the Subsidy against Forced Unemployment Scheme was left in a precarious financial situation. Funds were diverted from it to cover other needs. For example, in March 1941, before Girón's appointment, two million pesetas of the National Fund against Unemployment were given to workers affected by the fire in the city of Santander<sup>42</sup>.

## 8.5. The Unification of Social Insurance Schemes

The plan of unifying all social insurance schemes in one single scheme had been, as we will see below, an old ambition of Spanish social reformers but it had never been achieved. Francoist social policy makers also attempted to unify the schemes in a single coherent system but again, failed to do so. The reasons for this failure still remain unexplained. If the plan of unifying the schemes had succeeded in the 1940s, Spain would have become one of the most advanced countries providing social protection for (at least) the working population. As will be shown, political struggles within the regime impeded the passing of laws unifying social insurance schemes.

### *Theories of Insurance Schemes Unification*

Before turning to the issue of how the policy process took place, it might be worthy to explain which were the positions at the time regarding this issue of unifying the social

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<sup>41</sup> Girón de Velasco, J. A. (1951), 'Discurso', *Primer Congreso Iberoamericano de Seguridad Social*, Madrid: Ministerio de Trabajo.

<sup>42</sup> BOE, 7 March 1941.



insurance schemes. Following González Posada (1948), three theories were at the disposal of policy makers at that time:

1. "Co-ordination" of the schemes: this consisted of the mere administrative co-ordination but keeping the schemes separate. For González Posada, this was the idea behind the Republican Plan of 1932 and of *INP* representatives such as Jiménez Vicente and Jordana de Pozas<sup>43</sup>. Leal Ramos (1947) claimed for total unification as soon as the situation allowed it<sup>44</sup>.
2. "Fusion": meaning the full unification of the schemes. But this was not, argued González Posada, because there was just a single social risk, as these are different, but because the right to receive social protection is just one. In González Posada's opinion, the Labour Charter and the Decree of 23 December 1944 would follow this theory. This position could also be found in Bufill (1945) and Ucelay Ramos (1949).
3. "Single Risk": it would mean that basically there is only one risk: the danger of losing the source of income. González Posada said that only López Nuñez had argued for this at the beginning of the century but had never managed to convince anyone.

Although González Posada does not specifically address it, William Beveridge's Plan of Social Security would be somewhere between the second and the third model. The individual has the right to receive social protection and the aim of any social welfare system is to avoid need. As I have already mentioned in Chapter Five, Beveridge's proposal attracted the attention of Spanish social insurance experts and policy-makers and generated supporters, but also critics of its viability for the Spanish economy.

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<sup>43</sup> I do not fully agree with González Posada on where to place Jordana. It is true that, although he brought Beveridge to Spain in 1946, he was however reluctant to establish a social security system in the country, because he doubted that the economy was going to be able to cope with it. But he did not want a mere administrative co-ordination of the schemes already in place either.

<sup>44</sup> *Ponencia sobre la Unificación de los Seguros Sociales*, Administrative Assembly of the *INP*, Barcelona, 30 January 1947: *INP* Archive [4.24.A1], File 53-1, Sub-file 3 entitled *Unificación de los Seguros Sociales, Año 1946*. Instead of the British example, Tena Ibarra proposed adopting the Rumanian model of 1938.

## *The Unification Plan during the Second Republic*

During the Second Republic, the *INP* took over the responsibility of making a draft of the law unifying social insurance schemes, the *Anteproyecto de Ley de Bases para la Unificación de los Seguros Sociales*<sup>45</sup>. The Minister of Labour Francisco Largo Caballero issued an Order on 10 May 1932 to create a Comprehensive Social Insurance Scheme, based on a single contribution from the employer and the employee, with subsidies from the state and protecting the worker against all possible social risks. It was however said that it was not compulsory to include in this unified scheme the Working Injuries Insurance Scheme, because as it was then, it was based on the exclusive responsibility of the employer<sup>46</sup>. The risk of becoming redundant and unemployed was not considered to be included in the Comprehensive Social Insurance Scheme either. Therefore, it was not aimed at protecting against all social risks but only disability, death, old age, maternity and illness.

To start with, the *INP* translated studies and laws produced in other countries which had unified their insurance systems. Several publications on this topic were produced. In addition, *INP* officials travelled to other countries, as did José María López Valencia to Italy. Having gathered enough information, the National Advisory Commission of Employers and Workers drafted a document in December 1934. The Board of Trustees of the *INP* also offered its own document drafted by Inocencio Jiménez Vicente and approved on 13 September 1935. Although both texts were very similar, they diverged in one fundamental point. The National Advisory Commission of Employers and Workers proposed creating a single scheme embracing the risks of old age, disability, death, maternity and illness, while the Board of Trustees of the *INP* preferred two schemes, one for the risks of old age, disability and death and another one for illness and maternity.

Both documents were reviewed by a Sub-Committee set up in 1936, formed by people that a decade later would become the key policy-makers during the Francoist period: Jordana de Pozas, Álvarez Ude, López Valencia and Ayats. The fact that these people were

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<sup>45</sup> *Boletín de Información del INP*, June 1943, No.6, p. 12.

<sup>46</sup> Order of the Ministry of Labour, 10 May 1932, published in the *Gaceta de Madrid*, 10 May 1932.



designing social insurance laws both during the Second Republic and during the Francoist regime reflects that in ideological terms, there was a continuum in the development of the Spanish social insurance system.

On 28 May 1936, the *Anteproyecto de Unificación de los Seguros Sociales* (draft of the Law of Unification of Social Insurance Schemes) was published in the *Gaceta de Madrid*, based on the proposal of the Board of Trustees of the *INP* of two separate schemes. A period of public consultations was opened, so institutions, groups or individuals had the chance to present their opinions in regard to the plan. From the documents presented, it can be seen that those most opposed to the plan were the private insurance companies such as the *Mutualidad de Seguros Mutuos Anayena*, which foresaw the collapse of the Spanish economy if the draft bill was finally passed<sup>47</sup>. Other groups were opposed to the unification but not to the co-ordination of different schemes<sup>48</sup>. However, institutions such as the Official College of Pharmacists of Oviedo (Asturias) or the General Directorate of Health saw the plan as an urgent need.

The draft was due to be discussed by Parliament, but it was postponed because of the request made by the Members of Parliament Ortega and Cánovas (Rico, year unknown) to expand the period of public consultation for another three months, until October 1936. The outbreak of the Civil War in July 1936 blocked the further development of the plan and its chance of becoming law.

### *The Unification Plan during Francoism*

As soon as the *INP* was re-constituted, at the very first session on 22 August 1938, the Governing Body of the *INP* expressed its concern regarding the unification of the social insurance schemes. In line with this concern, it can be understood why, when the *INP*

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<sup>47</sup> *INP* Archive [4.24.A1], File 53 entitled *Unificación de Seguros Sociales (Año 1935)*. Document entitled 'Contestaciones recibidas de Mutualidades de Accidentes de Trabajo'.

<sup>48</sup> See the letter sent by the *Mutualidad Comercial Aragonesa de Accidentes*, *INP* Archive [4.24.A1], File 53 entitled *Unificación de Seguros Sociales (Año 1935)*, Document entitled 'Contestaciones recibidas de Mutualidades de Accidentes de Trabajo'.



President Pablo Martínez Almeida set up regulations to organise the Institute and the National Fund of Family Subsidies, the General Director Jiménez Vicente opposed the measures arguing that they were a backwards step in the so-long awaited process of unification<sup>49</sup>.

Particularly pro-active in unifying the system was one member of the Governing Body of the *INP*, Vicente Madera Peña, an Asturian very committed to Social Catholicism, in particular the groups of the *Padre Vicent*<sup>50</sup>. In response to his requests, the Governing Body accepted to set up a sub-committee to draft the plan of unification. Due to this, the old drafts of the Second Republic were recovered and, following that, Severino Aznar and Álvarez Ude produced a document discussing the main issues and problems involved in the unification of several insurance schemes. Under the title of *Planteamiento de los Problemas más Discutibles en una Unificación de Seguros Sociales* (Mapping Out the Most Important Problems for the Unification of Social Insurance Schemes)<sup>51</sup>, this document was published on 18 October 1939.

All these documents were used by the Sub-Committee which passed its conclusions on to the Governing Body of the *INP* on 2 December 1939. The Governing Body discussed them and drafted a *Bases para la Preparación de un Proyecto de Ley sobre Seguros Sociales Unificados o Coordinados* (Notes for the Preparation of a Draft Law on a Package of Unified or Co-ordinated Social Insurance Schemes)<sup>52</sup>. This paper, sent to the Ministry of Labour a few days later, resembled very much the one drafted by the Board of Trustees of the *INP* in 1935, in proposing two parallel unified schemes<sup>53</sup>.

From this point onwards, several requests to set up the system as soon as possible, as designed in the Notes for the Preparation of a Draft Law, were made to the Ministry of Labour. Thus, Vicente Madera spoke before the Governing Body on 20

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<sup>49</sup> Minutes of the Governing Body of the *INP*, 22 April 1939, No. 8, p. 60.

<sup>50</sup> Minutes of the Governing Body of the *INP*, 22 April 1939, No. 8, p. 70.

<sup>51</sup> *INP* Archive [4.24.A1], File 53-1, Sub-file 2, entitled *Ponencia para el Estudio de un Proyecto Unificado de Seguros Sociales (Año 1939)*.

<sup>52</sup> Minutes of the Governing Body of the *INP*, 2 December 1939, No. 13, p. 76.

<sup>53</sup> See *INP* Archive [4.24.A1], File 53, entitled *Unificación de Seguros Sociales (Año 1935)*.

December 1940<sup>54</sup> and again on 11 June 1941<sup>55</sup>. Jordana de Pozas delivered a talk in the Second Syndical Council titled *El Principio de Unidad y los Seguros Sociales* (The Unification Principle and the Social Insurance Schemes)<sup>56</sup>, in which he argued for the unification of the schemes. This shows that top echelon members of the *INP* were committed to the idea of unifying the system, even though they were aware of the financial difficulties that such an enterprise would entail<sup>57</sup>.

The arrival of Girón de Velasco and the Falangist team at the Ministry of Labour in May 1941 changed the composition of the Governing Body of the *INP*, as we have already seen. In the first session of the new Governing Body, Luis Jordana de Pozas, one of the few who retained his post, explained the situation of the studies the *INP* had done regarding the unification of the different insurance schemes and asking for its quick implementation. The new *INP* President, Francisco Greño Pozurama, answered that the Ministry of Labour was aware of such studies but was actually more committed to the creation of the *SOE*.<sup>58</sup> Thus, Minister Girón de Velasco and his Falangist team decided to postpone any attempt to unify the insurance schemes. The reasons for this still remain unknown, but my guess is that the *SOE* was at the top of their agenda because it was easier and quicker to implement, therefore more profitable in political terms than the much more difficult Comprehensive Social Insurance Scheme. In any case, it reflects the extent of Minister Girón's power to decide on the shape and timing for a policy to be successfully implemented.

Sadly, this postponed the unification of the Spanish social insurance schemes for a few years. Although some members of the Governing Body kept pressing for it, as Jordana de Pozas did in March 1942<sup>59</sup> or an anonymous member in January 1944<sup>60</sup>, literally nothing happened. At least not until the end of 1944.

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<sup>54</sup> Minutes of the Governing Body of the *INP*, 20 December 1940, No. 27. In this session, the reform of the Family Subsidies Scheme was also discussed, but a decision was postponed until it was sorted out the issue of whether or not a Comprehensive Social Insurance Scheme was to be created.

<sup>55</sup> Minutes of the Governing Body of the *INP*, 11 June 1941, No. 34, p. 284.

<sup>56</sup> *Boletín de Información del INP*, July-August 1941, Nos. 7-8, pp. 21-2.

<sup>57</sup> Minutes of the Governing Body of the *INP*, 2 December 1939, No. 13, p. 76.

<sup>58</sup> Minutes of the Governing Body of the *INP*, 16 July 1941, No. 36, p. 294.

<sup>59</sup> Minutes of the Governing Body of the *INP*, 23 March 1942, No. 43.

<sup>60</sup> Minutes of the Governing Body of the *INP*, 26 January 1944, No. 66.



In October 1944, Jordana de Pozas requested once again the re-starting of the studies and action to establish a unified system of insurance schemes<sup>61</sup>. This time, the request seemed to cause the necessary impact to start things moving as a Decree of 23 December 1944<sup>62</sup>, which established a commission in charge of drafting the Law of the Comprehensive Social Insurance Scheme. In the preamble to the Decree, a universal Beveridge-style model of social security is specifically rejected, but also the mere administrative unification. As a result, the Comprehensive Social Insurance Scheme should be somewhere between the models, although unspecified<sup>63</sup>.

The Commission was formed by the Order of the Ministry of Labour on 23 January 1945 and it was composed of the following members<sup>64</sup>:

***The Commission, Unification of Social Insurance Schemes, January 1945***

	<b>Social Catholics</b>	<b>Falangists</b>	<b>Technocrats</b>
<b>President</b>	Luis Jordana	José Antonio Girón	Joaquín Ruíz Carlos J. González  Antonio Robert
<b>Vice-President</b>		Buenaventura J. Castro	
<b>Commissary of the INP</b>			
<b>Member representing the Ministry of Finance</b>			
<b>Members representing the Ministry of Labour</b>		Francisco Ruíz Pablo Martínez	
<b>Member representing the Ministry of Industry</b>			
<b>Member representing the Syndical Organisation</b>		Luis Estrada	
<b>Member representing the Ministry of Agriculture</b>		Pedro Rodríguez	

<sup>61</sup> Minutes of the Governing Body of the *INP*, 26 October 1944, No. 75.

<sup>62</sup> *BOE*, 14 January 1945.

<sup>63</sup> In the end, the whole Plan would end up as a simple administrative co-ordination. See González Posada (1948).

<sup>64</sup> *BOE*, 4 February 1945.



Compared with former commissions, such as the ones which drafted the *SOE*, the *INP* was very poorly represented on this Commission, as only one member of the Institute took part. It had been up to Minister Girón to decide who were to be its members, which explains the outstanding Falangist presence.

There was formed a sub-committee in charge of writing the first draft. The members were mostly Falangists:

*The Sub-Committee, Unification of Social Insurance Schemes, January 1945*

	Falangists	Technocrats
President	Buenaventura J. Castro	
Members	Francisco Ruiz	José Gómez
	Pablo Martínez	Francisco Ochoa
	José Luis Estrada	

Apart from Francisco Ochoa Luxan, who was the actuary of the General Directorate of Private Insurance, the rest of the members were all well-known and influential Falangists. What seems most odd was the fact that Luis Jordana de Pozas, the best expert on social insurance at the time, was left out of the Sub-Committee. Given this, the draft could not be anything else but of Falangist inspiration.

The Sub-Committee worked from the middle of February to the beginning of May 1945. It ignored the work and materials produced by previous committees, even the *Bases para la Preparación de un Proyecto de Ley sobre Seguros Sociales Unificados o Coordinados* of 1939 and, instead, this Sub-Committee wrote a document of 120 articles that did not resemble any of the previous plans. The document was ready on 12 May 1945.

Perhaps the most striking aspect of this plan was the way the system was going to be managed. In a clear distortion of the trend (nationally and internationally) of unifying the management, the Sub-Committee fragmented it. Private insurance companies and different public institutions were allowed to take part in the scheme and, above all, the Syndical Organisation played the most prominent role. The Syndical Organisation was granted the exclusive management of the system in those villages with less than 3,000 population, which

meant 7,578 out of 9,254 localities. In addition, in the rest of the cities that had more than that population, self-employed workers were also to affiliate via the Syndical Organisation. Thus, by far the largest part of the Spanish workforce would be affiliated to the Comprehensive Social Insurance Scheme managed by the Syndical Organisation.

In addition, although several organisations were allowed to organise the affiliations, the payment of cash benefits and the provision of services, the document of the Sub-Committee did not make any of these institutions responsible for insuring the affiliates. None of these institutions was taking the risk of backing the system with its own money. The draft set up a General Fund for doing this, but no public or private institution was directly responsible for it. In addition, the General Fund, whatever its organisation was, did not have the capacity to supervise, control or intervene in the institutions that actually ran the system, as they were only accountable to themselves.

The document was sent to the Commission, but, unbelievably, an Order from the Ministry of Labour on 28 May 1945<sup>65</sup> prohibited its discussion. This was an incredible intervention by Minister Girón de Velasco to avoid any further debates in the Commission on the draft of the Sub-Committee and shows the almost absolute power of Minister Girón de Velasco to actively veto. The members of the Commission and other groups with interests on this issue (such as the *Entidades Aseguradoras*<sup>66</sup> or the *Mutualidades Industriales y Agrícolas de Accidentes de Trabajo*<sup>67</sup>) were only allowed to send in their written comments to the President of the Commission and it was up to the Labour Minister what changes should be done to the draft. It was an obvious trick played by Girón and its team to avoid opposition and rejection from members of the Commission. Any process of public consultation was ruled out although, on 6 March 1945, Jordana himself presented to the

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<sup>65</sup> BOE, 6 March 1945.

<sup>66</sup> See the report that the directors of the private insurance companies (*Unión y el Fénix Español, Mutua CIA, Plus Ultra, Mutualidad General Agropecuaria, Mapfre* and others) sent to the Commission on 10 March 1945 in INP Archive [4.24.A1], File 55 entitled *Carpeta General de Seguro Total*, Sub-file 1, Section *Anteproyecto de Seguro Total*. Obviously, they praised the document.

<sup>67</sup> See the report of these institutions issued on 11 April 1945, in INP Archive [4.24.A1], File 55 entitled *Carpeta General de Seguro Total*, Sub-file 1, Section *Anteproyecto de Seguro Total*.



Commission a list of experts who could be consulted<sup>68</sup>. As I said, the Commission ignored this proposal and avoided any process of public consultation.

The issue at stake was such –basically the survival of the *INP*– that it demanded a rapid reaction from Luis Jordana de Pozas and the top echelon members of the Institute<sup>69</sup>. Jordana presented a long report<sup>70</sup> in which he addressed all the *INP*'s concerns and made a critique of the document of the Sub-Committee. Jordana started saying that the draft written by the Sub-Committee did not reflect the view of all its members, but just of the three who drafted it<sup>71</sup>. The text had fundamental errors, both in form and content, and lacked the necessary actuarial analysis. The plan was financially impossible to implement given the Spanish economic situation. In addition, Jordana accused the Sub-Committee of having ignored previous studies and even current Spanish legislation on social insurance, with the purpose of creating a completely new scheme which did not resemble even in the slightest form what had been the trend in the Spanish social welfare system. In Jordana's words: 'The system of managing the Comprehensive Social Insurance Scheme envisaged by the Sub-Committee has no precedents either in Spain or abroad'<sup>72</sup>. 'The organisational system adopted in the Draft cannot be said to be systematic. It is an unfortunate mixture of all the previous systems'<sup>73</sup>.

By granting permission to private insurance companies to run the Comprehensive Social Insurance Scheme, Jordana believed that the Sub-Committee failed to achieve the aims of the Decree of 23 December 1944. In his opinion, this Decree had only established

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<sup>68</sup> Most of the people on the list were well-known *INP* experts, academics or professionals, such as Zumalacárregui, Paris Eguilaz, Gascón y Marín, Severino Aznar, Greño Pozurama, Sangro y Ros, López Valencia, Camacho Baños, Pérez Botija, González Bueno and Vicente Madera Peña.

<sup>69</sup> In fact, it was such a serious situation that Jordana de Pozas wrote to each provincial *INP* representative to inform them of the latest developments, enclosing a copy of the Sub-Committee's draft. In Jordana's words: 'Given the importance of this issue, I have considered necessary to transmit this information to you'. See document entitled *A Todos los Delegados Provinciales*, *INP* Archive [4.24.A1], File 55 entitled *Carpeta General de Seguro Total*, Sub-file 1, Section *Anteproyecto de Seguro Total*.

<sup>70</sup> *Informe sobre el Anteproyecto de Ley de Seguro Total, por el Vocal de la Comisión, Luis Jordana de Pozas*, *INP* Archive [4.24.A1], File 55 entitled *Carpeta General de Seguro Total*, Sub-file 1, Section *Anteproyecto de Seguro Total*.

<sup>71</sup> I am afraid I have not been able to discover who these three men were.

<sup>72</sup> *Informe sobre el Anteproyecto...* p.24.

<sup>73</sup> *Informe sobre el Anteproyecto...* p.26.



the possibility of letting private companies to collaborate with the *INP* under its supervision, but had never allowed for their role as independent providers as was now granted by the Sub-Committee.

In addition, the Sub-Committee went on to regulate several issues which were not its responsibility, such as the organisation of the *INP*. Although not within its competence, Article 56 of the draft of the Sub-Committee established that a president and just six members would form the Governing Body of the *INP*. Also, instead of the prevailing situation by which the *INP* depended on the Ministry of Labour and its Commissary was acknowledged as a General Director, the draft of the Sub-Committee placed the *INP* under the presidency of a state appointee who was not more than a Chief of Administration. Therefore, the *INP* was to lose political power and relevance in the administrative organisation of the Spanish state.

Quite understandable, Jordana fiercely opposed such an attack towards the institute and denounced the 'degradation and condemnation without previous trial of the *INP* and the social insurance system that it represents. The Draft means the abandonment of the policy trend followed in Spain since 1908 in regard to social insurance, but without giving reasons for justifying such a surprising change of direction, which cannot be based on the Decree which set up the Commission responsible for writing the draft nor in agreements made by it'<sup>74</sup>.

Jordana de Pozas concluded that as such the draft of the Sub-Committee was not acceptable and claimed for its withdrawal. In any case, he did not have a chance to vote it off in the Commission, because, as I have already explained, the Minister of Labour ruled out that possibility.

We know that the draft never became law but its fate is still unknown, first within the Ministry of Labour and later in the Council of Ministers, if it ever reached that stage. Most probably, the plan was so fiercely rejected by the *INP*, the General Directorate of

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<sup>74</sup> *Informe sobre el Anteproyecto...* p. 27.

Health of the Ministry of Home Affairs and the Ministry of Finance (because it clearly showed the Falangist desire to take over the whole insurance system) that it simply was blocked in the Council of Ministers. Because of the government crisis of 1945, the Falangist strategy to monopolise the social welfare system failed.

It is my belief that this Falangist attempt to take over the public insurance system by drafting the Law of May 1945 also led to a deadlock in social policy innovations for more than a decade. The danger for the *INP* had been so real that none of its members wanted to re-open the Pandora's Box<sup>75</sup>. At most, the only thing achieved was the setting up of a Sub-Committee within the Governing Body of the *INP* in January 1946 to study the administrative unification of the processes of affiliation and payment of the schemes, and the minimum age to be able to affiliate (14 years of age). In fact, when Jordana de Pozas was interviewed on the *Radio Nacional* on 28 December 1947 about the new plans the *INP* had in mind, he replied that these were the new stage of the SOE and the implementation of the plan of its medical installations. That was all, not even a slightest reference to the Comprehensive Social Insurance Scheme<sup>76</sup>.

On the contrary, only Falangists kept pressing for the introduction of such a unified system. The *Falange* proposed to start by applying this scheme only to agricultural workers, arguing that it would be easier to expand it later to the entire working population<sup>77</sup>. In February 1945, the Ministry of Agriculture presented the *INP* a plan to set up the Comprehensive Social Insurance Scheme for the rural workforce. It was to be organised by the Rural Brotherhood Associations, which were groups of rural workers organised by districts. The system was fragmented, lacking a common financial fund, and its administrative and technical organisation were so bad<sup>78</sup> that it was rejected by the *INP*<sup>79</sup>.

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<sup>75</sup> I only found a brief reference to the Comprehensive Social Insurance Scheme in the Minutes of the Governing Body of the *INP*, 20 December 1946, No. 105.

<sup>76</sup> *Revista Española de Seguridad Social*, January 1948, No.1, pp. 43-7.

<sup>77</sup> See the letter sent by the National Delegate of Syndicates, Fermín Sanz Orrio on 16 January 1946 to the General Director of Social Insurance. *INP* Archive [4.24.A1], File 55 entitled *Carpeta General de Seguro Total*, Sub-file 2 entitled *Seguro Total en la Agricultura*.

<sup>78</sup> See the report issued by the Director of the National Fund of Family Subsidies of the *INP* on 18 May 1946: *INP* Archive [4.24.A1], File 55 entitled *Carpeta General de Seguro Total*, Sub-file 2 entitled *Seguro Total en la Agricultura*.



In the First National Congress of Spanish Workers, held in November 1946, one of its commissions urged for the urgent implementation of the Comprehensive Social Insurance Scheme. In July 1948, the General Directorate of Social Insurance issued an order to push for again the study of the unification of the social insurance schemes. As a result, by the Decree of 29 December 1948 (later modified by the Decree of 17 June 1949), affiliation processes were simplified and a single contribution payment was set up for the *SOVI*, *SOE* and Family Subsidies.

## 8.6. Conclusion

The struggle between Falangism and Social Catholicism for the control of the Francoist social insurance system took the form of conflicts between institutions – the General Directorate of Social Insurance (reporting to the Ministry of Labour) and the Syndical Organisation on the one hand and the *INP* on the other.

This struggle resulted in the Syndical Organisation taking over some of the functions which would initially have belonged to the *INP*. Thus, the Syndical Organisation obtained the responsibility for extending the Family Subsidies Scheme to the agricultural workforce, for running the maternity and paediatric services of the Maternity Insurance Scheme and for providing the healthcare services of the *SOE*. The Syndical Organisation managed to take charge of the process of registration of affiliates to the *SOE*, through the local offices of the Syndical Foundation of Social Insurance.

In addition, the Syndical Foundation for Fighting Unemployment replaced the

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<sup>79</sup> See Minutes of the Governing Body of the *INP*, 26 June 1946, No. 100. All the members of the Governing Body except Norte Ramón voted against the plan.



Subsidy against Forced Unemployment, which was abolished. It is no surprise, therefore, that the whole Francoist social insurance system ended up as highly fragmented.

Actors used the institutional resources at their disposal. Above all policy-makers, Minister Girón benefited from the immense power that Francoist ministers had, thanks to certain non-democratic institutions. First, the lack of specific regulations allowed him to set up commissions and sub-committees at will, composed of the people he chose freely. That is why Girón opted to create a second commission to draft the *SOE* bill, after the first one had rejected the proposal of the Syndical Foundation of 18 July to take over the organisation of the health aspects of the Sickness Insurance Scheme. The second Commission, with Falangist majority, gave the running of the health services to the Syndical Foundation. In the case of the policy-making process for the unification of all insurance schemes, we find something similar. In the Commission chosen by Girón there was an overwhelming majority of Falangist members, but even more in the Sub-Committee – no wonder why the Syndical Organisation was granted the monopoly to affiliate the largest part of the Spanish workforce and to run the Comprehensive Social Insurance Scheme. Moreover, Minister Girón prohibited the discussion of the work of the Sub-Committee by the Commission, in which it would have been fiercely criticised and eventually rejected by *INP* and other departmental representatives.

Secondly, the content of the laws could be slightly changed by the Minister by exercising the power to issue regulations. That is what happened with the Regulations of the *SOE*, which granted the Labour Minister special powers to resolve conflicts of jurisdiction between the *INP* and the other private and public institutions involved in the running of the scheme.

Thirdly, Minister Girón resorted to the use of the decree to pass all these reforms and policies. As I have already explained, the decree carried the signature of Franco and the relevant Minister. This meant that, as long as the Minister had Franco's support and approval, he could pass legislation via decree, without needing to face possible opposition at the Council of Ministers. Most probably, this is what happened during the troubled years of

the first half of the 1940s, in which most of the developments reviewed in this chapter took place.

It is also worth noting that there were small but revealing differences in the policy-making practices and styles between 1936 and 1950. If the different public and private institutions were able to, at least, discuss the draft of the 1938 Regulations of the Family Subsidies Scheme, this did not happen with other policies from 1941 onwards. Institutions such as General Council of Doctors, the Faculty of Medicine, the Royal Academy of Medicine, the General Council of Pharmacists and the College of Dentists, were left out of the process of discussing and writing the drafts of the Law of the *SOE* and its Regulations. Although the General Council of Doctors and the Anti-Tuberculosis National Fund took part in the first Commission of the Law of the *SOE*, their predictable opposition to the Falangist strategy led the Minister not to include them in the second one. With regard to the plan for the unification of the social insurance schemes, any process of public consultation was ruled out.

# Conclusion



The political struggle between Falangist and Social Catholics for the control of the Francoist social insurance system shaped the way the latter developed. The study of the evolution of the *INP* between 1936 and 1950 and the policy processes that led to the passing of each social insurance scheme have reflected such a struggle.

*FET de las JONS* was trying to acquire spheres of influence at the time the party and its dependent institutions were being put at the service of the state. *FET de las JONS*' strategy consisted of duplicating state institutions and public bodies with its party parallels.

The political struggle took place within the institutional framework of the non-democratic regime. There were a set of political institutions which clearly reflected its non-democratic nature, leading to a policy making process which was highly centred on the minister and very ill-defined when it came to roles and jurisdictional competence. Minister Girón de Velasco became the most crucial actor, not so much in inspiring or drafting policies, but in manoeuvring in order to achieve *Falange*'s goals by making use of the non-democratic institutional resources at his disposal. Helped by the lack of regulations in the Ministry of Labour, he managed to set up commissions and sub-committees at will, and placed his Falangist comrades in them. Using his ministerial power of issuing regulations, he succeeded in re-shaping social policy outputs. Counting on the support of Franco (who explicitly gave him permission to do so), he passed policy initiatives in the form of ministerial decrees and orders, thus avoiding criticisms and rejections from the Council of Ministers and the Council of State.

The result was a social insurance system formed by a series of compulsory insurance schemes which, all in all, covered most of the possible risks for the worker and his/her family: old age, disability, death, professional accident, sickness, the birth of children and the maintenance of the family. But schemes overlapped with each other. The Labour Mutual Aid Insurance Institutions competed with the *INP* Insurance Schemes, blocking the development of the *SOVI*. Family Plus duplicated the Family Subsidies Scheme. In addition, the welfare institutions of the Syndical Foundations also provided their own insurance and healthcare services.

The management of the system was highly complex. Several institutions were in charge of organising and running different services, increasing inefficiency. Thus, the Syndical Organisation got the responsibility for extending the Family Subsidies Scheme to the agricultural workforce, for running the Maternity and Paediatric Services of the Maternity Insurance Scheme and for providing the healthcare services of the *SOE*. The Syndical Organisation managed to take charge of the process of registration of affiliates to the *SOE*, through the local offices of the Syndical Foundation of Social Insurance. In addition, the Syndical Foundation for Fighting Unemployment replaced the Subsidy against Forced Unemployment, which was abolished.

On the other hand, the Francoist social insurance system was a workers' protection system, not a citizens' protection system. It lacked universal coverage of the whole population, because it was envisaged to protect only those workers participating in the formal labour market and because the benefits were obtained on the basis of being a worker or dependent upon someone who was a worker. The level of state spending on the insurance system was minimal and its funding relied wholly on workers' and employers' contributions.

These developments coincided with the wave of social reforms which shook the world in the 1940s, provoking the introduction of new social policies. At the same time that Francoism was setting up a fragmented and limited social insurance system, the idea of implementing comprehensive and complete social security systems (as, for example, in the Beveridge Plan) was gaining ground all over the world.

Why did Francoism fail to adopt a social security system? In my opinion, factors such as the Catholic culture, the dire economic situation after the Civil War or the lack of a labour movement cannot explain the inability of Francoism to imitate the innovations elsewhere and establish a more comprehensive and universal social security model. In fact, elite groups within the regime in the most autarkic phase of Francoism were well aware of policy developments across the world, were advocating more extended and generous social benefits and were proposing a Comprehensive Social Insurance Scheme. Innovative ideas and policy solutions similar to those of other countries were on many Spanish policy-

makers' agendas at that time and alternative plans were proposed and discussed– from the more conservative and minimal to the most radical and generous in terms of benefits, coverage and organisation. Above all, what explains the adoption of a social insurance model is the role exerted by those political institutions of the non-democratic regime which shaped the actions of those involved in the power struggle.

My aim now is to suggest the possible usefulness for comparative purposes of my study of the Francoist social insurance system and the institutional theoretical framework developed here. Obviously, the mapping out of the development of the Francoist social welfare system between 1950 and 1975 is the first evident future continuation of my research. Having identified a first period between 1936 and 1950, the second phase would be between 1950 and 1963, when the Law of Social Security was passed. The final phase would embrace those years between 1963 and the transformation of the system, with the transition to democracy after Franco's death in 1975. In both cases, an institutional approach can satisfactorily explain what happened. The economic reforms of the Development Plans at the end of the 1950s and political reforms (such as the government crisis of 1957 which ejected Girón de Velasco from the Ministry of Labour, the Law of Litigious-Administrative Jurisdiction of 1956 with its implications for the policy-making process or the passing of regulations for the Ministry of Labour), together with the arrival of new generations of economists and social insurance experts (many of them trained abroad) opened a window of opportunity for the implementation of a social security plan. By the same token, the transition to democracy explains the introduction of new social welfare institutions and the abolishment of the *INP* and the rest of Francoist social insurance schemes.

Secondly, I hope I have advanced our knowledge on how the policy process takes place in non-democratic regimes. There is still a long way ahead in our learning of how policies are created and implemented in those political systems. Thus, specific case studies help to accumulate the necessary knowledge that eventually will facilitate the production of a theory of the non-democratic policy process. There is now room for comparisons with other non-democratic regimes to find out whether ideas, actors and institutions have different



patterns of interaction to those of democratic regimes. Even more, if distinctive sub-patterns are found within the non-democratic category (suggesting, for example, the existence of different policy processes between authoritarian and totalitarian regimes), there might be a possibility that comparative research would overcome the current deadlock of the debate on political regimes.

Thirdly and finally, I believe that my study is one of the few (if not the only one) which has directly tried to explain the origins and development of non-democratic welfare states. Thus, more research is needed. Although the thesis has only researched one case study, the comparative approach has always been somehow present. I have been particularly interested in three other cases: the social insurance systems of Vargas in Brazil, Salazar in Portugal and Perón in Argentina. For reasons of space and time, I cannot offer a comprehensive overview of these cases, but I would like to advance a glimpse of how my theoretical framework can be applied to just one case-study: Perón's social insurance system.

### ***Juan Domingo Perón and Argentina's Social Insurance System***

The political developments which occurred in Argentina during the 1940s had an impact on the development of the social welfare system. The military coup d'état of June 1943 promoted Juan Domingo Perón to the post of Minister of War (Brooker, 1995). At the end of 1943, Perón became Secretary of Labour and Welfare and later, in July 1944, Vice-President of the Republic.

By the Decree-Law of 1944, the National Institute of Social Insurance, the institution in charge of centrally controlling and running the social insurance schemes was created. The National Institute of Social Insurance was supposed to directly manage and administrate the social insurance system in a unified way. Therefore, the Decree-Law designed a prospect of institutional unification of all insurance schemes.

At that moment, Argentina's policy makers were seriously considering the possibility of creating a unified and universal system of social security. In 1945, José Arce

published his proposal of creating a system based on Beveridge's principles<sup>1</sup>. In May 1946, the President of the National Institute of Social Insurance, Ricardo Riguera, published the study entitled *Seguro Social Integral*, in which he proposed to progressively integrate the fragmented social insurance schemes (provided by the different occupation-based funds) in a single scheme, to unify contributions, to bring wealthier citizens into the system and to cover all social risks.

However, social policy developments followed an exactly opposite direction. As Secretary of Labour and Welfare, Perón started granting social benefits to different categories of workers: judges, policemen, commerce employees, railway workers, industrial workers, military and civil servants (Mesa-Lago, 1977). The reason for this lay in the power struggles within the regime and the weak position of Perón, who therefore needed to co-opt social groups and gain support from the working masses. The institutional resources provided by his position as Vice-President of the Republic permitted him to manoeuvre to alter the shape of the social insurance system.

Perón escaped the attempted coup against him, thanks to the massive popular demonstration of 17 October 1945, which forced the coup leaders to quit. With such support from the population, he won the presidential elections of 24 February 1946. His government soon moved into a "military type of ideological one-party system" (Brooker, 1995). The discourse of the regime was organised around populist ideas of social justice, nationalism and economic independence.

However, the economic growth of the immediate post-war years started to decline by the end of the 1940s. The 1946 Economic Plan proved incapable of solving the crisis, forcing the regime to set up a new economic strategy in 1952. The economic crisis boosted the discontent of both the masses and the elite groups and especially of a growing section of the military. The failed 1951 coup d'état was a symptom of the dangerous situation of Perón's regime. It was in this atmosphere of economic crisis and political weakness that the Law

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<sup>1</sup> Arce, J. (1945), *Seguridad Social en la Argentina*, Buenos Aires: Losada.

passed in 1953 reformed the existing social welfare system (put in place by the Decree-Law of 1944).

The 1953 Law stripped the National Institute of Social Insurance of its power to run the social insurance system, bringing the insurance funds and similar private insurance institutions back into play. The Law stated that the National Institute of Social Insurance should not have affiliated members, run any social insurance scheme directly, or be self-funded. It only granted the Institute a supervisory role over the work of the Funds, from whose budgets it should be financed. It was then that the Mutual Aid Insurance Institutions became the key actors in running the insurance system, under the control of the General Directorate of Mutual Aid Insurance Institutions of the Ministry of Labour and Social Security. Again, Perón's institutional resources granted him the ability to do this.

Finally, in 1954, a military coup brought the dictatorship to an end. Perón marched into exile and subsequent laws only fragmented the system even more. By the Social Insurance Law of 1954, other schemes were established –for independent workers, businessmen and professionals and later for rural workers and for household workers.

As in Francoism, political struggles within the non-democratic institutions of Peronism shaped the evolution of the social insurance system. In both cases, as happened in all the non-democratic regimes of Latin America and Southern Europe, social insurance schemes, instead of social security systems, were set up.



# Appendix

# **Ideological Profiles of the Members of the Governing Body and the Permanent Commission of the *INP* and of the different Commissions and Sub-Committees<sup>1</sup>**

## **Álvarez Sotomayor, Germán**

Falangist. In 1941, he was National Delegate of Syndicates (Rodríguez Jiménez, 2000).

## **Álvarez Ude, José G.**

Social Catholic. Expert on social insurance. Member of the *INP* since the 1920s.

## **Astigarraga Luzón, Francisco**

I have not been able to find detailed information on him.

## **Ayats Surribas, José**

Social Catholic. Expert Actuary of the *INP*.

## **Azaola Ondarza, Ramón**

As member of the Governing Body representing the National Office of Syndicates, most probably he was Falangist.

## **Aznar Embid, Agustín**

Falangist, one of the founders of the Spanish University Syndicate. Doctor. Member of the National Council of *FET de las JONS* from 1937 to June 1938, when he was imprisoned, charged with trying to reform the party. Volunteer to the *División Azul*. Agustín Embid was son of Severino Aznar Embid.

## **Aznar, Severino**

Social Catholic. The most important Spanish Social Catholic sociologist of the first half of the twentieth century. Member of the *INP* since the 1920s. Chief of the National Service of Insurance. Founder in 1919 of the Christian Democratic Party *Grupo de la Democracia Cristiana*.

## **Barceló Plá, José María**

Falangist. Doctor.

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<sup>1</sup>For gathering these data, I have used: Jerez Mir (1982); *Diccionario Biográfico Español Contemporáneo*, (1970), Madrid: Círculos de Amigos de la Historia; *Who is who in Spain, 1963* (1963), Barcelona: Herder; *Quién es quién en las cortes españolas* (1971), Madrid: Documentación Española Contemporánea.

**Baylos Corroza, Hermenegildo**

Catholic, member of the ACNdeP. University Professor.

**Benitez Franco, Bartolomé**

I have not been able to find detailed information on him.

**Borrallo, Paulino**

Expert on Pharmaceutics. PhD in Pharmacy and Professor of Chemistry. Member of the Royal Academy of Pharmacy since 1922.

**Bosch Marín, Jorge Juan**

Social Catholic. Expert on Health issues. Doctor. Member of the *INP* since the 1920s.

**Brievas Sánchez, Manuel**

I have not been able to find detailed information on him.

**Camacho Baños, Fernando**

Social Catholic. Member of the Conservative-Catholic Party *Acción Popular*. Appointed Under-Secretary of Finance in June 1941.

**Cárdenas Llanera, Joaquín**

Military. General. I guess he was related to the Andalusian horse owner Miguel Angel Cárdenas Llanera.

**Castro Rial, Buenaventura José**

Falangist. Professor of Commercial Law. *Procurador* in the *Cortes*.

**Cavestany Anduaga, Rafael**

Falangist. Minister of Agriculture in 1941.

**Corral Sáiz, Jose Luis**

Military. Jerez Mir (1982) identified him as a Falangist. *Procurador* in the *Cortes*.

**Criado del Rey, Sebastián**

Falangist. Volunteer to the *División Azul*.

**Durán Torres de Castro, Antonio**

As member of the Governing Body representing the National Office of Syndicates, most probably he was Falangist.



**Espinosa Ferrándiz, Joaquín**

Social Catholic. In 1927, he was the President of the Catholic Organisation *Federación de Estudiantes Católicos de Madrid*. Doctor. Member of the *INP* since the 1930s.

**Estrada y Segaler, Luis**

Falangist.

**Fernández Bedía, Valentín**

Secretary of the Governing Body of the *INP*. I consider him to be a technocrat.

**Fernández de la Portilla, José**

I have not been able to find detailed information on him.

**Fernández Sopena, Ramón**

I have not been able to find detailed information on him.

**Ferratges Tarrida, Antonio**

Technocrat.

**Fuente Chao, Alfonso de la**

Falangist, member of the National Council of *FET de las JONS*. *Procurador* in the *Cortes*. He was a doctor. National Secretary of Health. Director of the National Institute of Medicine and Safety at Work. Director of the journal *SER*. Member of the Royal Academy of Medicine.

**Fuentes Cascajares, Mariano**

Falangist. He was Luis Jordana de Pozas's brother-in-law. His niece, Maria Luisa Jordana de Pozas, does not catalogue him as Falangist (interviewed on 28 May 2000). He had worked since 1925 in the *INP*. In January 1944, he replaced José Muñoz Rodríguez Laborda as Director of the National Fund of Family Subsidies.

**Galcerán Valdés, Isaac**

Falangist. In 1938, Galcerán was General Secretary of the *Caja Asturiana de Previsión*.

**Gamín de Guilmón, Víctor**

Businessman and technocrat. In the Governing Body of the *INP*, he represented those institutions involved in the running of the SOE.

**García, Rafael**

I have not been able to find detailed information on him.

**García Quirós, Rufino M.**

I have not been able to find detailed information on him.

**García Vicente, Saturnino**

I have not been able to find detailed information on him.

**Girón de Velasco, José Antonio**

Falangist. He started his Falangist career in the Castilian Groups of Hispanic Action in the city of Valladolid. During the Civil War, he actively took part in the Northern Front. National Delegate of Ex-Combatants. Minister of Labour from 1941 to 1957.

**Gómez Jiménez, Angel**

I have not been able to find detailed information on him.

**Gómez Sabugo, José**

Expert on health care services. Doctor. He promoted the development of health services in Asturias, specially the *Hospital de Cabueñes*, at the beginning called *Hospital José Gómez Sabugo*.

**González Bueno, Carlos José**

He was an expert on social insurance and a technocrat from the Ministry of Finance. For *Quién es Quién en las Cortes Franquistas* (1971), Carlos González Bueno y Bocos was doctor in Medicine, President of the General Council of Colleges of Doctors, President of the *Diputación Provincial* of Madrid in 1965, *Procurador* in the *Cortes* and member of the Social Institute of Fishermen.

**González Bueno, Pedro**

Falangist. Minister of Syndical Organisation and Action.

**Gregorio Villota, Isidro de**

Businessman. The book *Who is who in Spain* (1963) refers to *Félix* de Gregorio Villota, Director of the oil company *Compañía Arrendataria del Monopolio de Petróleos*. Isidro could be his brother and also a businessman, which fits with his role in the Governing Body of the *INP* as member representing those institutions and companies involved in running the Working Injuries Insurance Scheme.

**Greño Pozurama, Francisco**

Falangist. The Falangist newspaper *Arriba*, 6 June 1941, referring to his appointment as General Director of Social Insurance, highlighted his Falangist profile and his commitment to the discipline of the party.

**Ipiña Gondra, Francisco de**

Economist and expert on social insurance<sup>2</sup>.

**Jiménez Vicente, Inocencio**

Social-Catholic. Member of the *INP* since this was founded. Member of *Acción Católica*, he was appointed President of the National Technical Committee of *Acción Católica*, although he died before taking over the post. Member of the Royal Academy of Moral and Political Sciences <sup>3</sup>.

**Jordana de Pozas, Luis**

Social-Catholic, although with sympathies to Krausism when young. Studied in England for a few years. Affiliated to the Catholic party *Partido Social Popular* (Alonso Olea, 1997). Member of the *INP* since the 1930s. Professor of Administrative Law. Member of the Royal Academy of Moral and Political Sciences since February 1940. Member of the Royal Academy of Judicial Law and Legislation.

**Laín Entralgo, Pedro**

At that time, Falangist. One of the most important Spanish philosophers of the twentieth century.

**Leal Ramos, León**

Social Catholic. Expert on social insurance. Member of the *INP* since the 1930s.

**Lobo Montero, Constantino**

Military. Captain.

**López Valencia, José María**

Military. General Lieutenant. He belonged to the Council of State and was Under-Secretary of the Army. Also, President of the public armament company *Empresa Nacional Santa Bárbara*.

**Madera Peña, Vicente**

Social Catholic. Member of the *ACNdeP* in Oviedo (Asturias)<sup>4</sup>, having belonged to the Catholic Syndicates of Aller (Asturias).

**Martín Rodríguez, Sérvulo**

I have not been able to find detailed information on him.

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<sup>2</sup> Ipiña, F. (1947), 'El Equilibrio Financiero en la Ordenación Técnica de los Seguros Sociales', *Revista Española de Seguridad Social*, Vol. 2, pp. 759-77.

<sup>3</sup> See *Anuario de la Real Academia de Ciencias Morales y Políticas*, 1946, p.45. Also see Minutes of the Plenary of the Royal Academy of Moral and Political Sciences, 6 May 1941.

<sup>4</sup> *Boletín de la ACNdeP*, 1 January 1936, No. 210.



**Martínez, Francisco**

I have not been able to find detailed information on him.

**Martínez Almeida, Pablo**

Falangist, although Eduardo Menéndez does not believe so (interviewed on 22 May 2000).

**Martínez Ojínaga, Ricardo**

As member of the Governing Body representing the National Office of Syndicates, most probably he was Falangist.

**Martínez Orozco, José**

I have not been able to find detailed information on him.

**Menéndez Tolosa, Camilo**

Military. General Director of Social Insurance in 1949, he fell in disgrace with Minister Girón for criticising the waste of money in the Labour Universities, therefore being replaced in February 1950 by Fernando Coca de la Piñera. Menéndez Tolosa was Franco's friend, since their old army days in Africa. Franco and Menéndez used to eat together once per week. Army Minister since 1963.

**Merino Charro, Martín**

I have not been able to find detailed information on him.

**Mestres Fernández, Demetrio**

Businessman. In the Governing Body of the *INP*, he represented the companies of the "PAI regime".

**Miranda Junco, Agustín**

Social Catholic. During the Second Republic, he was member of the conservative party *CEDA*. Lawyer of the State. General Director of Labour between 1945 and 1951.

**Mújica Buhigas, Salvador**

I have not been able to find detailed information on him.

**Muñiz Orellana, José Manuel**

Technocrat and businessman. Professor of Commercial Law. General Director of the private insurance company *La Previsión Española*. President of the Superior Council of Chambers of Urban Property. Member of the Advisory Committee of Insurance for the Ministry of Finance.

**Muñoz Manzano, Juan**

I have not been able to find detailed information on him.

**Muñoz Rodríguez, José**

Social Catholic. Very linked to Inocencio Jiménez Vicente.

**Norte Ramón, Francisco**

Technocrat. Military Engineer. Member of the Governing Body of the Social Institute of Fishermen and of the Immigration Institute. *Procurador* in the *Cortes*. I consider him to be a bureaucrat, although there are reasons to believe that he was Falangist too.

**Ocharán Posadas, Enrique**

Businessman and technocrat. The book *Who is who in Spain 1963* refers to Ocharán Posadas as President of the Council of Director of the Mines of Almaden and Arrayanes, and member of the National Institute of Industry.

**Ochoa Luxan, Francisco**

I have not been able to find detailed information on him.

**Palanca Martínez Fortún, José Alberto**

Catholic. Member of the Conservative Party *CEDA*. Military Doctor. Member of the Royal Academy of Medicine.

**Palao Martialay, José Luis**

As member of the Governing Body representing the National Office of Syndicates, most probably he was Falangist.

**Pérez González, Esteban**

Falangist. Under-Secretary of Labour.

**Quijano de la Colina, Miguel**

Businessman, linked to the business families of Santander.

**Quintana López, Primitivo de la**

Social Catholic. He took part in the Catholic Meetings in Gredos (Ávila), organised by the Catholic Priest Alfonso Querejazu. Phd in Medicine. Health Provincial Inspector in Huelva. Member of the *ACNdeP*. A Monarchic, signed the *Manifiesto de Estoril* in support of Don Juan de Borbón. Primitivo de la Quintana belonged to Don Juan's Private Advisory Council. Member of Royal Academy of Moral and Political Sciences and of the Royal Academy of Medicine<sup>5</sup>.

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<sup>5</sup> See Garrigues y Díaz-Cañete, A. (1997), 'Primitivo de la Quintana López: In Memoriam', *Anales de la Real Academia de Ciencias Morales y Políticas*, No. 74, pp. 617-9.

**Reyes Morales, Rodolfo**

Falangist.

**Rivero Meneses, Jesús**

Falangist. Girón de Velasco said in his Memoirs that Rivero was the other candidate for Minister of Labour in 1941 (Girón de Velasco, 1994:69). Civil Governor and Provincial Chief of *Falange* since 1941. He was in charge of organising the Second Syndical Council of 1941 and was appointed Chief of the Political Secretary of the General Secretariat of the Movement on 19 June 1941.

**Robert y Robert, Antonio**

Economist and Civil Engineer. Chief Engineer of the General Directorate of Studies and Programmes of the Ministry of Industry. Most probably, he had strong sympathies with Falangism. Jerez Mir (1982) thought he was Falangist, but essentially, he was not a politician, but a technocrat. In his book *Un Problema Nacional. La Industrialización Necesaria*, he advocated the autarkic economic system (González, 1996).

**Rodríguez, Nicolás**

I have not been able to find detailed information on him.

**Rodríguez, José**

I have not been able to find detailed information on him.

**Rodríguez Gimeno, Antonio**

Falangist. Chief of the Technical Secretariat of *FET de las JONS*. Under-Secretary of Agriculture between 1941 and 1942.

**Rodríguez de Torres y Cárdenas, Pedro**

Falangist.

**Romero de Lecea, Carlos**

Falangist. National Secretary of *Falange* in the early 1940s.

**Rubio Martínez Corea, Rafael**

Military. Captain of Engineers. Technical General Secretary of the Ministry of Industry and Commerce between 1945 and 1951.

**Ruíz García, Carlos**

Falangist and military. Captain. Chief of Franco's personal Iron Guard between 1948 and 1949.



**Ruíz Járabo, Francisco**

Falangist. General Director of Labour between 1942 and 1945 and Under-Secretary of Labour between 1951 and 1954.

**Ruíz y Ruíz, Joaquín**

I have not been able to find detailed information on him.

**Sagüés, José**

I have not been able to find detailed information on him.

**Sánchez, Manuel**

I have not been able to find detailed information on him.

**Sánchez Bordona, José María**

I have not been able to find detailed information on him.

**Sangro y Ros de Olano, Pedro**

Social Catholic. President of the Spanish Group of the International Catholic Union of Friburg and founder of the Group of the Christian Democracy. Member of the *IRS* since 1906<sup>6</sup>. Member of the Board of Trustees of the *INP* in the 1930s. Labour Minister in 1930. Member of the Royal Academy of Moral and Political Sciences. Chief Executive of the Institute of Credit of the Saving Institutions (*Instituto de Crédito de las Cajas de Ahorro Benéficas*).

**Santiago Rodríguez, José**

I have not been able to find detailed information on him.

**Sanz Bachiller, Mercedes**

Falangist. Onésimo Redondo's widow. Founder of *Auxilio Social*. Member of the First National Council of *FET de las JONS*. She was dismissed as National Delegate of *Auxilio Social* in 1939 by Ramón Serrano Suñer under the accusation of mismanagement of public funds. Although this was proved false and she was absolved, she never recovered her former prestige<sup>7</sup>.

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<sup>6</sup> Sangro y Ros de Olano, P. (1912), *La Intervención del Estado y del Municipio en las Cuestiones Obreras según los Principios Católico-Sociales. Lecciones dadas en la V Semana Social de España*, Barcelona: Imprenta de Pedro Ortega.

<sup>7</sup> Cabanellas, G. (1975), *La Guerra de los Mil Días*, Buenos Aires: Heliasta.

### **Segarra Bonig, Silvestre**

Businessman. Owner and manager of the shoemaker company *Segarra del Valle de Uxió*, in Castellón, which became one of the Model Companies and Best Family Companies during Francoism. He had a very paternalistic attitude to social welfare<sup>8</sup>.

### **Tena Ibarra, Manuel**

Falangist, although his son, Manuel Tena, denied it. He claimed that his father was in favour of the Monarchic solution and had a liberal ideology and sympathised more with England and the democratic nations than with Nazism and Fascism. He said that his father Manuel Tena used to listen to the BBC radio everyday (Interviewed on 23 May 2000).

### **Uría González, Rodrigo**

Technocrat, prestigious lawyer. He has passed away recently. In 2000, I tried to interviewed him but his secretary informed me that, after having read the letter by which I introduced myself, Rodrigo Uría denied having ever belonged to the Governing Body of the *INP*.

### **Zarzuelo Polo, Daniel**

Falangist.

### **Zumalacárregui Prat, José María**

Social-Catholic. He took part in the Catholic gatherings of the Padre Vicent. Professor of Economics. Member of the Royal Academy of Moral and Political Sciences in 1946.

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<sup>8</sup> Viruela Martínez, R. (2002), 'Organización del Trabajo y Diferencias de Género en la Industria del Calzado durante la Autarquía: el Caso de la Empresa Segarra de La Vall D'Uixó', *Scripta Nova. Revista Electrónica de Geografía y Ciencias Sociales*, Vol. VI, No. 119 (82), <http://www.ub.es/geocrit/sn/sn119-82.htm>.

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-*Manuel Tena* (Manuel Tena Ibarra's son), Madrid, 23 May 2000.

-*Florentino del Valle* (Jesuit priest), Villagarcía de Campos (Valladolid), 25 August 2000. In 1947, he was co-founder of the Catholic sociological and pastoral journal *Fomento Social*.

-*Alfonso Bauer Paiz* (Guatemalan Labour and Economy Minister between 1945 and 1951), Ciudad de Guatemala, 6 April 2001.

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