

THE ORGANISATION OF THE LABOUR MARKET IN SPAIN SINCE 1890

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1. INTRODUCTION

The main objective is to chart the secular evolution of the Spanish labour market since 1890. There is an appendix devoted to *unemployment*, which, as it is well known, remains the most serious labour problem in social relationships in industrialised societies in the contemporary world. I will analyse the processes which have a wider influence in structuring the labour market. I will look into those in which there is an involvement of the labour market main institutions which have a bearing on the organisation of production, i.e. confederations of employers, trade unions, the types of contracts, strikes, lock-outs, and collective agreements.

There were different political regimes in Spain in the period between the last two monarchic restorations, the first one in the XIX century and the second one in the XX. The first one was carried out with Amadeus I Duke of Aosta, the son of Piedmonts Victor Manuel II, and the second with the Borbon Juan Carlos I. Both followed, in step, a period of republic followed by a dictatorship, all within an interval of little more than 100 years¹. Besides I must point out that both had a noted shortening in the length of the republican period, specially in the first case, 1873-1874. To extend the musical metaphor, I must say that the strong accent, in that period falls on the last two notes, the Second Republic and the dictatorship of General Franco, with an eternal silence between them: the years of the civil war between 1936 and 1939.

The influence of the political variable is not neutral or indifferent when it has a heavy influence on the organisation of the labour market. It is equally important to point out the fact that the Spanish economy is mostly agricultural until the consolidation of the industrialisation in the sixties, the years of the development policy under the rule of the Opus Dei technocrats. To point out that Spain suffers economic backwardness would be stating the obvious. Spain occupies a marginal position as regards international financial markets, due to its lower level of industrialisation² until the final opening which starts some time before the 1959 plan of stabilisation. These two factors have a bearing on its particular isolation from the effects of great crisis and subsequent depressions. Spain does not feel the results of the Great Depression of 1873-74. It does not feel any consequences of the other crises from those of the end of the XIX century until that which manages to become, according to Rondo Cameron for instance, the Great Depression in the thirties.

¹ Alfonso XII rules between 1875 and 1885. His widow will be appointed regent in wait for the posthumous son who will be born on the 17th of May 1886. The regency of Maria Cristina lasts between 1885 and 1902, and it will continue even longer as Alfonso XIII allows his mother to continue in the government. Alfonso XIII's kingship ends after having condoned the dictatorship of General Primo de Ribera between 1923 and 1930. He will abandon Spain on the 14 of April 1931 to die in exile.

² The acknowledgement of the agricultural character and the economic backwardness of the country is widespread, as can be seen, for the period of the depression in the thirties in Joseph Harrison's characterisation of the Spanish crisis in those years as chronic poverty and unemployment in the <<latifundio zone of the south>>. See Joseph Harrison, <<The Inter-War Depression and the Spanish Economy>>, *The Journal of European Economic History*, vol. 12, n° 2, 1983, pp. 295-321, p. 320.

The time span selected for this essay is that of the century after 1890, year in which universal suffrage is achieved. The fact that male and female workers had the liberty, both necessary and long sought after, to express their political opinion with their vote from that year on, seemed decisive to me. It is also the year of an international crisis which, as the precedent ones, has little effect on the Spain of the last third of the XIX century, while the main economic factor of this period will be the losses in the agricultural activity. Protectionism, together with an expansionist monetary policy, manages to prevent an excessive lowering in the levels of investment, which allows the maintenance of what Sardá defines as the economic progress of the country.

The Spanish economic activity does not suffer any significant backlash with the Spanish-American war, as it will give rise to an anti depressive economic policy which will stimulate the return of the colonial capitals. John Maynard Keynes maintains this crisis is caused by a deficit of the total effective demand, and the Spanish case seems to support his idea³. The century after the year of reference witnessed strong restrictions to the principle of liberty, but finally, from 1976 onwards, the Spanish Constitution guarantees, again, a new democratic organisation which also serves the labour market.

³ Traditional opinion attributed this depression of 1890-96 to the low production of gold, but Keynes maintains that it was due to a lowering of the levels of investment through which the rhythm of saving continues. See Juan Sardá Dexeus, *La política monetaria y las fluctuaciones de la economía española en el siglo XIX*, Barcelona, Ediciones Ariel, 1970, pp. 223-227.

2. FROM THE END OF THE XIX CENTURY TO THE GREAT WAR: THE CONCERN FOR SOCIAL REFORM

In 1877, the Marquess of Cáceres presented to Parliament a bill on trade unions which is not passed. For several years the international labourers organisations are seen as "an attack on public order"⁴. The waiting period for their legalisation reaches up to June 30, 1887, when Parliament passes a law for associations, as a development of the article 13 in the 1876 constitution. This law was enforced until that of 1931. It was a definite recognition of the freedom of professional associations, which included employers, and although it was not a trade union law, in fact, pointed the way the trade unions would follow until the Second Republic⁵. It was under this law, that the main labour organisations of this country were born. Such is the case of the *Unión General de Trabajadores*, which, with a socialist leaning was founded in Barcelona in 1888, and twenty-two years later, in 1910, the *Confederación General del Trabajo* [General Workers Confederacy], with an anarchist-syndicalist ideology. 1911 is the year of the foundation of the Confederación Gremial Española [Spanish Crafts Association], created to co-ordinate the activities of employers, and small industries, and, in later years, a large number of other business organisations. Therefore, we can say that the first decade of the XX century witnesses the rise of the visible hand of the labour market.

There is no need to analyse regional markets for a better understanding of the Spanish labour markets at the end of the XIX century. In 1887 the active population in the agriculture and fishing sector accounted for 66.3 % of the total assets, whereas industry only reached 17.3% of the total assets⁶. The weight of the agricultural sector is so great that, apart from Catalonia, there is no incidence of the Great 1873 Depression, and its after effects, until the end of the following decade. The main reason for this is that the industrial and services sectors were in their infancy and not very well developed. The great labour conflicts, between 1890 and 1892 find support in Catalonia in a large number of associations, in the Basque Country, and particularly in Biscay are only supported by the socialists, which are a small minority, and in Asturias the mining sector does not support them, although there is some echo among the steel workers. It is also trivial to consider the Cuban war and the loss of the colonies in 1898 as they had very little consequences and had only a minute influence in the workers' movement. However, socialists and some anarchist organisations in Barcelona opposed the war against America and the shipment of troops from the very beginning. Their strongest argument being that only those who could not afford to pay their redemption had to go⁷.

The weakness of the workers' movement results evident, in spite of the fact that it stops being marginal after the introduction, in 1890, of the universal suffrage. Support for these movements

⁴ As such they appear in the first article of the Proposal of law on International Associations, Madrid April 26 1877. Such a proposal was written by Manuel Dávila. It was not accepted and neither was that of the Minister of Law and Order four years later, November 17, 1881. Both mentioned by Alvaro Soto Carmona, *El trabajo industrial en la España contemporánea (1874-1936)* Anthropos, 1989, p. 290.

⁵ The 1887 law acknowledges the right to associate "will be freely exercised, being subjected to it the gremial rulings, those of the mutual help societies, prevision, employers, and co-operatives of production, credit and consumption". For further information see Alvaro Soto Carmona, *El trabajo industrial*, p. 291. See also Jordi Solé Tura/ Eliseo Aja, *Constituciones y períodos constituyentes en España (1808-1936)*, Siglo Veintiuno Editores, Madrid, 1982, pp. 68-117.

⁶ See Roser Nicolau, <<Población>>, in *Estadísticas históricas de España, siglos XIX y XX*, Fundación Banco Exterior, Madrid, 1989, pp. 49-90, p. 79.

⁷ See Manuel Tuñón de Lara, *El movimiento obrero en la Historia de España*, Taurus Ediciones, Madrid, 1972, pp. 356-360

becomes gradually stronger, especially on the part of the socialists, among first of May celebrations of the labour festivals, and the strikes in the last decade of the XIX century⁸.

The church, whose social prestige in Spain is insignificant, starts its influence on the workers world after the 1891 encyclical *Rerum Novarum*. At the same time, development continues in the form of international treaties on the conditions of labour, and organisations are created to study and research which come to a head in organisations such as the International Association for Labour Legislation^{***} in 1900^{***}, or in the institutionalisation of labour legislation achieved after the Treaty of Versailles (the 29 of June 1919) through the International Labour Organisation. The Spanish political leaders, at the end of the XIX, believe the intervention of the state in the so called "social question" is necessary. This is a crucial episode in a period the origins of which are to be found in the liberal revolution which confirmed in Spain the concept of freedom of labour and contracting, based on the respect for private property. The Associations law of 30 of June 1887 allows the workers to organise in unions and, as it is well known, the following year, in a congress of the Spanish socialist party, the *Unión General de Trabajadores* is founded. Among the greatest concerns of the legislator in this period of social reforms, that lasts until 1920, we can find a more appropriate legislation on women's and children's work, with thoughts set in their "physical and moral weaknesses". On the question of negotiations, there is a mention of the mixed juries, although the project is never completed. On the same footing there is also mention of the questions of workers homes and health, both in the working place and in their homes. The law on industrial accidents of 1900 can be considered a good example of this as well.

The paternalistic character of the state intervention during the years 1890-1920 is accompanied by the conviction of the need to use *individual bargaining*, so that the autonomy of the parts has to be taken into account, together with free competition. There is in this period a "modernising drive" with the creation of industrial courts, i.e. organisations for conciliation and arbitration. The right to strike is also then regulated. Other things, such as the Sunday rest, the maximum hours of work in industry, apprenticeship contracts, social insurance, etc. are regulated, yet the employment contract itself is not regulated, as this suffers a head on opposition by the employers. The two key organisations in the period are *Instituto de Reformas Sociales* [Institute for Social Reforms] and *Instituto Nacional de Previsión* [National Health Care Institute], founded in 1903 and 1908 respectively. The former advises, and sometimes even arbitrates, in labour disputes, apart from supporting studies on those topics. The latter is devoted to an assisting function in the education of the workers, and is also in charge of health insurance. The paternalistic character is, nevertheless, accompanied by a certain pressure after the creation of the factory inspectors in 1906, as it is impossible to consider the ILO has any coercive power, except for its moral authority⁹. Workers' organisations continue to increase their social power, and achieve greater strength in collective bargaining, although their framework is not regulated. Trade unions increase their presence and social power in spite of the fact that it cannot be said that, this period presents a labour market with an organisation in which employers, trade unions, the state, and local powers coincide. A good indicator of the specific

⁸ It must be borne in mind that in 1870 the trades with more representation in the Spanish Regional Federation, founded by the first Spanish workers congress were craftsmen. This illustrates more clearly the fact that the country was not very industrialised in the last third of the century. Apart from this we must also bear in mind the repression of workers' organisations after the military coup staged by General Pavía at the beginning of 1874, which caused a decrease in the number of affiliations. On the celebration in Barcelona of that first Spanish workers congress, which joined the First International, see Alvaro Soto Carmona, *El trabajo industrial*, pp. 297-298.

⁹ Spain joins the ILO after the Treaty of Versailles, by the 14 of August 1919 law.

power gained by the trade unions in the first decades of the XX century can be seen in the increasing number of strikes. The beginning of these conflicts is the 1902 general strike in Barcelona, which had a clear anarchist origin. Their climax is the strike started in Valencia, in the summer of 1917 by the railway workers, which was followed by others no less famous in successive years, like the one carried out in February 1918 by the workers in the Compañía Canadiense in Barcelona. There were also strikes organised by workers in the agricultural sector in Andalucía during the summer of that year and the first months of 1919.

The course of the Comisión de Reformas Sociales [Commission for Social Reforms], and its provincial and local commissions -with the exception of Madrid, where they did not exist- was a complete failure due to the lack of drawing power of the Juntas de Reformas Sociales set up by the Commission. Due to this, and to the experiences gained in the working world in other countries, José Canalejas (then minister of Agriculture), decided to create, with the approval of Congress in October 1902, the Instituto del Trabajo [Labour Institute], to carry out, among others, the functions of a governmental advisory body. What would have become of such organisation is pure speculation, as the Senate did not approve its creation and stopped the reforming movement Canalejas was attempting. However, the next year, and from the Ministry of the Interior, the Instituto de Reformas Sociales is founded, the ultimate aim of which is to "favour social and governmental action in order to improve the welfare of the working classes"¹⁰. This type of concern can be found in the writings of the famous economist Antonio Flores de Lemus, published in 1910, where he offers a detailed description of the terrible living conditions suffered by the "proletarian" class of the Spanish population¹¹. The workers use the network of the local and provincial commissions organised by the Institute to protest and to make public the terrible working conditions they had to endure, while the employers reject state intervention and proclaim their belief in the sterility of the bureaucratic activity of the institute. Labour disputes increased at the same time as the workers used in a propagandistic way this institution, and the employers continued to mistrust it. All these factors contributed to the lack of efficiency of the Institute, which ended in its disappearance.

3. INTER WAR PERIOD, AN INTERRUPTED "MODERNISATION"

During the inter-war period there are two landmarks essential to understand how the labour market undergoes a modernisation which will, later on, be interrupted. Such modernising process stems from the ashes of the *Instituto de Reformas Sociales*, and it will culminate with the creation of the Ministry of Labour the same year the Institute disappears. The ministry is created by Royal decree on the 8 of May 1920. This year, thus, witnesses the governmental backing for a reform of the labour market, and a drive for certain changes which will have in common with those of the republican period, the idea that the State has to become an active part in the organisation of that market. The intervention of the state starts to be decisive at this stage, as there is a unanimous desire to regulate everything concerning the labour market. A proof of this can be seen in the regulation of the employment contract, to be proposed, for the first time in 1926, under the dictatorship of Primo

¹⁰ See Alvaro Soto Carmona, *El trabajo industrial*, p. 266.

¹¹ Some famous economists and intellectuals such as Flores de Lemus reflect in their works their concern for the welfare, levels of consumption, and the distribution of rents in Spain. See Juan Velarde Fuertes, *Flores de Lemus ante la economía española*, Instituto de Estudios Políticos, Madrid, 1961, pp. 197-200.

de Rivera. It will not be revised until the beginning of the II Republic in 1931. The creation of parity organisations to lend a stable structure to bargaining, is supported later by the creation in 1926 of the Organización Corporativa Nacional [National Corporate Organisation], and later on, in 1936, the Ley de Jurados Mixtos [Law of Combined Arbitrators]. As it was an industrial region with a labour market which preceded that of the rest of Spain, Catalonia had already started, in 1920, a Comisión Mixta del Trabajo para el Comercio de Barcelona [Labour Arbitration Commission for Commerce in Barcelona]. Its aim is to channel the relationships between the parts and grant the government arbitration powers in those relationships. In the thirties, due to all these factors, there was in Spain a body of labour legislation which could be termed "modern" in the sense that it was comparable to that of France, UK., Belgium. That is, workers were represented in the bargaining and arbitration organisations, both in labour organisations and in the Ministry of Labour.

I affirm that 1920 is a significant year because from that year on, the Ministry of Labour becomes an instrument which institutionalises the intervention of the State in labour conflicts, not as a mere mediator, but as an active part¹². We have, then, a "modern" labour market in which all parts which up till now have a relevant role in the organisation of western economies are represented. That year of 1920 witnesses the victory of the supporters of the Ministry over those who, already in 1914, had not supported this scheme¹³ from the Instituto de Reformas Sociales. Nevertheless, the *Instituto de Reformas Sociales*, which is emptied of content by the Ministry of Labour, will not disappear until four years later.

The Ministry of Labour will gather in its administrative structure, all those scattered organisations which dealt with the "social question". The ups and downs that occurred during the inter-war period, until the complete halt to that modernisation provoked by the triumph in the 1933 elections of the right wing parties which will devote all their efforts to undo the socialist reforms of the previous two years. These parties will join the Ministry of Labour and that of Justice, reducing the executive capacity previously held by the former. This trend will reach its peak with the Statute of workers in 1938, which marks the second landmark in this period and begins the period I will refer to as "under Franco's guardianship".

Between these two dates, I would like to underline the attempt of the Dictatorship of Primo de River to adapt the social organisations to his project of Corporate state in the year 1928. And, also, the presentation of a reforming project for the labour administration sponsored by Largo Caballero in 1931, which aimed at concentrating the policy of the ministry in the Dirección de Trabajo [Board of Labour], as its executive organisation, and, at the same time, created a consultative body, the Consejo de Trabajo [Labour Council], where employers and workers participated to advise. The chain of command goes from the Ministry to the provinces, accompanied by the consultative line, which is where social powers participate. These organisations resolve their differences in the Jurados Mixtos [Combined Arbitrators]. The system has a strong centralised nature, which can be seen in the power granted to the Labour Delegations.

¹² This is a great step forward in the "conversion of the liberal state into a social state. See Alvaro Soto Carmona, *El trabajo industrial*, p. 270.

¹³ Although even within the Institute there had been people who, like the viscount of Eza, its president in the year 1915, had supported the creation of the Ministry of Labour. See Alvaro Soto Carmona, *El trabajo industrial*, p. 270.

The organisation of the labour market in Spain has its inflexion in the years of the II Republic, the beginning of which is 1931, when the most complete legislation on labour disputes is passed. At the same time there is a new orientation of the social legislation¹⁴. However, the 1934 strike first, and then the war, will interrupt the evolution of the democratic organisation of this market, which will be oppressed by the *Fuero del Trabajo* [Charter of Labour], passed in 1938 in the midst of the war, and which will have to wait until 1980, after the "transition" to reach a true Statute of Workers. The choice of the very word "Fuero" [Charter, old Law] clearly indicates the type of labour market Franco wanted to have. The idea of "fuero" refers to an idea of privilege, or exemption, or a special law, and it does not seem that work should be any privilege, but a right for the citizens of a country.

3.1. The Labour Market during the Second Republic

The population engaged in farming starts to diminish significantly in the second decade of the XX century. Industry and services concentrated in 1930 31% and 23% respectively of the total labour force¹⁵. The 1931 constitution contained in its 39th article the following statement: "Spaniards will have the right to join any association or trade union freely in order to pursue the aims of human life, according to the laws of the state". The development of the constitutional precept will give rise to the birth of the first Spanish trade union law, Law 8 of April 1932, which establishes trade union freedom: "joining a trade union is voluntary and not compulsory, i.e. joining a union is a right and not a compulsion _ , that the intervention of the State must be reduced to guarantee the good order of the trade union and legitimacy in its aims and activities; _ the Spanish government grants professional associations representativity to their respective bodies, in the public boards which arbitrate labour conditions, and enforce the application of the social legislation¹⁶.

The concern for social reform was assumed by prominent politicians in Spain from the previous periods. We can mention among them the projects carried out in the first decade of the XX century. The economic sector that has more influence in the decisions on labour market, i.e. the industrial sector, can be qualified as an economic activity "some of whose branches are hardly sprouting, and the others have just flourished" by the minister of Agriculture Mr José Canalejas y Méndez in the year 1902¹⁷. However, in the project for the creation of the Institute or Directorate of Labour, to which he himself writes the prologue, it can be seen how, if it had been carried out, we would have now much more detailed data on factors connected with labour¹⁸.

The importance of the guarantee of the state through this 1932 law as regards the organisation of the labour markets was so great that it has influenced, ever since, the elaboration of unemployment

¹⁴ See Manuel Avila Romero, *Conflictos colectivos, huelgas y cierre patronal. Recopilación de legislación española, comentada a través de la Jurisprudencia y las memorias de la Fiscalía del Tribunal Supremo (1869-1980)*, Servicio de Publicaciones del Ministerio de Trabajo/ Instituto de Estudios Sociales, Zaragoza, 1981.

¹⁵ See Roser Nicolau, <<Población>>, in *Estadísticas históricas de España, siglos XIX y XX*, Fundación Banco Exterior, Madrid, 1989, pp. 49-90, pp. 62-63.

¹⁶ See Alvaro Soto Carmona, *El trabajo industrial*, p. 292.

¹⁷ See A. Buylla, A. Posada y L. Morote, *El Instituto del Trabajo*, p. CLXV.

¹⁸ See the fourth and fifth articles of the outline for the planned institute in A. Buylla, A. Posada and L. Morote, *El Instituto del Trabajo*, p. 10.

statistics¹⁹. At that time unemployment was understood as a forced situation, and it can therefore be understood that the elaboration of statistics reflected a social mentality which deplored the inactivity of men who, according to the Biblical punishment were forced to earn "their bread with the sweat of their brows" Mental attitudes during the Second Republic reflect this situation as well. Being hard working was not only a creditable thing, it was almost a virtue. To say that a citizen was "hard working" is still a praise, and the summary of a series of merits associated with that expression. This is so much so that the aforementioned expression justifies the mobility of workers within the social scale, and it can make more understandable the situation of workers who received unemployment benefits and moonlighted at the same time.

In the history of public guarantees for the rights of the organisers of the labour markets, it must be pointed out that as regards labour contracts, the law of 21 November 1931 is a cornerstone. This law is based in the projects written in 1904 and 1924 by the Instituto de Reformas Sociales, and it was a clear improvement on the Labour Code of 1926. The republican law, which was passed being Largo Caballero minister of labour, contains advances as compared to the previous laws. For example, unlike the code of the Primo de Rivera dictatorship (known in Spain as "Dictablanda" word which denotes a not too harsh regime) the new law covers, not only the workers, but all employees. On top of that, it states that all the agreements reached between the parts are subjected to the law, to the collective bargaining and the decisions of the arbitration juries. The 1931 law also contains improvements on the rules of wage payment, the responsibility of employers in case of sick leave, a 7 day paid-holidays period, and some cases of cessation or suspension of labour contracts. The law also established that neither strikes nor lock-outs were cause for the cessation of a labour contract²⁰.

The November 1931 law distinguishes, as far as collective bargaining is concerned, between collective pacts and agreements. Pacts are carried out among employers' and workers' professional associations, in order to settle the general rules for later individual or collective labour contracts. Contracts are agreed between one or several employers and a group of workers. The organisation of the labour market in Spain has its strongest foundation in these pacts employers-workers. The applicability of these collective pacts was always at least two years, and as long as the pact was on, the parts renounced to their right to go on strike or to start a lock-out. The exception to this could only be authorised by the Ministry of Labour. The breach of these agreements by any of the parties, allowed the claim of responsibility. In some cases, deposits or other forms of guarantees could be established.²¹ The intervention of trade unions in the settlement of ruling agreements which must comply with the law, or the mixed juries, allows us to say that it is after the thirties, during the republican period, that the labour market is organised in Spain.

¹⁹ The interventionist tendencies of the state in social matters with a real influence on reality date back some years. They started at the beginning of the century, with the creation, in 1904, of the Instituto de Reformas Sociales, which disappears in 1924, absorbed by the Ministry of Labour created in 1920 to offer new possibilities to social reform. The first three years of the XX century are key in the history of Spanish labour legislation, specially as regards women and children labour, and the question of labour accidents. See A. Buylla, A. Posada y L. Morote, *El Instituto del Trabajo. Datos para la historia de la reforma social en España*, preliminar speech by José Canalejas Méndez. *Memoria acerca de los Institutos de Trabajo en el extranjero*, by J. Uña y Sarthou, prologue by Santiago Castillo, Centro de Publicaciones Ministerio de Trabajo y Seguridad Social, Madrid, 1986, pp. 7-8.

²⁰ This 1931 law is the base for the labour contract of 1944, during the Franco autarchic period. See Ramón Tamames, *La República. La era de Franco*, Ediciones Alfaguara, Madrid, 1981, pp. 127-128.

²¹ See Ramón Tamames, *La República*, p. 128.

In the period of General Primo de Rivera dictatorship, paritary Committees had already been created. These will be substituted, by the 27 November law by the mixed juries formed by employers and workers. These mixed juries are an institution used to regularise working conditions. Besides, these mixed juries also carry out conciliation duties in matters of salaries and collective disputes. A strike or a lock-out should be subjected to a mixed jury before being allowed²². Under Primo de Rivera's dictatorship there were, already, collective agreements, although they did not become widely accepted, apart from those of the employers. These agreements carried out a certain role as social pacts between employers and workers, which has allowed to see them, according to Tamames, as "peace treaties". Their main aim was to achieve conciliation between the parts, and end in a collective agreement. When the conflicts affected public services of general interest, the Ministry of Labour called in the arbitration of the *Consejo Superior de Trabajo* [Superior Labour Council]. The very mixed juries could propose an arbitrated solution and state the terms in which the arbiters had been asked to intervene. The connection between trade unions, employers and State, through their representatives is finally achieved in the republican organisation of the labour market²³. The way in which this organisation is finally settled to allow the market organisation, in Spain is finally oriented towards state intervention, which arbitrates when the parts do not reach an agreement. The law allows the state protection in the case of disagreements between employers and workers. The ultimate guarantee of property rights both of employers and employees is the Ministry of Labour which can impose the solutions approved by the mixed juries whenever there is not agreement, or the arbitration has been rejected.

Efficient assignment of labour in the Spanish market stops being dependent on offer and demand of the production factor. It also stops being dependent on the flexibility the wages may reach to fit offer and demand in the years of the Great Depression. The creation in 1931 of a national fund against forced unemployment deserves special mention. However, the only form of unemployment benefit was that financed by the workers themselves, who would receive, at the most, some state subsidy. Workers' mutual funds were formed on a voluntary basis in order to obtain money from the national fund against forced unemployment. The reach of this measure was smaller than that obtained in those countries in which the fund was created on a compulsory basis (Germany, United Kingdom), as in Spain it did not have that compulsory nature and the Republican governments did not dare to impose it. The pressure exercised by the socialist was insufficient and slow, as they considered the economic situation of the companies which would have to bear the burden of the compulsory benefits very unstable. The vision of the period permeates the vocabulary, and thus, the universal unemployment benefit is considered as a "stimulus to foster idleness"²⁴.

When in the year 1934 the maximum of days that can be subsidised is raised to ninety per year -till then it had been only sixty- the republican law is against the ILO general agreement of the same year, which settled in 150 the minimum number of days which could be granted to an unemployed

²² The right to strike continues under the second republic to be regulated by the 1909 law, which contains the partial modification of the mixed juries law. Both for the lock-out and the strike, certain notice pre-requisites had to be fulfilled, once all conciliation had proved useless. The notice period varied from five to eight days in the case of public services or if it involved essential services, and only forty-eight hours in all the other cases. If these rules were not complied with in the first case, i.e. in the most serious one, the people who called the strike could be arrested, whereas in the second case they could only be fined. In any case, the 1932 penal code presented a totally different attitude from that of the 1928 one as regards strikes, as under Primo de Rivera, the strike was considered a crime of sedition. See Ramón Tamames, *La República*, pp. 129-130.

²³ See Ramón Tamames, *La República*, p. 129.

²⁴ See Ramón Tamames, *La República*, p. 130.

worker. The report of the Instituto Nacional de Previsión on the economic influence the increase of the subsidies above ninety days would have on the Ministry of Finance was determinant in the settlement of the Spanish maximum number of days which could be subsidised²⁵.

	Unemployed (Thousands)	Strikes
1933	297	1.127
1934	111	594
1935	697	181
1936		887

It results evident that there was a great interest in the reduction of public expenditure on this concept. Therefore the argument of the terrible consequences the hiring of all effective demand would have in arresting the economic growth, specially in the context of an international depression, were not heeded. Of course the tensions between the Spanish labour market organisers grew, fed by the increase of the number of unemployed people, and due to the lowering of their acquisitive power. The rigidity of wages schemes, in a constant decrease tendency becomes evident as the level of unemployment continues to rise²⁶, specially after the sudden halt, from 1934 and 1935, to the failed republican attempt to increase public works, the so called "black biennia".

4. UNDER FRANCO'S GUARDIANSHIP

The influence of Italian fascism is evident in the sixteen statements decreed on the 12 of May 1938. These will constitute the essence of a later social legislation, which will be formulated through an organic law of 17 October 1940, which will, on its turn be modified by the 21 of April 1966 decree. Tamames' commentaries on it are worth noting: "labour immobility was the golden rule, as a compensation to the lack of trade union freedom, and the absence of any serious unemployment benefit. This gave rise to an employment rigidity which is difficult to exaggerate, which, on its turn, caused severe difficulties in the modernisation drive"²⁷. The *Fuero del Trabajo*, issued on 9 March 1938, regulates the kind of state intervention the dictatorship will have in the organisation of the labour market. Its most outstanding characteristics are decentralised collective bargaining, the absence of free trade unions, the prohibition of strikes and lock-outs, and the establishment of contracts under severe restrictions. The state is the only determiner of the labour conditions through the 1938 law, that on Work rulings, of 16 of October 1942 and the Law of work contracts of 26 of January 1944. Even though the government issues labour rulings for each economic activity, there are is also room for certain informal bargaining, which can be later legalised through the so-called "voluntary improvements" granted by the employers²⁸. This formula of rulings became excessively rigid and, for this reason, it will be superseded by collective bargaining regulated by the first law of

²⁵ For greater detail see Alberto Calcels, *Crisis económica y agitación social en Cataluña, 1930 a 1936*, Instituto Católico de Estudios Sociales de Barcelona/Ediciones Ariel, Barcelona, 1971. See also Ramón Tamames, *La República*, p. 131.

²⁶ On the black biennia see Raymond Carr, *España 1808-1975*, Barcelona, Ariel, 1985, p. 601. The patterns of the relationship between the variables with the IS*** and LM*** curves perfectly show the contribution of Keynesian thought to the understanding of the phenomenon.

²⁷ See Ramón Tamames, *La República. La era de Franco*, 1981, p. 440-441.

²⁸ These "voluntary improvements" will, years later, be regulated through the 8 June 1956 decree. See Joaquín Lorences, *El comportamiento de las diferencias salariales en la industria española, 1965-1981*, Universidad de Oviedo. Servicio de Publicaciones, Oviedo, 1986, p. 15.

Collective Agreements, issued the 24 of April 1958. But the intervention of the state during Franco's regime almost dictated the content of the agreements. It contained minute descriptions of the matters susceptible of agreement, and the room for manoeuvre²⁹. To summarise, we can say that the typical labour contract is indefinite, laying people off is penalised, and severance payments are generally heavy for the employers. The attempts of General Franco at supporting an only party: Falange, after the fascist Italian model, has its labour side in the *Ley de Unidad Sindical* [law of Unity of trade unions], issued on 26 of January, 1940, which formally creates the *Sindicato Vertical*, which groups employers, technicians and workers, with the stated intention of suppressing the class struggle³⁰. A Ruling will be issued on the 17 of July 1943 to regulate the operational function of this labour organisation. It states that the National Board of Falange will rule, through the political leaders, the decisions to be made in the trade union.

The organisation through which the state will intervene in collective bargaining was the *Sindicato Vertical*. This is an original institution with a corporative organisation and the affiliation to which was compulsory, as it was stated in the sixth article of the *Ley de Bases de la Organización Sindical*, issued on the 6 December 1940. The International Labour Organisation defined this type of Trade union as "an instrument at the service of the state through which it will carry out its economic policy". There is an attempt at democratisation with the Trade union law of 1971, but it will be marred by the creation of the Ministerio de Relaciones Sindicales [Ministry for Relations with the Trade Unions]. This 1971 law included none of the basic principles the ILO recommended in its 1969 report: Independence from the state, separation between employers and work people, freedom to create new trade unions, freedom of association, and election of all the trade union bodies with no exception. Only a year before the death of Franco, the possibility of reforming the 1971 law was raised.

The suffocating and omnipresent state control in the organisation of the labour market allowed the administration to modify unilaterally the content of collective agreements if it considered it fit. It even allowed the government the imposition of a result in the elections if the bargaining did not reach any agreement. Compulsory arbitration was exercised under two different names: *Normas de obligado cumplimiento* [Rules to be obeyed] after the 1958 *Ley de Convenios Colectivos* [Law of Collective Agreements] and *Decisiones Arbitrales Obligatorias* [Compulsory Arbitral rulings], after the 1973 *Ley de Convenios Colectivos* [Collective Agreements Law]. According to the 1958 law, no agreement could be conditioned by any other, not even within the same province which, on the other hand resulted the ideal environment for the *Sindicato Vertical*. The 1973 law granted priority to in-house agreements over any other agreement, be it at the local level, at the council or at the provincial one.

The excessive political control carried out by the state on the Spanish labour market provoked the natural appearance of mechanisms to evade them and alternative markets. A good example of these mechanisms is the more than eighty remuneration items, empty of any content, which made up the total wage packet under names such as extras, commissions, perks, improvements, gratifications,

²⁹ The government fixed the minimum wage, and it also decreed the upper salary limits. This allows to say that it certainly controlled wage negotiations. See Angel Serrano/ José Luis Malo de Molina, *Salarios y mercado de trabajo en España*, H. Blume Ediciones, Madrid, 1979.

³⁰ In the fifties, the first trade union elections were celebrated, but with a very restrictive nature. See Ramón Tamames, *La República. La era de Franco*, 1981, p. 441.

etc. It is also worth mentioning the appearance of "wage fringes" which, for Serrano and Malo are created to evade the rigidity of maximum wages imposed by the government, and which can become more than 50% of the total wage³¹. All kinds of legal loopholes were used as refuges to have a certain degree of freedom. In this way, for instance, the lack of a detailed legislation on the use and retribution of overtime allows the recourse to it in all contracts. Under Franco's regime it was possible to have a great differentiation between companies or sectors of activity as regards working conditions. This was due to the decentralised character of wage bargaining. Collective agreement had very little freedom, as the state control prevented the bargaining of free agreements.

5. TOWARDS LABOUR FLEXIBILISATION

The stage of Franco's regime gave way, after 1976, to another one, characterised by the political transition, and economic crisis. This new stage has been identified by some authors as "a race towards flexibilisation". Progressive flexibilisation is one of the characteristics of developed capitalistic societies. The Spanish state becomes a democratic political system and during the transitory period, moves definitely towards flexibilisation in employment, salaries and labour relationships. The changes come to a head in 1980 with the parliamentary approval of the *Estatuto de los trabajadores* [Statute of Workers]. However, we will have to wait until 1986 to see Collective bargaining approved³². The organisation of the labour market suffers a series of transformations thanks to the changes in the legislation, which provoke a liberalisation in labour relationships, which was felt as necessary both by workers and employers. The result of all this was an economic development in which there was a huge increase in the numbers of companies and in the number of workers. According to the I.N.E. [National Institute for Statistics] in 1958 205 agreements were reached, whereas in 1988 3 909 were signed³³.

The *Sindicato Vertical* is dissolved in December 1977, although it had already lost its utility as a tool for the state to control bargaining. At the same time, the right to strike was regulated, labour rulings are given a residual subsidiary character as opposed to Collective agreements³⁴. At the same time, collective bargaining is granted a centralised structure, and a greater autonomy in its relationship with the state. The right to strike is admitted, together with that of the lock-out. However, many of the old restrictions on hiring will still continue in effect, at least until 1980, when the *Ley Básica de Empleo* [Basic employment Law] is promulgated. In 1981 the Constitutional tribunal finished off state arbitration of disputes arisen during bargaining, and states that arbitration must be previously demanded by employers and employees³⁵.

³¹ See Angel Serrano/ José Luis Malo de Molina, *Salarios y mercado de trabajo en España*, 1979, pp. 92-139.

³² See Juan Mayoral, <<Gestión empresarial>>, in *Tendencias sociales en España (1960-1990)*, vol. I, Fundación BBV Documenta, Bilbao, 1994. pp 429-458, p. 434.

³³ Collective bargaining is, nowadays, widely spread in Spain, where approximately 75% of the employees are affected by some kind of agreement. See Juan Mayoral, <<Gestión empresarial>>, p. 435.

³⁴ See Real Decreto Ley 17/1977, of 4 March. But already in 1975 there had been trade union elections, and the right of assembly in the trade union environment had been regulated. It must be pointed out that the trade union space had already been occupied by the then still illegal trade unions, but whose importance could not be denied. See Joaquín Lorences, *El comportamiento de las diferencias salariales en la industria española, 1965-1981*, Universidad de Oviedo. Servicio de Publicaciones, Oviedo, 1986, p. 20.

³⁵ The "Decisiones arbitrales obligatorias" [Compulsory Arbitral decisions] become "Laudos de obligado cumplimiento" [compulsory Arbitral award], and their number diminishes greatly after 1977. It was merely a change in name.

From 1978, and thanks to the application of the Pactos de la Moncloa (Real Decreto Ley 43/1977, of 25 November), and with the exception of the following year, the influence of the government on wage bargaining is greatly reduced. In the years after the death of General Franco, the government continues to settle the maximum rises for wages. After the *Pactos de la Moncloa*, the government only issues recommendations for the private sector, and fixes upper limits for the public one, and all that is done according to the government prospective on the evolution of prices³⁶.

State intervention diminished, although it kept some prerogatives, such as the fixation of a minimum generalised wage, the regulation of the types of contracts, and the conditions of dismissal³⁷. To sum up, there is a general tendency towards a greater autonomy of the parts involved in collective bargaining. During the "transition towards democracy" the principle of "general applicability" of collective bargaining would become consolidated for the labour market. For this reason, there is a great similarity with the previous system of collective agreements, reached within the old *sindicato vertical* -the affiliation to which was compulsory. That principle maintains the idea that any agreement affects, apart from the members of the organisations that signed it, all the workers and companies included in the legal scope of their application. This does not allow the existence of a labour market truly free, which does not constitute any novelty, as this was a characteristic already present under Franco's regime. Under Franco's guardianship, the collective agreement was, in words of Borrajo Dacruz "the corporative rule with *erga omnes* applicability: nobody is excluded from its applicability, as its subjects are all the members of that generalised and complete organisation"³⁸. The most important events take place in 1978. In this year the first free trade union elections in democracy took place, and also the first agreements applicable to companies, and those with a wider scope. After the elections, the trade union unity broke up and two great trade unions appeared as the most important ones: CC.OO. (Comisiones Obreras) and U.G.T. (Unión General de Trabajadores). As regards employers, the C.E.O.E. (Confederación Española de Organizaciones Empresariales) will be the most important one.

The data for the year 1980 can yield a more detailed information of the importance of trade union concentration, and the centralisation of collective bargaining than that of the year of the elections. It is enough here to mention the most generalised opinion that trade union affiliation falls to less than 10% of the employees³⁹. The low rate of trade union affiliation of Spanish workers is the condition, according to Lorences, which renders politically and socially undesirable the imposition of an agreement organisation of "limited applicability", i.e. one that affected only those included in the bargaining, as it would leave most workers outside collective bargaining⁴⁰.

³⁶ the state keeps until 1980 the right to confirm collective agreements. The government right to approve the applicability of these agreements remains until the 1980 Statute of Workers turns it into a mere procedure to register and to grant them publicity. Estatuto de los Trabajadores, art. 90.2.

³⁷ In fact, severance payments seem to be among the highest in the countries around Spain. See Joaquín Lorences, *El comportamiento de las diferencias salariales*, p. 22.

³⁸ See Eduardo Borrajo Dacruz, <<La obligatoriedad general de los Convenios colectivos de trabajo en el Derecho español>>, *Revista de Política Social*, abril-junio, 1980, p. 17. Quoted in Joaquín Lorences, *El comportamiento de las diferencias salariales*, p. 23. In general terms, it can be stated that the principle of "general applicability" has no equivalent in Europe, as in European countries, collective agreements have "limited applicability", i.e. they only affect the parts present in the agreement.

³⁹ It seems that the number of voters in these 1980 elections is lower than 2.8 million workers. However, leaving apart the two most industrialised regions in the country: Catalonia and the Basque Country, agreements affected more than 6 million workers. See Joaquín Lorences, *El comportamiento de las diferencias salariales*, p. 27.

⁴⁰ See Joaquín Lorences, <<Elementos para la reforma del sistema de negociación colectiva español>>, in *Economía y empresa en Asturias. Homenaje a Ignacio Herrero Garralda*, Marqués de Aledo, Editorial Civitas, Madrid, 1994, pp. 517-525, p. 524.

The organisation of the labour market in Spain after 1976 seems to have consolidated the presence of great trade union and employers cores. To this we must add, apart of the principle of "general applicability", the prevalence of the most favourable agreement in order to achieve a hierarchy in collective bargaining, and thus a generalised "cumulative multi-stage bargaining"⁴¹. For these reasons, the process of collective bargaining is highly centralised in Spain. However, it must not be forgotten that collective bargaining also has a structure with a marked territorial nature, and to be precise with a provincial scope. This characteristic was already present in the Spanish labour market under Franco's regime⁴².

The eighties witnessed employment flexibilisation. There was a shift from a model which favoured indefinite contracts and considered temporary ones as exceptional, towards a model in which temporary contracts became the norm. It makes the proverb "Today's utopia are tomorrow's realities" true. The conversion of temporary contracts into general use is based in the modifications introduced in the Statute of Workers by the 32 Law, passed in August 1984⁴³. The tendency towards a precarisation seems firmly established after the erosion of labour stability. This supports those who think there is an economic growth built on unemployment⁴⁴. What Toharia terms as "race towards flexibilisation" appears lacking political solidarity with Spanish unemployed. The chronological consideration of flexibilisation for Spain differs from that for the rest of the European countries for obvious reasons, due to the stage under Franco's guardianship, and to the transition towards democracy, and must be centred in the period after 1976.

⁴¹ In "cumulative multistage bargaining" each agreement becomes the lowest point of reference to be superseded by agreements in more restrictive scopes. See Joaquín Lorences, *El comportamiento de las diferencias salariales*, p. 24 and also Joaquín Lorences, <<Elementos para la reforma del...>>, pp. 519-520.

⁴² The province is the most common place to stage trade union rivalries. See Joaquín Lorences, <<Elementos para la reforma del...>>, p. 522.

⁴³ In 1985 the percentage of workers with temporary contracts was of 4.8% in Italy, 4.7% in France and 5.7% in UK.. In Spain there was, in 1987, 15.6% of temporary workers. See Juan Mayoral, <<Gestión de personal>>, p. 436.

⁴⁴ As Dahrendorf says as regards developed economies, it is a development which will do little for employment. Quoted by Juan Mayoral, <<Gestión de personal>>, p. 434.

APPENDIX

I want to sketch some ideas about the evolution of the concept of unemployment in Spain. The search for the origin of the concept of unemployment is inspired in the work of Bo Strath, and the lines he devoted to the topic are a simple advance of a research still in course⁴⁵. The illustrious thinkers and economists I will quote present ideas on unemployment, and lead the way which must be tracked in order to trace this concept.

The concept of unemployed, in the XVIII century is implicit in the idea selected by the "Diccionario de Autoridades [Dictionary of Authorities], already in 1732. The dictionary collects the following entry for the word *despedir*[dismiss]: To remove one's occupation, job or service: like dismiss a servant, the troops. However, should the aforementioned servant be dismissed by his master, but he did not leave, he could join the service of another master in the same place⁴⁶.

Currently the unemployed is usually defined as somebody out of a job, and who is actively looking for one. It is very probable that the difference between both concepts lies only in the premise of "actively looking for it". If we turn, from a methodological point of view, to the definitions employed since 1987 by the National Institute for Statistics to elaborate the labour force sample survey, we will find more precise definitions, and which affect something more than the energetic search for a job. Cristina García states: "Language not only describes reality, it builds it up", and thus she has proposed a revision of the basic concepts of the labour force sample survey. When it deals with the word unemployment [paro] it talks about its Latin origin: "caumare", the meaning of which is calm, as it was in principle applied to the periods of idleness of machines, or businesses, or the calm of the money, when it did not produce interests. At the end of the last century, the term unemployed appears in all industrialised countries to identify the person who is deprived of a job⁴⁷. The bases are set up to consider unemployment as not employment⁴⁸, according to the methodology of the labour force sample survey, and the ILO. For this reason, an unemployed person is the one who has carried out 0 hours of work, i.e. who is not working. This indication seems to fit the situation of men, but results at least contradictory for the majority of the female population. The women who carry out domestic work carry out a work of approximately nine hours a day, thus they would not be unemployed, states García Sáinz.

For the time being I will only make some remarks on the evolution of the concept of unemployment in the XIX century. It must be remembered that the possibility of unemployment was considered by classical economists, but it was also indicated in other terms or circumlocutions: the unemployed was referred to as "idle", as opposed to "industrious", but without the moral connotations these words have now. They were also referred to as people who want a job. The English classics included not

⁴⁵ On the concept of "flexibility and its social elaboration see Bo Strath, *The transformation of the idea of a full employment to a flexibility discourse in European comparison*, Draft Project, E.U.I., Florence, 1996, p. 7.

⁴⁶ From the Latin *Dimittere rejicere*. Recop. lib. 6 tit. 20 l. 2. See Real Academia Española, *Diccionario de la lengua castellana, en que se explica el verdadero sentido de las voces, su naturaleza y calidad, con las frases o modos de hablar, los proverbios o refranes, y otras cosas convenientes al uso de la lengua*, Third volume, which contains the letters D.E.R., Publishing company of the Real Academia Española: by the widow of Francisco del Hierro, 1732, reprinted by Editorial Gredos, Madrid, 1979, p. 212.

⁴⁷ See R. Salais/ N. Baverez y B. Reynaud, *L'invention du chômage*, Paris, PUF, 1986. Quoted. in Cristina García Sáinz, <<Revisión de conceptos en la encuesta de Población activa>>, *Revista Española de Investigaciones Sociológicas*, nº 61, 1993, pp. 173-184, p. 181.

⁴⁸ According to this methodology, a person is unemployed if it fulfils certain requisites: to be without a job self employed or paid for by others, is looking for it taking steps or making actions to get it, and is available to work, i.e. capable to enter a job in the two weeks after the realisation of the interview. Ibidem.

only people who were actually looking for a job and under employed workers willing to work more days or more hours, but also those who had become tramps, beggars or criminals. They also included sections of the population such as women or children who would, or would not, be actively looking for a job, but who were willing to offer their services should the opportunity arise. Although these people were not always willing to be unemployed, according to the modern definition of the term, they were contemplated by classical economists as "wanting employment" and as part of the employment offer. We can see how there is a smaller distance between the theoretical ideas of the nineteenth century definition, and those of the current concept⁴⁹.

The evolution of the concept of unemployment in Spain would have, both from the sectorial and regional point of view, a marked Andalusian nature, already from the middle ages. Although agricultural seasonal unemployment is well known in all societies in which property is organised in large estates. As Bernal states, there has been seasonal unemployment in all dry farming types of agriculture and not only in the one from Andalusia, no matter the structure of the property⁵⁰. Unemployment becomes a useful concept to express the understanding of the deviations produced from a new rising normality stemming from the salaried employment, and the wages, and, as it is well known, it is generated in industrial societies, as within them they become a permanent phenomenon. Industrialised countries suffer conflicts derived from the existence of an "army of unemployed", although in those cases in which the importance of agriculture is big, we can see that there is a dependency between mass unemployment and farm labourers. A classical example of the aforementioned dependency is that of the levels of unemployment reached in countries such as Sweden and Germany in the first years of the thirties⁵¹.

The evolution of the concept of unemployment must be seen from the point of view of the private sector, but also from the public sector of the economy. From the latter, we find in Spain the concept of *cesantes* [civil servants who have been made redundant] and laid off. Canga Argüelles defines in his *Diccionario de Hacienda cesantes* as: those public employees who lose their job as a consequence of political reforms. When in the year 1779 the General Direction for rents was suppressed, and the administrations of the provinces were centralised, many public servants were made redundant. In the year 1816 they were given back their jobs, without any reason for it. In 1820 the system was simplified again, and the number of employees was reduced, which generated many unemployed [*cesantes*], whose salaries were a heavy burden for the budget. They were granted the right to the salaries they had obtained, and also to be placed in their jobs as vacancies would arise. In order to diminish this burden on the treasury, they were allowed to capitalise their salaries, according to the tables of life expectancy, investing this money in national farms". Later on,

⁴⁹ As Stirati states, the unemployment ratio is currently defined as a significant indicator of the state of the labour market. However, the starting suppositions must be clearly stated. They are normally inherent to the neo-classical economic theory of the period, and thus coincident in the understanding that the normal way in which economic forces operate is that of ensuring full employment of the labour sector, and that unemployment can only be due to temporary friction or fluctuations in the output level, always tending to full employment. See Antonella Stirati, *The theory of wages in classical Economics. A Study of Adam Smith, David Ricardo and their contemporaries*, Edward Elgar, England, 1994, p. 10.

⁵⁰ Bernal is talking about the unemployment which becomes a differentiating factor of Andalusia and the main problem of the region. See Miguel Bernal, *Economía e historia de los latifundios*, Instituto de España/ Espasa Calpe, 1988, p. 209.

⁵¹ See Bo Strath, *The organisation of labour markets. Modernity, culture and governance in Germany, Sweden, Britain and Japan*, Routledge, London/ New York, 1996, p.15.

in 1868, the idea of *cesante* is fixed in the law as the "passive situation of the public servant, without a job, and the name is also given to the pension or wage he is entitled to for that very right"⁵².

In the region of Catalonia, the area of highest economic development in Spain, in the decade of 1840, Juan Muns established the *Protección Mutua de Tejedores de Barcelona* [Mutual Society for the Protection of Weavers of Barcelona], under the law of the 28 February 1834, which authorised the foundation of mutual help societies and co-operatives. Its members paid a fee to help those who lost their jobs, and to oppose, by means of strikes, reduction in wages. On its part, the *Sociedad de Protección mutua de Tejedores de Algodón* [Society for Mutual protection of Cotton Weavers] publishes a manifesto in 1840 in which it demanded an insurance for health and forced unemployment⁵³. It pursued two aims: to press employers to prevent reductions in wages, and also to support those members out of a job or of health⁵⁴.

Among the events that filled with content the concept of unemployment it is worth mentioning the strike in Alcoy on March 2 1821. This was a luddite movement, as 1 200 men burnt 17 looms, demanding from the council the dismantling of the rest. The feeling of defenceless, unemployed, displaced by machines seems incontrovertible in the case of the Alcoy strike. Besides the strengthening of the concept of unemployment, there was a relationship with the owners of machines, with the employers, which was voted in parliament on March 18 in that year. The state paid compensation to the owners of the burned machines. This will be the origin of the labour market, which will be further developed later on, favoured by the three parties: employers, state and trade unions. Employers and workers will be essential in this organisation.

In the Spain before industry, as in Europe before the industrialisation, security in employment was non-existent. In the year 1832 many weavers in Barcelona complained to the Captain General Llauder that the employers were laying them off whenever they wanted. Later on, after the 1843 drop in production due to an international crisis unemployment grew, as Vicens Vives points out, but it did not remain in the Catalonian textile industry⁵⁵. I leave aside the dubious content of the previous aside because Kindleberger does not mention that crisis, and, besides, because what I want to emphasise is how the master of Spanish Economic history uses the word unemployment as the right one to explain the situation in Catalonia in middle of the XIX century⁵⁶. The complaint of the weavers of Barcelona in the year 1832 is one of the first cases of the existence of the notion, of the concept, of unemployment among the workers and within the environment of the society in Catalonia. The same idea, although a bit more fuzzy is also present in the writings of López de Peñalver, in the year 1832⁵⁷.

⁵² See Marcelo Martínez Alcubilla, *Diccionario de la Administración española peninsular y ultramarina: compilación ilustrada de la novísima legislación de España en todos los ramos de la administración pública*, Vol. III, Madrid, 1868, p. 135.

⁵³ The asociación mutua de obreros de la industria algodonera de Barcelona [The mutual association for workers in the cotton industry of Barcelona] was founded under the legislation of 1839 which authorised the constitution of mutual societies. It was dissolved in 1841, after the 8/12/1840 manifesto. See Alvaro Soto Carmona, *El trabajo industrial*, p. 718.

⁵⁴ See Antonio Elorza, <<Los orígenes del asociacionismo obrero en España>>, *Revista de Trabajo*, nº 41 and 42, pp. 315-350.

⁵⁵ See Manuel Tuñón de Lara, *El movimiento obrero en la historia de España*, Taurus, Madrid, 1972, pp. 35-36.

⁵⁶ See Charles P. Kindleberger, *Manias, panics and crashes. A history of financial crises*, London, The McMillan Press, 1989, Appendix B, pp. 252-253.

⁵⁷ See Juan López de Peñalver, *Escritos de López de Peñalver*, Edición y estudio crítico de Ernest Lluch, Instituto de Estudios Fiscales, Madrid, 1992, pp. 244 y 250. <<De la influencia de la industria en la situación política de las naciones>>.

The next year, 1833, Canga Argüelles publishes in his *Diccionario de Hacienda*, [Public Revenue Dictionary] an article on "Industrial Machinery" in which he talks about his perception, undoubtedly quite widespread, that there was a technological unemployment⁵⁸. The importance of unemployment in a country considered a late comer to the race towards industrialisation starts to become evident in the last third of the XIX century, during the second wave of technological innovations. The greater awareness of unemployment has its origin in Spain in the creation of trade unions rather than in the real growth of the industrial sector, which occupies a tiny regional space within a country fundamentally agricultural.

Unemployment and strike, as cause and effect, continue separated all through the industrialisation process, although already in the XX century there is a great parallelism, at least graphically in the tendencies of their respective curves, above all in the period 1960-1990. Before 1905 the most general causes of disputes are: 1) eight hours of work a day; 2) the prohibition of piece-rate; 3) the prohibition of the work of women and children and 4) the increase of wages. Between 1905 and 1933 wage claims increase⁵⁹. During the XX century unemployment acquires large dimensions and becomes a basic problem for the Spanish society after the second half of the seventies. Previous unemployment rates had been quite low, although they would have become larger if the labour induced migration of the sixties had been included. In 1985 there are over 3 million unemployed, and afterwards there is a tendency to reduce the destruction of jobs, although unemployment is still quite high. There is a femeneisation of unemployment due to the introduction of women in non-domestic jobs. unemployment will also affect more intensely young people and to a larger extent those with low academic qualifications⁶⁰.

⁵⁸ See Palmira Fonseca Cuevas, *Un hacendista asturiano: José Canga Argüelles*, Oviedo, Real Instituto de Estudios Asturianos, 1995, pp. 240-243.

⁵⁹ See Alvaro Soto Carmona, *El trabajo industrial*, pp. 450-451. The two most important and transcendent disputes during this period are the strikes of 1917 and that of 1934, as dealt with by authors such as Tuñón de Lara and Shubert.

⁶⁰ A good explanation of these tendencies can be found in Manuel Navarro, <<Paro>>, in *Tendencias sociales en España (1960-1990)*, vol. I, Bilbao, Fundación BBV Documenta, 1994, pp. 325-339.