

‘The labour market under the iron fist of the state’: the Franco dictatorship in the mirror of Hitler, Mussolini and Stalin

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Abstract

This article focuses on the idea that intervention in the labour market through the suspension of labour rights and freedoms, fear and a fall in purchasing power all played a key role in achieving political and economic objectives in the regimes of Mussolini, Hitler and Stalin. However, in each of these cases, the success of this policy was not as had been expected. These European experiences were essential for the configuration of the labour framework in the Franco dictatorship. The iron-fisted control of the labour market came to Spain through legal texts and institutions that were in many cases a blatant copy of those applied in Italy and Germany. In spite of the ideological distance between them, we can also find some common traits with Stalin’s labour policies. The results obtained were even worse for Spain, and the negative effects on the economy were more serious, due to the greater longevity of the Spanish dictatorship.

Key Words: Labour Market, Workers, Dictatorship, Fascism, Spain, Europe

Dictatorship was a common phenomenon in the 29 states that comprised Europe during the interwar period. In 1920, all but three European countries could have been described as democracies, as they had a parliamentary system with elected governments, a variety of parties and guaranteed individual freedoms. However, on the eve of the outbreak of the Second World War, at least 16 countries had succumbed to dictatorship and, by the end of 1940, only five democracies remained intact: the United Kingdom, Ireland, Sweden, Finland and Switzerland.¹ Not all the dictatorships of this time fit into the same paradigm. Generally speaking, Gregory M. Luebbert distinguishes between traditional dictatorships and those others of a more revolutionary nature. The traditional ones did not have an ideological content – except for nationalism – and aimed to preserve the privileges enjoyed by the elites prior to the First World War. They maintained limited representative institutions and tolerated the existence of socialist parties and trade unions that had their hands tied, provided that they did not represent a threat to those in power. This domestication was possible due to the relatively small size of the working class. The more revolutionary dictatorships would be represented by the countries where fascism, Nazism or Bolshevism triumphed. These were ideologies of a revolutionary nature that found a good breeding ground in the economic crisis, in the class struggles between capitalists and workers and in the political tensions generated by the breakdown of the nineteenth-century world order, the creation of new states and the adoption of new electoral systems. Their proclamations were supported by the media, paramilitary organisations and mass demonstrations held to attract and win over public opinion.²

Within the second group, the regimes of Mussolini (1922-1943), Hitler (1933-1945) and Stalin (1928-1953) stood out. There were clear differences between them, not only in their ideological bases – from the far right to the far left – but also in how they had come to power (whether by democratic means or not), in how long they remained in power and in their economic results. Nevertheless, the three regimes were characterised by their ambition to

put an end to class struggles and social turmoil and secure the subordination of the workers to the interests of the state.³ Control of the labour market was the key to attaining these objectives, and for this reason it became an obsession for the dictators. One only needs to think that wages are the main source of income for the majority of the population and determine, to a large extent, the class structure and cohesion of society. These characteristics made control of the labour market an effective tool for achieving discipline, control and submission to authority.

Starting from this context, the first part of this article aims to analyse the role played by labour policies in the regimes of Hitler, Stalin and Mussolini. Two key questions need to be addressed. First, what strategic function did labour perform in these dictatorships in a context in which market laws barely functioned? Second, what was the response of a labour market controlled by the iron fist of the state? In other words, was discipline and control the way to maximise labour productivity and achieve political objectives? The second part of the article focuses on the case of Spain during the Franco dictatorship, much less studied in the international historiography. Firstly, this analysis serves to illustrate how the experiences of the dictatorships of Hitler and Mussolini were essential for the configuration of the labour framework in the Franco dictatorship. In spite of the ideological distance between them, we can also find some common traits with Stalin's labour policies. However, two factors obliged the Franco dictatorship to modify its labour strategy in the long term: on the one hand, the defeat of fascism after the Second World War and the integration of Spain into the strategic system of the western democracies under the shadow of the cold war; and on the other hand, the economic failure of the initial labour policy and social unrest within the country. The last section presents the main conclusions and reflects on the changes in labour strategy of the last years of the Franco regime and the effects that almost forty years of dictatorship (1939-1975) had on the labour market in Spain.

Labour as a Strategic Element in the Dictatorships of Mussolini, Stalin and Hitler

From an overall perspective, it is difficult to make comparisons between the economic policies undertaken by the regimes of Mussolini, Hitler and Stalin. The three dictatorships emerged at different moments in time and in different economic circumstances. Hitler came to power after the Great Depression, while Mussolini and Stalin did so in the apparently prosperous 1920s. The German economy was considerably more industrial than the Soviet or Italian ones. During the crisis of the 1930s, the German depression was basically a collapse of industry prior to Hitler's rise to power, while the Russian famine of 1931-1933 was the result of an agricultural disaster caused by Stalin's policy of forced collectivization.⁴

In spite of the differences, there were also similarities in the methods of government of the three regimes. In general, like the majority of dictatorships, they prohibited political rights and freedoms, used coercive methods as a means of subjugation, manipulated the law and imposed censorship on the media, while at the same time they made use of propaganda to try to rally the masses. The focus of this article is concentrated entirely on labour issues, in line with the thesis that, for all three dictatorships, intervention in the labour market played a key role in achieving their political and economic objectives. Accordingly, the regimes of Mussolini, Hitler and Stalin ended up demonising market forces and liberal policies as responsible for unemployment, the economic crisis and social instability, and they sold state interventionism as the soothing balm of all economic and social ills. Liberalism in labour market management was substituted by an astute mixture of control, coercion and integration of the working class through three main strategies.

First of all, control of workers' family and working lives through discipline, the elimination of trade union freedoms and ideological indoctrination. A dual purpose lay behind this strategy.⁵ On the one hand, wages were dissociated from market mechanisms in order to reduce the labour costs of the production system and to comply with other strategic goals

unrelated to the welfare of the population. On the other hand, authentic worker representation was abolished and workers could only participate in negotiations through the official 'trade unions' that supported the regime, in a context of the prohibition of strikes and other labour rights. Under these circumstances, a concerted effort on the part of labour became a patriotic duty, while disobedience or going on strike became a crime against the interests of the state. The party in the USSR and the labour organisations in Germany and Italy were important mechanisms for the mobilisation and control of the masses. Finally, the role assigned to women in the different regimes also contributed to the ideological contamination and the control of the population, but with notable differences. The defence of the family, considered as a pillar of the state, was related to two typical principles of the Nazi and fascist ideologies: the association between the size of the population and the socio-economic and political power of a country; and the obsession with improvement of the race. Mussolini also restricted the participation of women in the labour market in order to curb male unemployment and to guarantee social peace. The subordinate role assigned to women in the labour market became more tenuous with the mobilisation of men during the Second World War, and also due to household coping strategies. For his part, Stalin also adopted a policy of defence of the traditional family in the 1930s, although without renouncing the integral role of women as part of the labour force required to achieve his political objectives.⁶

Second, the use of violence and terror in order to guarantee a disciplined and obedient workforce, although at a different pace and to differing degrees. The fascist government in Italy used coercion and repression, although the scale of terror was less than in Nazi Germany. The OVRA was not the equivalent of the German SS or the Soviet NKVD, maybe due to the fact that far less pressure was put on the workers in a situation of an overabundance of labour and greater popular support for the regime. The death penalty in Italy was used 'only' nine times between 1927 and 1940 and 'only' 5,000 people were imprisoned for political

motives.⁷ In 1933 the Nazi regime initiated a new system of special courts with Nazi judges that dealt with all political offences, except for crimes of high treason that were tried by the new People's Court (1934), which condemned more than 12,000 civilians to death. The worst excesses of Nazi violence were expressed through racial extermination and the use of forced labour, affecting around 12 million people from invaded countries and from the persecution of Jews.⁸ In the case of the USSR, terror, massacres and political purges were applied indiscriminately to the country's population under Stalin. Between 1930 and 1953 Stalin's state security apparatus executed about 770,000 people. Moreover, it is estimated that about 40-50 million people were victims of imprisonment or forced labour due to political persecutions in the USSR between 1917 and 1953.⁹ Along with the violence perpetrated by the state, the generalised fear of no work, hunger and penury was a great disciplinary force that was used systematically against workers in all three countries.

Third, in order to persuade the working class to support the system and contribute with high labour productivity, it was necessary both to integrate them into the system and to get them to identify with the new order. With this aim, the three regimes maintained a discourse about the harmonisation of social classes to favour common national interests – the racial purity and the military might of Germany, discipline and work in the USSR or the restoration of *grandeur* in Italy.¹⁰ In this discourse, full employment – not a synonym for quality or well-paid employment - played a fundamental role in their political strategy as guarantor of industrial peace, considered to be a synonym for social peace. At the same time, welfare policies were introduced and leisure and recreational activities were offered as tools of propaganda, integration and control.

On the whole, the three regimes analysed put their faith in interventionist policies where the iron fist of the state destroyed the basic mechanisms of labour market functioning.¹¹ What were the results of these policies? The workers were the great losers in all three cases.

First, they were stripped of their free trade unions and their means of protest and negotiation. Second, they were obliged to increase their productive effort through coercion and in exchange for poorer wages and living conditions. In view of the harshness of the measures, the authorities appealed to their patriotic spirit, but the evidence makes it clear that they did not really identify with the regime's discourse at all.

In the case of the USSR, survival was ensured by working longer hours and with the collaboration of more members of the family. Real wages in industry slumped, falling by almost half during the first five-year plan (1928-1932).¹² In 1937 real wages barely reached three-fifths of 1928 wages. The official statistics indicate that in 1952, in the twilight years of Stalin's regime, the average urban wage in the USSR still had not reached the level of 1928 wages. In parallel, the Stalinist regime exerted control over the population via a process of attrition, responding to any attempt at worker insubordination with repression. All resistance was overcome by means of this strategy, although total control over the industrial labour force was not attained. The ambitious planning objectives had not even envisaged problems stemming from the shortage of labour, especially skilled workers, because they were confident of a substantial increase in labour productivity. But this did not occur, which caused the authorities to panic, as the lack of manpower work put their economic plans at risk and provided workers with a certain capacity of resistance (unemployment figures: 1929: 1.7 million; 1930: 1.3 million; 1931 (August): 0.02 million).¹³

The shortage of labour also limited the repressive measures of the Nazi regime in the labour market (unemployment figures: 1933: 4.8 million; 1935 2.2 million; 1937: 0.9 million and 1939: 0.1 million).¹⁴ The problem lay in the fact that as unemployment was reduced, there was pressure for wages to rise and workers had fewer incentives to collaborate through overtime and increased productivity. Under these circumstances, the rate of job rotation shot up, creating production problems in some factories. Employers tried to retain the more skilled

workers with additional benefits, some of them outside the law, but these measures pushed up production costs. The abundance of forced labourers did not solve the problem due to their lower level of skills and productivity.¹⁵ In view of this situation, the Nazi regime responded with tougher measures, reinforcing the barriers against wage rises and labour mobility.¹⁶ The German workers, although they did not openly oppose Nazi politics and policies in a climate of persuasion, did not collaborate with them very enthusiastically either. Above all in the industrial sector, they took action through the use of defensive tactics such as undeclared or unofficial strikes, absenteeism or resistance to new technology or working methods, all of which contributed to a less efficient use of labour.¹⁷

Mussolini did not achieve the economic success of Hitler and this was reflected in the unemployment figures. In Italy, underemployment in agriculture and industrial unemployment increased, with the latter fluctuating between 11.4-15.5 per cent of the labour force between 1931 and 1934 (about 2 million), while the purchasing power of wage earners diminished. All in all, industrial wages fell about 14 per cent between 1922 and 1939.¹⁸ Upward pressure on wages only began when the Italian economy initiated its arms race on the eve of the Second World War, and military discipline was introduced in the factories.

Complaints about low productivity and poor labour discipline were common in the two regimes that had a shortage of skilled labour, Germany and the USSR. The Stalinist system led to a poor use of the labour force, which resulted in low productivity.¹⁹ Between 1928 and 1938 industrial production per hour barely increased 5 per cent, while between 1938 and 1950 it remained virtually stagnant. The results were far removed from those envisaged in the five-year plans for two fundamental reasons. On the one hand, purges and repression discouraged technological advances and, on the other hand, targets called for a superhuman effort from a workforce with few incentives to feel identified with the system and work full out – apart from patriotic ideologies such as the case of Stakhanovism-. On the whole, the

accelerated industrialisation of the USSR during these years was due to the tremendous increase of the labour force rather than to an improvement in productivity. For their part, German industrial workers were worse paid during the Nazi period than their counterparts in democratic countries such as Great Britain and the United States.²⁰ The lower wages and unemployment and longer annual working hours in the dictatorships of Hitler and Stalin were a direct result of the policies applied by their leaders.

Generally speaking, workers had to work in hostile and increasingly demanding environments while losing purchasing power and the capacity to consume. Their lives got worse both in terms of the quality of their diets and in the availability of free time. In Italy, workers were confronted with an increase in unemployment and a loss of purchasing power which led to a 10 per cent reduction in per capita food consumption between 1925 and 1938.²¹ In spite of almost reaching full employment, dietary conditions also deteriorated in Hitler's and Stalin's regimes, where the population had to endure rationing and scarcity. In Nazi Germany the consumption of basic foodstuffs (milk, eggs and vegetables) among the working classes fell between 1927 and 1937, while that of poorer quality and cheaper substitute goods, such as potatoes and rye bread, tended to increase.²² The annual per capita meat consumption also fell from 51.7 Kg. in 1929 to 48.6 Kg. in 1938. The durable consumer goods industries were the most affected by the German workers' loss of purchasing power. The failure of two projects – the promotion of the popular car and the launch of TSF receivers – clearly illustrates the limitations of the internal market. This situation was accepted by the workers in a climate of discontent, but where there were no notable protests due to a variety of factors: fear, the increase in employment and the fact that the majority of the population still had memories of the tough times of the Depression. In the USSR, annual food consumption fell in the decade prior to the Second World War from 2,783 kcal per inhabitant in 1927/28 to 2,449

(1933), 2,578 (1937) and 2,708 (1938).²³ In terms of repression and the loss of purchasing power, the Soviet workers were the worst hit.

On the whole, the labour policies applied only led to disappointing results in terms of productivity and the collaboration of the labour force. Control and fear did not favour collective protest actions, but they did demotivate workers with regard to individual behaviour, less and less willing to make sacrifices for their regime. In short, the workers lost out because they suffered the pressure of the iron fist of the state, because they lost rights and freedoms and because they lost purchasing power in a context of growing social inequality.²⁴

The labour market during the first decades of the Franco Dictatorship (1939-58)

Spanish workers hardly had time to enjoy the universal suffrage, the growing participation of trade unions in public life and the gains that had been won in wages and working conditions in the 1930s.²⁵ The failed coup d'état of 1936 led to a civil war where the democratic republican regime was defeated by the force of arms. Before the Civil War ended, the rebel government prohibited all political and trade union activity in the occupied territories, dissolved trade unions and political parties and seized all their property. At the same time, fundamental rights such as the right to form and become a member of trade unions, the right to strike or the right of association were prohibited, and would not be recovered until the 1970s. The predominant role of the army in the conquest of power meant that the Spanish fascist party, the Falange, had less of a hold on Spanish society than the fascist movements in Germany or Italy that had led their party to power.²⁶ This did not prevent the Spanish dictatorship from taking these countries as a model for organising the labour market.

First, the *Fuero del Trabajo* or Employment Code (1938) - almost a literal copy of the Italian Labour Charter - established the basic guidelines for labour relations that were to govern the so-called 'New State' and which remained in force until almost the end of the

dictatorship. Using the argument that market forces encouraged the class struggle and were detrimental to the workers' interests, the *Fuero* designated the state as the supreme supervisory body.²⁷ Through the Ministry of Labour, it imposed a monopolistic regime that regulated wages and working conditions and ensured compliance by means of inspection services. Meanwhile, compulsory membership of the vertical syndicate (run by the fascist party, *Falange*) left workers without any negotiating capacity. The control of the labour market by the Franco dictatorship was greater than that exercised by Hitler and Mussolini before the Second World War. This may have been due to two reasons: the fact that the regime considered the working class to be its main political enemy in a country that was socially and politically divided after the Civil War; and the dependence of the dictatorship on labour in order to produce in a context of technological obsolescence, a lack of capital and a shortage of energy. These factors may also explain why the labour legislation in Spain gave priority to order and a disciplined workforce rather than to a skilled and productive one, which led to disastrous economic results.

Second, the Industrial Tribunals created in 1938 – following the Nazi model – strengthened the state's control and its powers to resolve industrial disputes between workers and employers. In practice, the judges mainly ruled in favour of employers' interests and served as a disciplinary institution to ratify employers' punishments for serious misconduct on the part of employees. The same as had occurred during the first years of Nazi government, in postwar Spain employers and the party decided who would obtain work or keep it. However, this basic tool for exercising dictatorial power on behalf of the state, the party and capital was weakened in Germany by the regime's policy of rearmament and the need for skilled labour. In Spain, on the contrary, workers barely had any capacity to exert pressure in the immediate post-Civil War period and were subject to the authority of employers, who enjoyed extensive powers within the company.

As a result, gangs of workers who were troublesome or who had a suspect political past were purged and strikes were declared to be crimes of disobedience or rebelliousness and tried by military courts. There were at least 700,000 trials held by the Tribunal of Political Responsibilities that led to between 130,000 and 150,000 executions in the post-Civil War period.²⁸ The penalties that could be imposed under this law included the death penalty, prison, professional disqualification, monetary fines or the expropriation of property or belongings. There were 233,373 political prisoners in 1940, and a decade after the Civil war had finished there were still 36,127.²⁹ In 1961 there were still 15,202 political prisoners in Spanish prisons. Disciplinary dismissal became a cheap and quick way for getting rid of troublesome or 'awkward' workers. The suffocating atmosphere of vigilance, the ideological and moral persecution, and the harsh punishments that the Spanish population was subjected to for decades allow us to establish certain similarities with the methods of repression used by Stalin.

The war, exile and repression brought about a considerable loss of skilled workers in the labour market. In the light of the shortage of specialised workers, it was necessary to put a stop to the purges and apply a formula of work in return for the reduction of sentences. Between 1939 and 1943, more than 100,000 political prisoners gained their freedom by means of the reduction of their sentence through forced labour. In other cases, inmates worked in workshops and market gardens that had been established inside the prisons.³⁰ These measures provided a cheap, docile and intimidated labour force that was used to reconstruct the country at a low economic, but not human, cost. On the other hand, within the labour market, the government reduced the skill premia to an all-time low. This undervaluing of human capital was in effect just one more form of repression.

Following the Italian model, the *Fuero* also institutionalised the expulsion of women from the labour market and assigned the paternal figure the status of 'head of the household',

endowed with family and material privileges such as qualifications and a wage.³¹ To encourage women to abandon the labour market, husbands whose wives did not work outside the home wage were rewarded with wage supplements, or women who left their job after getting married were offered some kind of severance pay. The purges and the compulsory retirement of women from the official labour market served to offset the lack of demand for labour in an economic context of crisis and scarcity. Workers who suffered reprisals, married women and all those under twenty years of age without an official certificate of vocational aptitude were removed from the unemployment statistics. In accordance with these rules, the Ministry of Labour registered only an average of 160,000 unemployed in the 1940s and around 240,000 in the following decade.³² Meanwhile, low wages obliged workers to opt for holding dual or multiple jobs and working overtime to the limits of their physical endurance (Figure 1). It is noteworthy that the downward trend of real wages in Spanish industry during the post-Civil War period was similar to that registered in the Stalin era, the only one of the three dictatorships analysed that survived after the Second World War. However, in the USSR, real wages showed clear signs of recovery in the early 1950s, although in 1952 they were still below the level of 1928.³³ In Spain the recovery of wages came later. The situation of workers during the first stage of the Franco dictatorship became so awful that in 1956 the Minister of Labour decreed a general wage increase. Its positive effect, however, was offset almost immediately by the high cost of living.³⁴ At the same time, many women and children did clandestine work, which was worse paid and in abusive conditions, in order to make up the family budget. The activity rates among the underage population rocketed in the 1940s: 63 per cent for children under the age of 14 and 89 per cent for youths aged 15 to 19 years. 50 per cent of the children aged 6 to 11 years – who were prohibited from working by law – were not enrolled in public schools, where school absenteeism reached 29 per cent.³⁵

INSERT FIGURE 1 ABOUT HERE

Fear and tough working and living conditions had the desired effect in terms of obedience and submission, but resulted in very poor labour productivity. Workers could not perform well because they lived and worked in scarcity: a shortage of food, insufficient skills and qualifications, power cuts, a lack of raw materials and technological obsolescence in a framework of interventionism and autarky.³⁶ The consumption of calories per inhabitant and year fell 25 per cent between 1935 and 1945 and was still below the pre-Civil War level in 1955. The reports of international organisations such as the FAO or the UNO put the Spanish diet among the poorest of the principal capitalist countries (1948/49: 2,380 calories per individual and 1957/59: 2,590).³⁷ Poorly nourished due to food rationing – in force until 1953- and subjected to working days of 10 and 12 hours, many of the population could do little more than survive (Table 1).

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This social panorama led to the appearance of illnesses due to insufficient vitamins, which coincided with the proliferation of infections stemming from the lack of hygiene and salubrity. Infant mortality rates rose by 33.3 deaths per thousand births between 1935 and 1941 and epidemics of typhus and tuberculosis depleted the little strength remaining to the weakest. The figures are, to say the least, chilling. From 1941 to 1945, 310,470 people died of tuberculosis, 15,259 of typhoid, 3,615 of typhus and 7,801 of syphilis, figures that were much higher than those for the prewar period. Cases of malaria, pneumonia and other illnesses also increased dramatically.³⁸

The dictatorship's wage policy also failed to stimulate worker productivity as it offered the possibility of supplementing wages, not as a reward for productivity or qualifications, but rather on the basis of good behaviour (official unionisation, obedience reports), bonuses of different types (cost-of-living allowance, rain, wear and tear of tools, etc.) or compliance with the regime's ideological models (affiliation to the vertical trade union, wives not working

outside the home, getting married young, having a lot of children, etc.). Within this system, the internal structure of labour costs was extremely complex. In order to simplify somewhat, we can consider the labour costs of an industrial worker to be divided into three large components. First, compulsory contributions (13 per cent), which included social insurances (these included family allowance, old age, accidents, sickness and family responsibilities), official trade union fees and contributions to vocational training and to the workers' *montepío* (similar to a friendly society). As a second component of labour costs, workers received supplementary benefits of a pseudo-welfare character (48 per cent), which constituted a direct remuneration for workers but which had absolutely nothing to do with their qualifications or performance, such as family benefits, a bread subsidy (to buy basic foodstuffs), a rain subsidy (to buy rain clothes for work), bonuses and all the other social charges. This was a method used by employers to top up legal wages that were insufficient for the workers' survival. The system of supplements had two advantages for employers. On the one hand, the items were optional and discretionary, and they could be increased or cancelled by employers at any time without any legal hindrance. On the other hand, most of these items were linked to workers' 'good behaviour' rather than to efficiency or effectiveness at work, which guaranteed the control and the 'docility' of the working class. Moreover, it must also be taken into account that these items were not officially considered to be social contributions, and hence they did not increase employers' contributions. The third component of labour costs was their income as compensation for the work they had actually done. This last component only comprised about 39 per cent of labour costs per worker in 1954. This wage cost structure reduced the price of labour in the Spanish economy – as compulsory payments were very low- and gave greater power to employers, who could decide whether or not to pay the voluntary items that made up almost half of labour costs (48%) and were indispensable for families to survive, thus guaranteeing control over their workers.³⁹

On the whole, Spain endured a long and extremely tough post-Civil War period with spectacular falls in the main economic indicators and an alarming step backwards in terms of education and welfare in a context of deprivation of human, social and political rights. The 1935 income level of the Spanish economy was not regained until fifteen years later and the income trend line prior to the Civil War was not reached until 1956. As a result, Spanish convergence with respect to other European countries was reduced to an all-time low in 1960 (53 per cent).⁴⁰ Within this context, and although some employers had difficulties with the restrictions on raw materials, energy, and technology, the employers 'did not lose'. They managed to modify the country's income structure and take a greater share of national income,⁴¹ and were also able to accumulate profits, favoured by the low cost of labour. On the basis of the figures, it seems evident that the cost of the postwar crisis was borne by the workers, and not only in economic terms.

Conclusions: The long shadow of Francoism over the labour market in Spain

The dictatorships of Hitler, Stalin and Mussolini allowed us to analyse the effects of the iron fist of the state on the labour market, focusing on the main characteristics and the results. For these countries, pressure on the labour market was the means used to subordinate workers to the state's great strategic objectives. It appears evident that the workers were the ones sacrificed; they lost labour and civil rights, suffered the pressure of discipline and coercion, were compelled to work more and be more productive with hardly any wage incentives. However, as far as labour issues were concerned, the authorities did not achieve the expected success either in terms of collaboration, as workers did not identify themselves with the policies of their respective regimes, or in terms of productivity, as there were hardly any incentives.

These European experiences were essential for the configuration of the labour framework in the Franco dictatorship. The iron-fisted control of the labour market came to Spain through legal texts and institutions that were in many cases a blatant copy of those applied in Italy and Germany, although their practical application and results were different. These measures were accompanied by labour purges, political persecution and close supervision of the population by the state, which generated a climate of repression and fear in the purest Stalinist style. The difference in the case of Spain lay in the fact that the pressure on the labour market had no further aim than that of subjugating the workers in order to guarantee the success of the dictatorship and compensate employers with cheap and docile labour within an autarkic framework, which made it more difficult and expensive to import energy and other resources required for production that were in short supply in the country. The results were devastating for the majority of the Spanish population that silently endured a long postwar period rife with fear and hunger. The exploitation of Spanish workers is an indisputable fact, despite its lack of prominence in the international historiography.

However, the greater longevity of the Spanish dictatorship obliged it to modify its strategy in the long term. The economic turnaround was consolidated with the Stabilisation Plan (1959), which implied the dictatorship's acceptance of the market economy preponderant in the western world. The initiative did not respond to any ideological change, but rather was encouraged by international organisations and was met by strong internal political opposition.⁴² Starting from the 1960s, there were many changes in the country's economic policy. Employers benefited from the progressive abandonment of the autarkic policy that had been in force in previous years. Growing imports enabled the gradual replacement of old and obsolete machinery used in industry up to that time and an increase in the rate of capitalisation. Development was financed through the accumulation of internal capital, brought about by the increase in capital income compared with labour income during the

preceding decades, and through external financing (emigrants' remittances, foreign currencies from tourists and direct investments). The Spanish GDP grew at an annual average of around 7 per cent between 1960 and 1975, the period of greatest economic expansion in Spain's history.⁴³ The creation of employment was much more modest with an average annual rate of 0.6 per cent, while the population was growing at an annual rate of 1.2 per cent. The intensive industrial growth in terms of capital was incapable of absorbing the growth of the active population and the rural exodus of at least five million people, a result of the crisis in traditional agriculture. The apparent balance in the labour market was obtained during these years thanks to emigration, since nearly two million Spaniards migrated to work officially in European markets.⁴⁴

The fact that this economic success occurred under a dictatorship brought with it serious deficiencies for the country, above all in terms of social and political rights, efficiency and welfare. For thirty years Spanish workers lost out on the growing power and influence of the trade unions, the advances in women's rights and the unprecedented expansion of the welfare state that characterised the golden age of capitalism in European democracies. Quite the contrary, Spain was a controlled society during these years, conditioned by fear of the dictatorship's permanent vigilance and ideological contamination. So, how did the labour market, which was still heavily regulated, adapt to the new requirements of the rapid and intensive Spanish development?

The labour market began its expansion of this period with the law of 24 April 1958, on trade union collective agreements, which opened the way to collective bargaining under the supervision of the dictatorship, as it took place within the vertical trade union. The legislative change was the result of various pressures. Employers were demanding a system of wage setting linked to improved productivity. Meanwhile, illegal strikes had started to become widespread in industrial areas, becoming a threat to the country's internal stability. It must

also be borne in mind that the old system of wage setting controlled by the state was complex and unsustainable from a bureaucratic point of view, and detrimental to the country's economic recovery, as it did not favour either internal demand or improved productivity.

The changes introduced by the law of 1958 were limited for two reasons. On the one hand, the capacity of workers and employers to exert pressure remained extremely uneven within a legal framework where political parties, free trade unions and strikes were all prohibited. On the other hand, the Ministry of Labour maintained and used its capacity to impose sanctions, by means of norms of obligatory compliance (NOC), which enabled it to impose its working conditions if the agreements reached were not to its liking. Between 1960 and 1975 the dictatorship applied a total of 1,858 NOCs, which meant that the bilateral negotiations between workers and unions were effectively worthless.⁴⁵ Its iron fist made itself apparent in November 1967, a few months after the trade union elections of 1966, which had seen heavy participation by workers and the victory of members infiltrated from clandestine trade union organisations such as the Workers' Commissions (*Comisiones Obreras* or *CCOO*).⁴⁶ In these circumstances, the government interrupted the negotiating process and froze wages for a time in a context of increasing social conflict in the form of strikes and collective demands.

Driven by collective bargaining and restrained by the limitations imposed by the norms of obligatory compliance, real wages in Spain increased at an average annual rate close to 7.8 per cent between 1964 and 1975. Far from what it might seem, this rise turned out to be quite modest, if we take into account the loss of purchasing power accumulated in previous decades and the overall performance of the economy. The available figures reveal that the increase in industrial productivity was always greater than the rise in real wages during this period.⁴⁷ At the same time, earned income fared worse than income from capital, which confirms that workers benefited less from the economic prosperity of these years. In

particular, the total wage bill as a percentage of national income dropped from 51.3 per cent in 1966 to 50.1 per cent in 1972 in a period when the number of wage earners increased.⁴⁸

Overall, employers managed to control wage increases, profit from the population's greater purchasing power, and progressively link wages to individual productivity by means of signing collective agreements. On the other hand, the living conditions of workers improved compared with previous decades, as a result of the increase in wages and the possibility of working overtime or in various jobs. In 1965, the Labour Force Survey indicated that at least 16.4 per cent of Spain's active population was working more than 60 hours a week, while the National Statistics Institute estimated an average of 4.6 hours of overtime in its wage surveys.⁴⁹ In general, economic progress enabled the widespread hunger among the population to be eradicated, although large areas of poverty remained, above all in the countryside and in working-class neighbourhoods. However, Spanish workers continued working in tougher conditions than their European counterparts with a longer working day and lower wages. This was compatible with improvements in the patterns of food consumption and the expansion of durable consumer goods.⁵⁰

The death of Franco (1975) and the transition to democracy entailed a progressive recognition of civil and labour rights (the right to form trade unions, the right to strike etc.), while, at the same time, the state lost part of its negotiating capacity to the two parties directly involved, employers and trade unions. But the labour relations inherited after almost forty years of Francoism put a very heavy burden on the internal functioning of the labour market. Since then, the reform of the labour market has become one of the central issues of different Spanish governments, above all in times of crisis, where the 'rigidities' inherited from the Franco regime appear as the main 'culprits' of the poor results of the Spanish economy in terms of productivity and employment.

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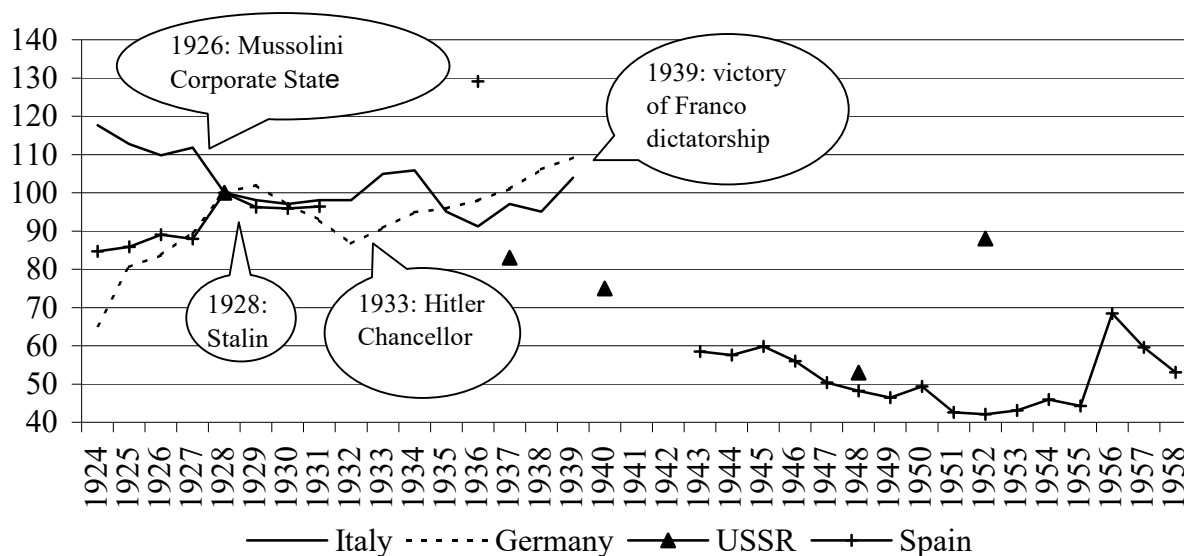
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Figure 1 Industrial Real Wage in Germany, Italy USSR and Spain (1928=100)



Source: Wages in Italy from Zamagni, *La dinamica*, 335; in Germany from Gerhard Bry, *Wages in Germany*; in USSR from Chapman, *Real Wages*, 145. Wages in Spain on the basis of the wage database of the Consejo Superior de Cámaras de Comercio, Industria y Navegación. The figures refer to wages paid for work done, without benefits or any other social supplements, per standard work day, without overtime. Weighting of the wages of skilled and unskilled workers comes from the National Statistics Institute INE, *Censo de población de España*. Madrid: INE, 1959 and INE, *Encuestas de población activa* (compiled from the FOESSA reports for 1966 and 1975). In order to deflate wages, the price index from Vilar, *Los salarios*, 137, has been used. Note: This comparison only intends to show the wage trends in the different dictatorships in the long term, as the wages of each country have been calculated in a heterogeneous manner.

Table 1. Monthly family budget in the post-Spanish Civil War period (in nominal pesetas)

Budget Items	1936	1942	1950	1956
Rent	50	50	100	150
Food	201	1.452	1.316	1.473
Clothing	40	120	290	476
Various	65	125	327	681
Total cost of living (Pesetas)	356	1.747	2.033	2.780
Cost of living index (1), base 1936=100	100	491	571	782
Calculated normal income	428	600	1.596	2.372
Income index (2), base 1936=100	100	140	373	554
Purchasing power (2/1)	100	29	65	71

Source: On the basis of *Memorias de la Cámara Oficial de Comercio, Industria y Navegación de Sabadell* (1943-1963). Budget calculated for a family consisting of a married couple of resident skilled workers in the textile industry with two children. The total family income is accounted for in the income section: the official wage received, overtime, bonuses and other supplements. In the expenditure section, the prices of goods on the black market (until its disappearance), where families went to supplement their meagre rations, are taken into account.

¹ Luebbert, *Liberalism*; Overy, *The Inter-War Crisis*; Lee, *European Dictatorships*.

² For more on the European dictatorships of this time, see Luebbert, *Liberalism*, 450; Lee, *European*, 25; Morgan, *Fascism in Europe*, 116; Williamson, *The Age of the Dictators*, 347. For the European economy during the interwar period, see Aldcroft, *Studies in the interwar*; Feinstein, Temin and Toniolo, *The European economy*.

³ Curtis, *Totalitarianism*, 50.

⁴ For the Soviet famines, see Wheatcroft, 'The first 35 years'. About the economic development of these countries, see Temin, 'Soviet and Nazi'; Lee, *European*.

⁵ Mason, *Nazism*; Bessel, *Fascist Italy*; Andreassi Cieri, *Arbeit macht frei*; Service, *A History*.

⁶ Lee, *European Dictatorships* points out that, given that the family had been considered as a bourgeois institution in previous years, 'nowhere is the contradiction of Stalinism greater than with the reluctant acceptance of the family', 81. For the role of women, see Goldman, *Women at the Gates* for Soviet Industrialisation and the collected Works in Passmore ed., *Women, Gender* for fascist ideologies.

⁷ 'In Italy the Mussolini regime was brutal and repressive, but not murderous and bloodthirsty', see Payne, *A History of Fascism*, 117.

⁸ The problem of scarcity was not overcome with the forced work due to the more unskilled nature and lower productivity of this type of labour. Mason, 'Labour' and Mason, *Nazism*. For more on forced labour under the Nazi regime, see Spoerer and Fleischhacker, 'Forced Laborers'.

⁹ Curtis, *Totalitarianism*, 20 and 37; Overy, *The Inter-War Crisis*, 109.

¹⁰ For a comparison between Nazi and Soviet economic planning, see Temin, 'Soviet'; and Williamson, *The Age*, 475.

¹¹ Interventionism should not be automatically identified with economic disaster, nor military dictatorship with distributive inequality or economic failure. See Freeman, 'Labor Markets'.

¹² Kurominya, *Stalin's*, 78 and Dobb, *Soviet Economic*, 452. Data on wages taken from Barber and Davies, 'Employment'.

¹³ Filtzer, *Soviet workers*. Unemployment figures in the USSR from Kuromiya, *Stalin's*, 201.

¹⁴ Unemployment figures in Germany from Lee, *European*, 229 and Overy, *The Nazi*, 60.

¹⁵ Mason, 'Labour' and Mason, *Nazism*. For more on forced labour under the Nazi regime, see Spoerer and Fleischhacker, 'Forced Laborers'.

¹⁶ Wages in Germany from Bry, *Wages in Germany*. See also Mason, 'Labour', 137; Mason, *Nazism*; Bettelheim, *La economía alemana*, vol. I, 71.

¹⁷ Mason, 'Social Policy' completely overturned the dominant view which claims that there was no resistance to the Nazi regime from within the working class except during the first few months of its rise. This author shows that, in Nazi Germany, in the period from 1936-37 onwards, in particular among the working class, and not only in the factories, there was a passive resistance, which often became active, and that there were also strikes, to which the regime was forced to respond with repressive measures. For more on this debate, see also Bologna, *Nazismo*. For its part, Carsten, *The German* argues that the prevailing attitude of workers was one of apathy and that it was this that allowed the Nazis to remain in power until their eventual military defeat.

¹⁸ Figures from Toniolo and Piva, 'Unemployment', 221-45. Also see Curtis, *Totalitarianism*; Payne, *A History of Fascism*; Maier, *The Economics of Fascism*.

¹⁹ Service, *A History*, 292. Productivity figures from Harrison, 'Trends in Soviet Labour Productivity'. For a reflection on Stakhanovism and productivity, see Siegelbaum, *Stakhanovism*, 302.

²⁰ Temin, 'Socialism and Wages; Broadberry and Burhop, 'Real Wages'. The working hours in the 1930s tended to decrease in the democracies, while they increased in Germany, Italy and the USSR. See Huberman and Minns, 'The times'

²¹ Zamagni, 'La dinamica'.

²² Abelshauser, 'Germany', 122-76; Overy, *The Nazi*; Bettelheim, *La economía alemana*, II, 119.

²³ The historiography provides an interesting historiographical debate about per capita consumption in the USSR at the start of the twentieth century. See Allen, 'The Standard of living', 1063-89; and Wheatcroft, 'The first 35 years'. The data relating to annual food consumption in kcal/per capita are taken from this work. Wage figures come from Barber and Davies, 'Employment'; Temin, 'Soviet', 584; Allen, 'The Standard'. Most authors work with the data from Chapman, *Real Wages*.

²⁴ For the redistribution of income against the interests of wage earners and in favour of capital in Italy and Germany, see Zamagni, 'Italy', 176-223; Bettelheim, *La economía alemana*, II, 40; Maier, *The economics*. For the USSR, see Service, *A History*, 230; and Lee, *European*, 81.

²⁵ For more on the labour market in Spain during the 1930s, see Soto Carmona, *El trabajo industrial*.

²⁶ For the origins of the conflict, see Fuentes Quintana, *Economía y economistas*.

²⁷ Babiano, *Paternalismo industrial*, 47-8; and Vilar, *Los salarios*.

²⁸ Data from Juliá, *Víctimas*, 407-12.

²⁹ The death rate among prisoners grew from 32.7 per 10,000 inmates in 1935 to 108.1 per 10,000 in 1944. See Informe FOESSA, *Informe sociológico*, 680. The number of political prisoners comes from the Statistical Yearbooks of Spain (*Anuarios Estadísticos de España*), 1943-51.

³⁰ According to the report published by the institution Nuestra Señora de la Merced, which was responsible for organising the system. Decree 281 of 28 May 1937 (Official State Gazette: *Boletín Oficial del Estado*, BOE 11 October 1938) and the Order of 27 April 1939 (BOE 2 May 1939). For more on the skill premia, see Vilar, *Los salarios*.

³¹ Sarasúa and Gálvez, *¿Privilegios o eficiencia?*; Sarasúa and Molinero, 'Trabajo y niveles de vida'.

³² Unemployment figures obtained from the Statistical Yearbooks of Spain (*Anuarios Estadísticos de España*).

³³ The evolution of wages in the USSR changed radically with the arrival of Khrushchev in power after the death of Stalin in 1953. Khrushchev substantially improved living standards and average wages rose significantly,

registering an annual increase of from 2.8 to 2.9 per cent during 1950-1964. See Dowlah and Elliott, *The Life*, 135.

³⁴ The wage increase of 1956 was due, among other factors, to the government's apprehension in view of growing social unrest, with an increase in strikes that could endanger the 'social peace' within the country. For more information on this wage increase, see: Vilar, *Los salarios*, 73.

³⁵ Molinero and Ysàs, *Patria, Justicia y Pan*. Navarro, *La enseñanza primaria*, 144.

³⁶ The term autarky had been introduced by Mussolini in March 1936, with the meaning that the Italian economy should become as self-sufficient as possible under increasing state supervision. Within this context, market forces and foreign competition were reduced. The national objective of achieving the country's economic self-sufficiency further increased the state's control and had two direct outcomes for the labour market. First, it gave the state new arguments to further exploit workers and demand greater sacrifices from them for the fatherland. Second, it increased the strategic importance of labour in the field of production in a context of falling imports and isolation from the outside world. For more on this topic, see Payne, *A history of Fascism*, 298-99 and Barciela, *La España de Franco*, chapter 3.

³⁷ The figures for calories come from García Barbancho, 'Análisis de la alimentación española', 73-120. The FAO report, cited by Plaza Prieto, 'Una visión general'. The UNO report, cited by Catalan, 'Industrialización difusa'.

³⁸ Statistical Yearbooks of Spain (*Anuarios Estadísticos de España*) 1943-51.

³⁹ For more on the internal composition of wages during the Franco regime, see Vilar, *Los salarios*. The effects of the social provisions were more propagandandistic than real. See Pons and Vilar, 'Labour repression'.

⁴⁰ Part of the Spanish historiography talks about a calculated plan of extermination. See Casanova et al., *Morir, matar, sobrevivir*. Convergence is calculated on the basis of the average of 12 European countries. Figures from Prados de la Escosura, *El progreso económico*.

⁴¹ The relationship between industrial wages and employers' profits slumped from 0.5 to 0.2 between 1935 and 1959. Figures from Vilar, 'La distribución funcional'.

⁴² Barciela et al., *La España de Franco*, 179 and 254.

⁴³ Prados, *El progreso*.

⁴⁴ Babiano, 'Mercado laboral', 214-5. Emigration figures from Nicolau, 'Población salud y actividad', 79-154.

⁴⁵ Vilar, *Los salarios*. Data on the NOC in Organización Sindical Española, *Estadísticas*.

⁴⁶ Martínez and Hamann. 'Trade Unions', 127-8.

⁴⁷ From 1958 to 1965 productivity increased more than wage costs. See Maravall, *Trabajo y conflicto*, 231. There was a similar trend from 1967 to 1971. See Espina, *Empleo, democracia*, 344.

⁴⁸ Figures are taken from the Spanish National Institute of Statistics. *La Renta Nacional en 1973 y su distribución*. Madrid: Instituto Nacional de Estadística, 1974. They refer to the share of wages in the national income without taking into account social security contributions.

⁴⁹ Serrano and Malo, *Salarios y Mercado de Trabajo*, 146 and 153. The overtime figures available undoubtedly underestimate the reality of companies in Spain at this time. See Babiano, *Emigrantes*, 122.

⁵⁰ Changes in consumption patterns in FOESSA, *Informe sociológico*.