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# Wages and Labor Relations during Francoist Developmentalism: The Role of the New Unionism

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## Abstract

The relation between wage growth and the reconstruction of the labor movement in Spain, during the developmentalist Francoist regime (1957–1975), has been controversial. Applying the power resources theory in order to explain wage growth, this paper argues that the rise of the labor share was the result of the increased bargaining power of workers in spite of repressive policies of the Francoist government. The action of new trade unionism mobilized the following power resources. First, the structural power increased as a consequence of techno-economics transformations of Fordism and a generational change of the labor force. Second, the associational power increased due to new organizational forms, with more democratic modes of collective action and combining clandestine and legal actions, and the reappearance of collective bargaining with the Law of Collective Bargaining Agreements of 1958. These political opportunities opened up the possibility to the new trade unionist of developing the strategy of entryism that served as the driving force for worker mobilization.

Consequently, the new trade unionists could mobilize their power resources in the three spheres, exchange, production, and politics, as a strategy by accelerating collaborative action, establishing a discursive and cultural framework, and allowing the articulation of the different trade union actions. In this way, internal solidarity was favored when a collective agreement was negotiated at the company or sector level (and not an individual contract, as it has been to date), due to the links with the social activities characteristic of the paternalistic management of labor relations and the presence of anti-Francoist organizations, the “network embeddedness” was strengthened. In turn, the successes in the consequence of wage increases and solidarity with other workers who were suffering repression increased the narrative resources that frame union actions. All this made it possible to counterbalance in part for the restrictions imposed by the dictatorship, which weakened the structural power of workers in the political sphere.

The main contribution to the existing knowledge on the issue consists in explaining the apparent paradox between the wage policy of the Francoist government (oriented towards wage restriction) and the increase in labor share. This also serves to understand how labor markets and the wage-setting mechanism worked from a historical point of

view. As a corollary, the previous analysis implies that the most important factor was the ability to mobilize workers successfully. The union strategy that combined democratic instruments of representation (assemblies) with clandestine and legal actions served as a catalyst for other productive and social changes. This reflects the primacy of the action of social actors for the worker mobilization theory.

## Introduction

During 1957–1975 in Spain, there was a change in income distribution in favor of workers, which meant an increase in the labor share. This was apparently very paradoxical since during those years there was a fascist dictatorship that executed strong political repression against the labor movement and had, consequently, imposed a strong wage restriction for two decades during the post–Civil War period (1936–1957).

The objective of this paper is, therefore, to explain wage growth in the hard context of the dictatorship in its second stage (1957–1975), also known as “Francoist developmentalism” or technocratism. The theoretical framework combines the historiographical explanations of labor sociology in Spain with explanations of labor share growth based on the power resource and worker mobilization theories developed from the industrial relations field.

On the one side, studies have usually mentioned Spanish labor historiography during Francoist developmentalism and have pointed to the reconstruction of the workers’ movement as the source of instability, deterioration, and, finally, the fall of the Francoist regime.<sup>1</sup> However, these studies do not analyze the effects of the industrial relations system changes on income distribution.

On the other side, the international literature has explained the evolution of the functional distribution of income, i.e., the changes in the labor share, focusing on the strength of the trade union organizations and their capacity to take advantage of collective bargaining or, in other words, the bargaining power of the workers.<sup>2</sup> According to the theory of power resources,<sup>3</sup> the bargaining power of workers is determined by “associational power” and “structural power.” Associational power is defined as forms of power that result from the formation of collective organizations of workers, and it is articulated by organizational (recruitment, representation, and mobilization), institutional (legal framework), and societal power (internal solidarity, network embeddedness, and narrative resources). Structural power is the power from the location of workers within the economic system.

These power relations occur in three spheres. First is the sphere of production; the labor process and technology capabilities are characteristic examples. Second is the sphere of exchange; i.e., labor markets and various other kinds of commodity markets. Third is the sphere of politics; workers influence state policies. The mobilization of these resources depends on the role of ideologies and leaders in framing issues of political opportunities, agency, identity, and interests that interact in the workplace.<sup>4</sup>

Combining both frameworks—the Spanish historiographical literature with power resource theory—my main thesis is that the growth in the labor share (Figure 1) was the result of an increase in the bargaining power of workers. This increase was based



**Figure 1.** Evolution of the labor share and the wage share (1957–1975)

*Notes:* The wage share is the compensation of employees as a percentage of GDP at the cost factor. It includes wage payments for self-employed workers.

*Source:* Annual data base of the Spanish economy (BDMACRO). Madrid: Ministry of Economy.

on the emergence of a “new unionism” that knew how to apply a strategy of entryism that allowed to the new unionist to manage different types of power resources. The union delegates of the democratic workers’ movement knew how to take advantage of the circumstances that occurred in the production, exchange, and political spheres to increase their structural and associational power.

I have identified two differentiated stages. The first spans from the end of the 1950s, from the approval of the Law of Collective Bargaining Agreements to 1967, and was characterized by an increase in negotiation and a greater increase in labor share. The second period covers from the end of the 1960s until 1975 and was marked by an increase in conflict and similar growth in real wages and productivity. The turning point occurred in 1967–1968 when the repression increased.

**Table 1** summarizes the main changes in power resources, which I will analyze in the following sections. The methodology was based on an analysis of the original collective bargaining statistics (available in the library of the Spanish Ministry of Labor<sup>5</sup>) together with secondary sources. This strategy was chosen to provide an overview and to support it with specific case studies previously elaborated from the literature.

Section 2 presents the political changes during the second stage of the Francoist dictatorship. Sections 3, 4, and 5 analyze the transformation of the industrial relations system. Section 6 discuss the limits of the wage-setting mechanism. Finally, the last section ends with the conclusions obtained.

### Political Opportunities

Compulsory unionization featured the industrial relations system imposed by Francoism. Thus, there was a single legal union, the Spanish Trade Union Organization (Organización Sindical Española [OSE]), which repressed workers’ organizations and independent unions. The OSE was an entity of public law and therefore formed part of the state, but it could not exert pressure on the wage-setting

**Table 1.** Foundations of bargaining power of workers

Structural power		Associational power
Production sphere	Fordism. Sectoral and occupational change (+)	New organizational forms and repertoires of collective action (+)
Exchange sphere	Generational change (+)	Low cost of job loss (+)
Political sphere	Political repression (-)	Entryism and collective bargaining (+)

mechanism, since that did not have the tools for labor demands (like strikes or mobilizations). Because of this institutional framework, during the post–Civil War period, there had been a drastic reduction in the average income of workers,<sup>6</sup> along with a drop in the wage share of the national income, and in social protection. This is close to the situation defined by Wright<sup>7</sup> as a “capitalist utopia.”

During the 1950s, the Falangists, led by Jose Luis de Arrese, Secretary General of the Falange (the single party of the Franco regime), attempted to expand the influence of the OSE, to control the institutions of the Francoist regime, and to ensure their situation in the face of the foreseeable withdrawal of the dictator from government tasks in the late 1960s. Due to the failure to convert the Falange into a mass party that would give it social support, a government crisis occurred in 1957. Consequently, Arrese was relieved and relegated to the Ministry of Housing.

In February 1957, Admiral Luis Carrero Blanco became the strong man of the dictatorship and formed a new cabinet accompanied by a group of technocrats as ministers (Lopez Rodo, Alberto Ullastres, and Navarro Rubio), all of them of Opus Dei (a catholic organization). Additionally, the Council of National Economy (in 1958) and the Commissariat of Development Plan assumed the functions of a coordinating committee. This change in government is part of the political opportunities since it implies changes in the alliances of the dominant political families.

The dispute over the management of economic policy between the Commissariat of Development Plans (led by technocrats) and the OSE (led by Falangists), now headed by Jose Solis, would develop throughout the 1960s, mainly around the Union Law project, and would end with a victory for the technocrats in 1969.<sup>8</sup> The change in the composition of the government meant, on the one hand, a change in objectives: The technocrats wanted to promote economic growth that would guarantee the survival of the dictatorship with a depoliticized and demobilized society. On the other hand, the new government implied a change in the social orientation toward the business and financial companies.

In this way, economic policy shifted and began a period of technocratic developmentalism. The first series of economic measures aimed at correcting the state’s financial problems. In April 1957, a devaluation of the unified exchange rate to 46 pesetas/dollar took place, and in July, the government approved a wage freeze. In the context of the deterioration of the commercial and financial situation and the recession in 1958 and promoted by international organizations for the opening of the country, the technocratic government formulated the famous “Economic Stabilization Plan” of 1959. In seeking to reduce macro imbalances, like the

persistently negative net external balance,<sup>9</sup> this plan resulted in the elimination of some of the most relevant supply-side obstacles still in place after twenty years of “autarky” (not all of them, clearly, but some of the most significant).

All in all, the Francoist government did not significantly contribute to the production of public goods, education, and training, or to research and development. It is also evident that the labor policy imposed relevant limitations to wage growth, and it clearly was not oriented to encourage workers’ voices in collective bargaining or the labor process, as analyzed in the following section.

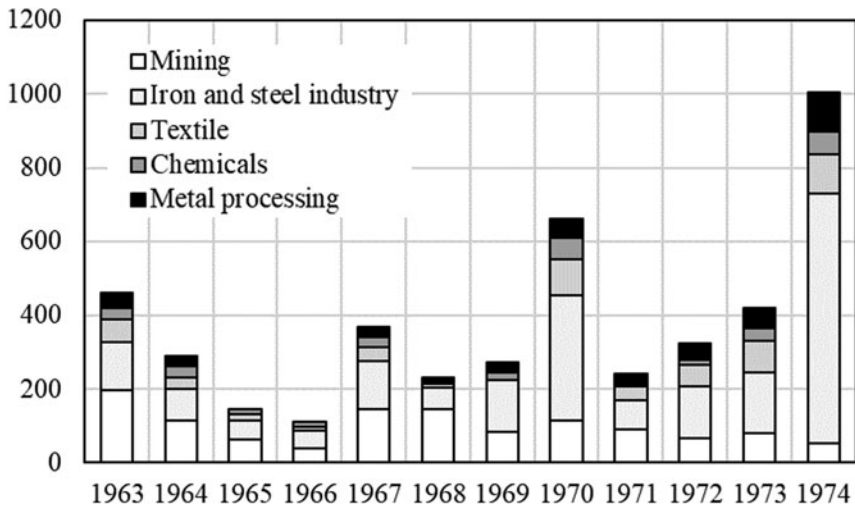
### A New Unionism

New unionism emerged (especially in large industrial cores) firstly as a result of the generational change, which in turn was determined by the entry into the labor market of young workers who had fewer links with the Civil War and the repression suffered during the postwar period. Most of the new workers belonged to a generation that had been defeated, decimated, and repressed after the victory of Franco’s army, showing themselves more willing to connect with new values.

During the 1950s, protest actions arose around old political or trade union militants who acted as agitators, developing the tools of collective action based on the demands of everyday life. This strategy was the result of the harshness of living conditions, which favored the prioritization of one’s subsistence, the memory of the Civil War, and the lack of support for republican and workers’ leaders.<sup>10</sup> This was mainly due to the repression of traditional organizations, like the General Workers’ Union (UGT) and the National Confederation of Labor (CNT), that had led the workers’ movement during the 1930s. During those years, collective actions were mainly clandestine, which limited agitators’ capacity to act. The generational change meant overcoming the stage of mainly passive workers’ disaffection during the post-Civil War period because of the fear generated by the repressive policy, as well as overcoming the political divisions generated during the Civil War on the Republican side. The new generation was more willing to demand an improvement in their living conditions.

Secondly, several changes favored the shift in the mentality of a growing number of workers, giving them a certain uniformity of interests and values, for instance, the concentration of workers in large companies (especially in the sectors of mining, iron and steel industry, textile, chemicals, and metal processing, as shown in Figure 2), the agglomeration of companies in industrial zones, and the concentration of housing in the urban peripheries as a result of the industrialization process.

Thirdly, these elements helped to raise a growing number of workers’ willingness to make demands, which meant the emergence of a new workers’ culture with greater politicization of labor demands. This in turn allowed for the creation of synergies with the student and neighborhood movements. This fact is fundamental since the conflict was also mainly associated with collective bargaining. Additionally, the external repercussions of the repression of the strike movement, which negatively affected the image of the Franco government, supported the resolution of conflicts, for example, by using the mandatory rules imposed by the ministry that could improve the conditions of the agreements. This created an awareness among the workers that increased conflict could lead to material improvements.



**Figure 2.** Labor disputes in the five principal sectors (1963–1974)

Source: Collective Bargaining Agreements Statistics of the Ministry of Labor.

Fourthly, new actors emerged due to the changes in the occupational structure with the industrialization process and the introduction of Fordist techniques. The existence of large companies, in which there was a works council that negotiated the collective agreement, generally served as a trigger for protests. The number of representatives on the works council was proportional to the number of permanent employees in the company or workplace, although the president was the owner or manager of the company. This relative representativeness at the company level quite often made the jury the direct protagonist of the labor dispute. Despite the sanctions provided for, the new unionist members of the works council often acted as spokespersons in labor negotiations.

In this sense, several authors<sup>11</sup> also pointed out the importance of a “job evaluation system.” This implies a deepening of the division of labor, which requires the tacit consent of the workers since it makes the production process very sensitive to unforeseen changes in the manufacturing time established by the company. It follows that there will be greater acceptance by workers if they are rewarded with improvements in wages. Large private companies were more willing to negotiate for a variety of reasons. There was a process of hybridization among multinational companies in the automotive sector, with some practices becoming Americanized and combined with the traditional form of paternalism.

However, when a conflict arose at the company level due to political action, there was an extension of the protest from the business sphere to the region or locality as a whole. One of the most famous mobilizations was the strike of Echevarri in Bilbao<sup>12</sup> because it was the longest strike during the Francoist era and received important demonstrations of solidarity. The strikes and demonstrations in January and October in Madrid, the general strike of the Asturian mining industry in February, and the May 1st demonstrations are some of the most significant milestones of the labor conflict of that year.

The greater industrialization and urbanization of new regions favored the application of a model of collective action by waves that allowed for the deactivation of repression through the geographical expansion of the conflict, as occurred in several mobilizations. This collective action by waves had no fixed date; it had to start from a process of natural coincidence of industries and zones around their collective bargaining agreements or by solidarity in the negotiation process of others. A framework of increasingly broad conflict reinforced gradually and mutually specific demands of each sector and zone.

Fifthly, emigration to other European countries was one of the main reasons for the low unemployment rate. The origin of this phenomenon goes back to the 1950s and the last years of the 1960s due to the policies of the Francoist government, which saw emigration as a way to bring about a normalization of diplomatic relations with Western countries. Briefly, the unemployment rate was low because the labor supply did not grow significantly and labor demand increased in large Spanish cities and other European countries. Notwithstanding, the unemployment rate is probably biased because women were severely excluded from the labor market.<sup>13</sup>

Finally, the emergence of a new trade unionism materialized in the creation of two new unions. During a wave of strikes in 1957 by Asturian miners, the workers decided to appoint a group of representatives under the name of “workers’ commissions” (*comisiones obreras*). This form of workers’ autonomy would be followed by other collectives and regions. Thus, part of this new movement would be grouped into a new organization that would take that name in capital letters, Workers’ Commissions, (*Comisiones Obreras* [CCOO]), while another would be called the Workers’ Trade Union (*Unión Sindical Obrera* [USO]). Both followed a similar course between 1962–1964 and used the OSE as a fundamental tool to participate in labor relations and to settle and establish themselves in numerous sectors and companies, mainly in manufacturing. The CCOO and USO advocated the strategy of infiltrating the OSE (entryism) in order to take advantage of resources and political space,<sup>14</sup> thus using the growing resources of structural power.

### The Transformation of the Collective Bargaining Framework

In the 1940–1960s, collective bargaining was nonexistent, and it was up to the Ministry of Labor to decree the regulations governing all working conditions. The low real wages of workers encouraged a pattern of industrialization that was weakly mechanized and poorly trained, favoring the extensive use of low-wage jobs and a long workday. The breakdown of the post-Civil War industrial relations system occurred in the 1950s.

Domenech<sup>15</sup> has highlighted, among other factors, the existence of a cycle of conflict in the period 1956–1962, which would reach its zenith in the latter year. This was the result of a new model of collective action based on waves, which deactivated repression through the geographical expansion of the strikes. In this way, there was an increase in conflict and an atmosphere of reconstruction of the workers’ movement, which had been developing since the beginning of the decade. For instance, there was the Barcelona tramway strike in 1951, which was extended in the form



of a general strike in the Basque Country and Madrid, as well as the university protests in 1956 and the Asturian miners' strike in 1957, as previously mentioned.

In those years, participation in strikes and other forms of collective conflict was a crime against the homeland, a crime of rebellion, and a crime against the security of the state. All assemblies that did not have the consent and authorization of the OSE could be subject to years of deprivation of freedom in addition to other penalties, such as dismissal, detention, and deportation. Under these conditions, the miners' strikes of 1957 and 1958 took place, which led to the formation of the first workers' commission as well as to the strike movement that spread, after Asturias, to Catalonia, Madrid, and other parts of Spain.

This increase in conflict showed that the framework of labor relations imposed in the post-Civil War period was incapable of resolving the tensions due to poor living conditions. The labor policies of Giron de Velasco, as minister of labor, had been ultimately counterproductive in resolving the situation. The nominal wage increases decreed in 1956, together with the establishment of an embryo of a minimum wage, had generated an inflationary process as companies passed on the increase in costs directly via their prices. Supply-side restrictions and the mechanisms developed to maintain profit share, especially during the post-Civil War years, restricted any change in income distribution by limiting real wage growth.

Given that the framework of the labor relations and wage policy imposed in the postwar period entered a crisis in the 1950s, OSE unionism had been unable to appease labor demands, and the repressive policy did not put an end to the protests. The impossibility of maintaining the primacy of the state was evident in 1956. The solution was to incorporate a paternalist-repressive type system, in which collective bargaining was developed but under the rigid tutelage of the state.

The pressure of the labor movement increased wages, breaking the wage-setting mechanism that prohibited agreements between employers and workers. In 1956, the government regularized these agreements due to the real existence of negotiation in the companies, which led the Francoist authorities to the conviction that it was better to "legalize" this negotiation. In June 1956, the right of companies to set wages freely without the need for authorization from the Ministry of Labor was established. This was the first step toward legalizing collective bargaining agreements, which would be definitively regulated two years later.

After the rise of the technocratic government in April 1958, the Law of Collective Bargaining Agreements was promulgated. With this legislation, the Francoist regime established a mechanism of consent negotiations between the social actors who were to provide not only for the distribution of the gains derived from increased productivity but also to be an incentive for labor productivity itself and, as a result, economic progress. Thus, the intention was to change elements of form in labor relations that would serve as legitimization without affecting the political core of the economic system and also to guarantee disciplinary submission under the threat of repression. The approval of the Law of Collective Bargaining Agreements was the legal formalization and recognition of an already existing reality as proof that in many cases the narrow margins of action allowed were exceeded.

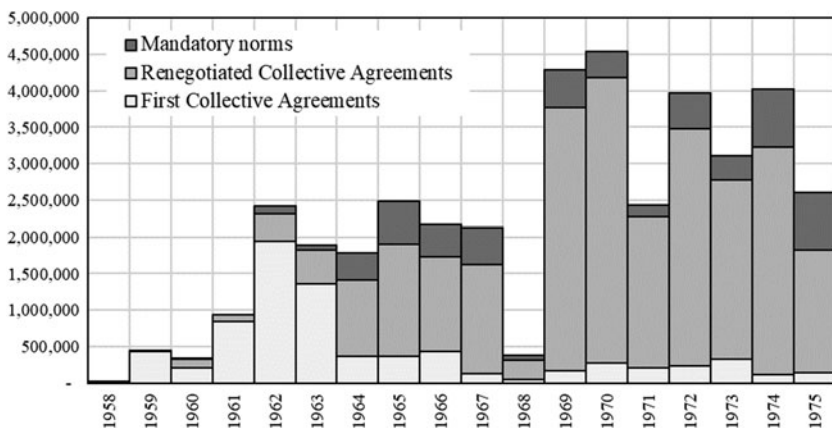
The main characteristics of the bargaining model during the 1960s were as follows: (i) assignment to the agreement of a pluralist function, which sought to achieve



harmony in labor relations; (ii) broad scope for determining the content, although with specific prohibitions on working conditions; (iii) legal nature of the agreements and bargaining units within the OSE or at the company level; (iv) the establishment of various types of collective agreements (company, sectoral, territorial); (v) the establishment of mandatory procedures (union and administrative) for the drafting of the agreement; (vi) the necessary approval of the agreement by the Ministry of Labor and publication of the text in official newspapers; and (vii) the possibility of replacement of negotiations by mandatory norms of the Ministry of Labor. As a result, this law allowed agreements to be adapted to the technical needs of companies, promoted technical change, improved labor organization and industrial modernization, and created a habit of negotiation between employers and workers.

Within this legal framework, the state down played its importance in establishing agreements but maintained the capacity to intervene through the Falangist hierarchy inserted in the OSE and the Ministry of Labor. Exclusively, members of the OSE could negotiate trade union collective bargaining agreements; the negotiations took place within the OSE, and the initiative for the negotiations was exclusively theirs. Finally, the collective agreement had to be ratified by the Ministry of Labor, which reserved the right to issue mandatory norms if the social actors did not reach an agreement or if the agreement conflicted with the ministry's guidelines. Besides, the minimum wage and maximum wage growth were progressively established, which operated as bands to control the labor share. As a result, a relatively high degree of collective bargaining coverage was achieved but with a high degree of government intervention (Figure 3).

In this way, the Ministry of Labor guaranteed that collective bargaining would not exceed the limits accepted by the employers since it reserved for them the possibility of renouncing negotiation and letting the administration act. At the same time, the repressive apparatus was strengthened: in 1959, the Law of Public Order was



**Figure 3.** Employees covered by collective bargaining agreements

Note: Collective bargaining was suspended in 1968.

Source: Collective Bargaining Agreements Statistics of the Ministry of Labor.

approved and a year later so was the Law of Banditry and Terrorism, which would intensify the repression in the face of protests provoked by the stabilization plan.

The OSE introduced tools of collective action, extended the coverage of the collective agreements to more workers, especially from 1962 onward, and incorporated new sectors and territories into the vertical union. Consequently, union elections became important, which until then had no great value because vertical unionists occupied all the seats of work councils. With the introduction of the new law, there was the possibility of electing independent candidates to represent workers in the figures of a union delegate and members of the work councils. The OSE intended to maintain majority control of the work councils with the incorporation of only a few new trade unionists. However, the centralized nature of the sectoral collective agreements themselves allowed a greater capacity for action. Although these agreements generally had worse conditions than those negotiated at the company level, they served as a reference and tended to reduce wage inequality.

These legal and organizational changes alone were not capable of significantly modifying the behavior of employers and workers, and therefore the labor share, since the actual implementation of the OSE was very limited. However, it did open up the possibility and ended up playing in the interests of the “new unionism,” including members of anti-Francoist organizations who participated in the union elections. The new trade unionists, who were not subordinate to the OSE leadership, thanks to being placed in the appropriate representative positions, could not only participate in the negotiations led by the old vertical trade unionists but could also take over the trade union representation and obtain effective wage improvements as a way of legitimizing themselves. The entry into the OSE represented a genuine strategy of workers’ action that combined actions recognized by the Francoist legal system and clandestine actions typical of the anti-Francoist struggle.

### New Repertoires of Collective Action

The new unionism meant a renewal of the tools of collective action, with more democratic modes of action and combining clandestine and legal actions.<sup>16</sup> The main democratic unions during this period were new organizations, such as the CCOO and USO supported by some catholic organizations,<sup>17</sup> and to a much lesser extent by historical unions, such as UGT (socialist) or CNT (anarchist). Additionally, new unionism used in its favor the mechanisms of the OSE to promote demands and wage increases throughout a strategy of entryism.

The expansion of the repertoire of protest mechanisms introduced more democratic tactics of union struggle, such as workers’ assemblies. These workers’ assemblies were the protagonists of the new union movement, in which all employees could speak and vote on equal terms. Dialoguing, debating, and reaching agreements by majority vote strengthened the unity of action and mass participation in mobilizations. Precisely, new trade unionists’ legitimacy at the grassroots level, derived from workers’ assemblies, gave them greater protection from repression than previous clandestine practices and provided a much wider scope for collective action. In this way, the assembly meant a break with the OSE based on the elitism of a few privileged Falangists. New practices, such as boycotting overtime, working at a minimum

speed, blocking activities, silence, noise, sit-ins, and marches inside workplaces, complemented assemblies.

From the first formation of a workers' commission in 1958, its proliferation spread spontaneously through a multitude of enterprises. In any company in which the workers had a claim to present to the employer, in the absence of a union organization of their own, in one way or another arose a workers' commission to talk to the management on behalf of the others, which subsequently reported on its activities. The repetition of this act in a multitude of companies created the conditions for its subsequent stability, extension, and coordination at increasingly higher levels. During those early years of the 1960s, the workers' commission of a factory or workplace was a core of workers elected at an assembly, which was joined by workers with no official position or delegation but with a desire to fight for labor rights. Thus, in practice, assemblies forged a very flexible type of relationship based on broad collectives of workers, who acted continuously though with little or no coordination outside the company with other workers' organizations. In this way, the characteristics of the new organization named the CCOO of the 1960s (many of these features can be extrapolated to the USO) were as follows.

First, the CCOO had an assembly basis. Assemblies elected and revoked the workers' representatives if they did not faithfully carry out their mandate. This movement arose from the very entrails of the workers, from the need to have a genuinely representative body controlled by all of them.

Secondly, they had a demanding character. The difficult economic situation in which the workers found themselves during this period was a determining factor in the first strikes being about increasingly low wages and achieving better working conditions. At first, the CCOO did not make sociopolitical demands. However, in demanding better wages, the CCOO was adopting a political stance, fighting against the government's economic measures.

Thirdly, the government's labor and wage regulations in response to the collective actions carried out by the workers to achieve their demands represented an important advance in the politicization of the CCOO movement. This subsequently led to demands of a sociopolitical nature, such as freedom of association, the right to strike, and political freedoms; such demands would be included in all the actions and documents subsequently issued by the CCOO.

Fourth, they were a bottom-up organization. The first CCOO arose as a spontaneous movement, provoked by the inoperability of the OSE to meet workers' demands. The commission presented itself to the company management, negotiated with it the demands put forward, took charge of the steps to resolve the conflict, and once the conflict was over, it dissolved itself within the assembly. It was not until the 1960s that certain forms of coordination and maintenance began. Once the first workers' commissions were set up, serving as an example, they soon spread thanks to the voluntarism of a few militant workers. In Barcelona, thirty workers met on August 6, 1966, in a school, and although none of them acted as delegates or company representatives, they promoted an organizational base that served for its rapid expansion in subsequent elections.

Fifth, the CCOO had the vocation of unitary representation of the company without any kind of exclusion. On some occasions, delegates directly elected by the

assembly formed commissions. On others, democratic members of the works council formed commissions. In this way, they avoided possible sanctions on unionists who did not hold an official position in the organization of the OSE.

Sixth, the CCOO implied a rejection of the OSE trade unionism as a state body that did not serve the workers' interests. It derived from the need to have an organization that would genuinely defend the interests of wage earners, separating them from the tutelage of the employers (with whom they were grouped in the OSE). Faced with the OSE, there was a strong feeling of horizontality, of the need for an organization to replace an entity unable to by its very nature, composition, and structure defend the workers.

One factor that undoubtedly helped the extension of the workers' commissions was the aforementioned enactment of the Collective Bargaining Agreement Law in 1958. Regularly, every two years or every year depending on the term of validity of the agreement, the renewal of the collective agreement raised the need for the workers of each company to organize the negotiation of the next agreement. Thus, the application of the law systematically brought workers and employers face to face around the bargaining table. There is no doubt that this strengthened the organization since each time a platform of demands had to be drawn up, thereby creating the opportunity for contacts, communication, the search for agreements, and the planning of claim actions that would support the demands made to the employers at the bargaining table. The agreements became a point of labor mobilizations that ended up affecting a specific sector or area. In fact, company agreements served to articulate wage improvements in a broader context, framing them in a general perspective. An example of how company agreements were a powerful lever for mobilization are the negotiations at SEAT (a major automobile manufacturer) in Barcelona in October 1971. Collective bargaining agreements were thus a factor in mobilizing workers and therefore in raising their awareness and organization and the need for an autonomous and representative trade union.

The success of the new trade unionists in introducing themselves into the OSE consists, therefore, in the fact that they could also achieve other political objectives, and thus organize the response much better and strengthen their position, mainly because they could coordinate the movement legally in such a way that they could appropriate the formal Francoist institutions, which were mainly oriented to the control of the labor force and the increase in productivity, thereby transforming their character. Likewise, they also obtained certain protections from repression for several years and in turn could take advantage of that to legitimize themselves against the majority of workers and incorporate other demands (like addressing the problems of urbanization) that gave a greater radicalism to the entire labor movement.

In terms of power resources, the strategy of entryism increased all elements. First, it favored internal solidarity by negotiating a collective agreement at the company or sector level (and not an individual contract, as had been the case to date) due to the links with the social activities inherent in the paternalistic management of labor relations and the presence of anti-Francoist organizations, thus strengthening the "network embeddedness." In turn, the success of the consequence of wage increases and solidarity with other workers who suffered repression increased the narrative resources that framed understanding and union actions. Finally, by being a member

of the works councils, they received the infrastructural resources of the OSE. In short, the strategy of entryism combined the three elements of action to mobilize resources of power. It accelerated collaborative action, established a discursive and cultural framework, and allowed for the articulation of different union actions. Of the three spheres—exchange, production, and politics—in the latter, the CCOO was considered a sociopolitical movement.

At the same time, in a bid to counteract this opposing presence, certain Falangist hierarchs also raised the tone of their demands due to the struggle in which they engaged with the technocrats in government. Over time, Francoist leaders showed themselves willing to accept greater wage concessions to prevent the vindictive movements from overflowing with labor demands and the generalization of political claims. An example of this is the establishment of the minimum wage and the increase in the social activities of the OSE (like vacation centers, housing construction, unemployment benefits, etc.), which were a kind of indirect wage. Despite this, during the 1960s, the OSE maintained the principles of the Francoist regime and a hierarchical organization.

### **The Limits of the Francoist Wage-setting Mechanism**

The sequence of the wage-setting mechanism was as follows: once the average salaries in large companies were established, they generalized to the rest of the sectors due to the growing bargaining power of the workers, who exercised a greater influence on the conditions agreed upon in the collective agreements at the sectoral or provincial level. At the end of 1967, the year prior to the prohibition of collective bargaining, 89.0 percent of workers were covered by sector agreements and 11 percent by company agreements. However, of the company collective bargaining agreements, 46.3 percent of the workers covered were in the metal sector. This indicates, firstly, the importance of the sectoral agreement in extending bargaining and, secondly, the concentration of company agreements in large metal companies (average size of 854 workers). These companies initiated bargaining, which was progressively extended through sectoral agreements. The general application of these wage agreements, often in the form of linear increases, meant that the government and the OSE could not prevent this process and their contradictions encouraged it.

There were at least two distinct stages. The first covered the period from the end of the 1950s, with the approval of the Law of Collective Bargaining Agreements, to 1967. This stage showed increasing bargaining power and real wages. The second covered from the end of the 1960s until 1975 and was marked by an increase in conflict and the stagnation of the labor share. The 1966 union elections were a qualitative leap, with the victory of many of the new trade unionists, especially of the CCOO, due to the largest electoral participation to date. From 1967 onward, however, a decline in wage growth was observed, which consequently led to a stagnation in the labor share in the period 1968–1975. Several reasons explain this fact.

In the first place, a turning point was reached between 1967–1968, when there was an increase in repression, reflected in the outlawing of the CCOO and the persecution of members of the new trade unionism. It is inevitable to link it to the outlawing of the CCOO by the Supreme Court in that year and the intensification of the repression

in the first months of 1968,<sup>18</sup> as well as the various measures of wage freezes, states of exception, and other instruments of the Francoist hierarchy. It is in 1968 that the ability to resort to mechanisms of repression to prevent wage growth can be most clearly seen, as there was widespread repression of anti-Francoist trade unionists elected in the previous elections. Thus, employers fired thousands of new delegated trade unionists, and the OSE removed other workers from their positions of union representation. The government blocked the negotiation of new agreements (between November 1967 and January 1969), postponed union elections in 1969, and introduced new wage restrictions from 1971. Thus, in 1968, profits increased in real terms by 15 percent after two years of negative growth rates. This seems to indicate that the ability to resort to the repressive apparatus of the state, the mandatory regulations, and wage limits provided a safety net for corporate profits.

Within the framework of the wage blockade imposed in 1968, repression took place at three different levels. At the company level, employers carried out dismissals of the most prominent members of the workers' movement or of those who participated in the planning of strikes or collective conflicts. At the OSE level, through the powers conferred on it by an internal regulation for the dismissal of union officials, it could deprive the most prominent workers' leaders of their positions without opportunities for defense. At the state level, this was carried out by the police and completed by the courts, with the arrest, prosecution, and sentencing of union leaders, who were accused of "illicit association" and "illegal assembly," especially those leaders who were easy to identify by their open participation in the 1966 elections or of the negotiating commissions of the collective bargaining agreements. Sometimes the three forms of repression took place simultaneously.

In the second place, in late Francoism at the beginning of the 1970s, there was both a new increase in the conflict in response to the expulsion of the representatives of the new trade unionism and the illegalization of the CCOO as well as an escalation in repression. The case of the 1001 process that prosecuted the CCOO leaders in 1972 is paradigmatic. In this way, the number of annual days of strike grew to 250,000 in 1964–1969, to 850,000 in 1970–1972, and 1,550,000 in 1973–1975. This increase in conflict coincided with the rise in protests at the international level. Associated with this increase in strike activity was an increase in mandatory regulations, which reflected the positive relationship between collective bargaining and labor conflict. As a result, lower wage increases were obtained in real terms than in previous years.

Third, in the early 1970s, Spanish economic growth began to show serious signs of slowing, especially in the face of the change in the world economy that was taking place after the first oil shock. Given this new situation, the government responded in a contradictory manner to workers' demands, oscillating between passivity and the application of measures of repression and control. This weakness of the government was due to the exhaustion of both political models, the Falangist and the technocratic.<sup>19</sup>

The fourth reason for the stagnation of the labor share was the debate over whether workers' representatives of the new unionism should participate in the 1971 union elections. The doubts about boycotting them or continuing to participate led to an increase in abstention and fewer new union members on work councils. However, in the 1975 elections, there was greater participation and a majority presence of members of the CCOO, USO, and other union organizations outside of the

OSE. In this way, the processes of a mass workers' movement were beginning to consolidate, as well as a growing capacity to make demands in the presence of a contradictory position on the part of the politicians and unionists of the regime.

For all these reasons, new trade unionists developed the process of recovering the mechanisms of collective action despite the limitations imposed on regulations and repressive practices. The repressive character is one of the elements that made up the growth model of the period. Due to the repression, the new unionists included among their objectives the struggle against the dictatorship, but the triggers for the mobilizations were the negotiation of the agreements and working conditions. That is why the new trade unionism was able to take advantage of the circumstances of the Fordist productive system together with the legal and social changes to rebuild the mechanisms of collective action, and thus obtain significant wage increases. However, the narrow limits of the Francoist political regime were exceeded in the mid-1970s, giving rise to a crisis in the political system of the dictatorship.

## Conclusions

This paper has studied the evolution of the labor share and the reconstruction of the workers' movement in Spain during Francoist developmentalism (1957–1975). The main conclusion is that the increase in the labor share was the result of the increase in the bargaining power of workers, based on the actions of new trade unionism that knew how to apply a strategy of entryism that allowed them to manage different types of power resources. The emergence of the new unionism and the mobilization of power resources was made possible by transformations in the production, exchange, and political spheres that affected the structural and associational power of workers.

First, there was a massive transfer of labor from the countryside to the city and a concentration of workers in the suburbs on the peripheries of large cities. All this led to a major occupational change in the structure of employment, the transformation of business, the emergence of large companies, and the introduction of Fordist production techniques. These changes implied an increase in the structural power in the production sphere.

Secondly, sociological changes stimulated the emergence of a new generation of workers, who settled in the industrial zones of the urban peripheries and shared the same cultural values and labor demands. This generational change was also characterized by the entry into the labor market of young workers who had fewer links to the Civil War and the repression suffered during the postwar period. Therefore, they were more willing to make demands concerning the improvement of their living conditions. These sociological changes are reflected in the creation of new (and illegal) workers' organizations (like the CCOO and USO), which allowed the labor movement greater mobilization power. The generational change increased the structural power of workers in the exchange sphere.

Thirdly, economic growth provoked only a slight increase in the labor force throughout the 1960s and early 1970s. Thus, there was a low rate of unemployment due to the national demand for labor in the cities, and the growing international demand also operated as an escape valve in the face of unemployment situations. This situation provoked an increase in associational power in the exchange sphere.



Fourthly, the introduction of the Law of Collective Bargaining Agreements was part of the “political opportunities” since it allowed the recovery of legal means of collective negotiation, with important limitations under the rigid tutelage of the state, and the renewal of the tools of collective action. After the legalization of collective bargaining, political conditions permitted the anti-Francoist opposition to participate in the structures of the OSE (entryism) to promote a nascent workers’ movement increasingly demanding labor improvements. Yet the scope for action was relatively narrow due to the compulsory membership of the OSE and the absolute deprivation of workers’ civil rights under the Franco dictatorship.

Consequently, the new trade unionists could mobilize their power resources in the three spheres—exchange, production, and politics—as a strategy by accelerating collaborative action, establishing a discursive and cultural framework, and allowing the articulation of the different trade unions’ actions. In this way, internal solidarity was favored when a collective agreement was negotiated at the company or sector level (and not an individual contract as it had been to date) due to the links with the social activities characteristic of the paternalistic management of labor relations and the presence of anti-Francoist organizations. All of the above strengthened the “network embeddedness.” In turn, the successes in terms of wage increases and solidarity with other workers who were suffering repression increased the narrative resources that framed union actions. Finally, by being a member of the work councils, trade unionists received infrastructural resources. All this made it possible to counterbalance in part the restrictions imposed by the dictatorship, which weakened the structural power of workers in the political sphere.

The greater bargaining power derived from the capacity for social mobilization of the new unionism increased the labor share in two differentiated stages. The first spans from the end of the 1950s, from the approval of the Law of Collective Bargaining Agreements to 1967, and was characterized by an increase in negotiation and a greater increase in real wages than in productivity, thus producing an increase in labor share. The second period covers from the end of the 1960s until 1975 and was marked by an increase in conflict and similar growth in real wages and productivity. The turning point occurred in 1967–1968 when the repression increased as reflected in the outlawing of the CCOO and the persecution of anti-Francoist new trade unionists, which meant a reduction in both the wage share and the labor share.

The main contribution of this paper to the existing knowledge on the issue consists in explaining the apparent paradox between the wage policy of the Francoist government (oriented toward wage restriction) and the increase in labor share. As a corollary, the previous analysis implies that the most important factor was the ability to mobilize workers successfully. The union strategy that combined democratic instruments of representation (assemblies) with clandestine and legal actions catalyzed other productive and social changes. This reflects the primacy of the action of social actors for worker mobilization theory.

In conclusion, the historical analysis of the period shows that the increase in labor share during the dictatorship was due to the ability of the new trade unionism to mobilize their power resources. This conclusion supports the contributions made by the studies on the variations in labor share at the international level, and it represents the first application of the theory of power resources to the case of labor

relations during Francoist developmentalism. An extension of the study period to include other economic and social changes to understand shifts in labor share would be an interesting topic for further research.

The lessons that can be drawn from the historical evidence on the Spanish workers' movement during Francoist developmentalism, and which may be of interest to the current literature on the revitalization of trade unions, are the following: firstly, in the face of the organizational weakness imposed by the state or by the forms of labor organization, internal democracy through workers' assemblies, and other instruments of participation reinforced union unity; secondly, the generational change implied new repertoires of collective action, forging links with other social movements, such as the student and neighborhood movements; and thirdly, the new trade unionists knew how to take advantage of the new production techniques derived from Fordism to strengthen their bargaining position. All this happened despite the existence of a fascist state that exercised harsh repression over forty years and especially in the late '60s and first half of the '70s, when worker mobilizations were more intense. Although the economic, social, and political contexts are radically different, the ability to adapt to new productive, technological, and organized interest environments and to mobilize different power resources continues to be a useful lesson from history.

## Notes

1. Some of the most outstanding books include Sebastian Balfour, *La dictadura, los trabajadores y la ciudad: El movimiento obrero en el área metropolitana de Barcelona (1939-1988)* (Valencia: Alfons el Magnànim, 1994); David Ruiz, *Historia de Comisiones Obreras (1958-1988)* (Madrid: Siglo, 1993); Carme Molinero and Pere Ysas, *Productores disciplinados y minorías subversivas: clase obrera y conflictividad laboral en la España franquista* (Madrid, 1998); Rubèn Vega, *Las huelgas de 1962 en España y su repercusión internacional: el camino que marcaba Asturias* (Gijón, 2002), or Xavier Domenech, *Clase obrera, antifranquismo y cambio político: pequeños grandes cambios, 1956-1969* (Madrid: Siglo, 2008).
2. T. Kristal, "Good times, bad times: postwar labor's share of national income in capitalist democracies," *American Sociological Review* 75 (2010); E. Bengtsson, "Do unions redistribute income from capital to labor? Union density and labor's share since 1960," *Industrial Relations Journal* 45 (2014); E. Stockhammer, "Determinants of the wage share: A panel analysis of advanced and developing economies," *British Journal of Industrial Relations* 55 (2017); E. Flaherty and S. Riain, "Labour's declining share of national income in Ireland and Denmark: the national specificities of structural change," *Socio-Economic Review* 18 (2020).
3. W. Korpi, "Power Resources Approach vs. Action and Conflict: On Causal and Intentional Explanations in the Study of Power," *Sociological Theory* 3 (1985); Beverly Silver, *Forces of labor: workers' movements and globalization since 1870* (Cambridge: Cambridge University Press, 2003); Rebecca Gumbrell-McCormick and Richard Hyman, *Trade unions in Western Europe: hard times, hard choices* (New York: Oxford University Press, 2013); S. Lehnendorff, H. Dribbusch and T. Schulten, eds., "European trade unions in a time of crises: An overview" in *Rough Waters: European Trade Unions in a Time of Crises* (Brussels: European ATrade Union Institute, 2017).
4. John Kelly, *Rethinking industrial relations: Mobilisation, collectivism and long waves* (London: Psychology Press, 1998).
5. Statistical data concerning collective bargaining are relatively scarce; the elaboration and publication of this information was assigned to the "Central Office of Collective Labor Agreements" of the Spanish Trade Union Organization, created in 1966. This organization published the bulletin "Convenios Colectivos sindicales" (Union collective agreements), as well as several statistical compilations: "Estadística de convenios colectivos de trabajo: 1958-1967" (1968) and "Salarios de contratación colectiva 1963-1967" (1969). The decision to use these data rather than information from specific negotiations is because my objective is to understand how workers were able to mobilize their power resources to obtain general wage

improvements. The primary sources used have consisted mainly of documents that collect information for the country as a whole.

6. F. Alvaredo and E. Saez, "Income and wealth concentration in Spain from a historical and fiscal perspective," *Journal of the European Economic Association* 7 (2009).
7. E.O. Wright, "Working-Class Power, Capital Interest, and Class Compromise," *American Journal of Sociology* 105 (2000).
8. For the conflict between the different ideological tendencies of the dictatorship, see I. Saz, "Mucho más que crisis políticas: el agotamiento de dos proyectos enfrentados" *Ayer* 68 (2007).
9. For a more detailed analysis of the economic aspects of the 1960s, see Antonio Cazorla-Sanchez, *Fear and progress ordinary lives in Franco's Spain, 1939-1975* (Chichester: Wiley, 2009); G. Charnock, T. Purcell, and R. Ribera-Fumaz, eds., "The Limits to Import Substitution Industrialisation," in *The Limits to Capital in Spain* (London: Springer, 2014), 35–57; L. Cardenas and R. Fernandez, "Revisiting Francoist developmentalism: The influence of wages in the Spanish growth model," *Structural Change and Economic Dynamics* 52 (2020).
10. Molinero and Ysas, *Productores disciplinados y minorías subversivas*, 141–64.
11. For the organization of the work process, see J. Babiano, *Emigrantes, cronómetros y huelgas: un estudio sobre el trabajo y los trabajadores durante el franquismo* (Madrid: Siglo, 1951–1977 [1995]), J. Foweraker, *Making Democracy in Spain: Grassroots Struggle in the south, 1955-1975* (Cambridge: Cambridge University Press, 2003); and L. Ortiz, and Coller "Safe enclaves? American multinationals and Spanish trade unionism," *Labor History* 51 (2010).
12. For the case of industrial cities, see J. Perez, *Los años del acero: la transformación del mundo laboral en el área industrial del Gran Bilbao (1958-1977)* (Madrid: Biblioteca Nueva, 2001) and A. Quilez "Negociación y convenios en el tardo-franquismo español," *Pasado y memoria* 15 (2016).
13. See E. Bermudez and B. Roca, "Silenced narratives of women's participation in labour and political struggle in Spain, 1960–1975," *Labor History* 60 (2019)..
14. G. Sanchez-Recio, "El sindicato vertical como instrumento político y económico del régimen franquista," *Pasado y memoria* 1 (2002).
15. X. Domenech, *Clase obrera, antifranquismo y cambio político: pequeños grandes cambios, 1956-1969* (Madrid: Los libros de la Catarata, 2008) and X. Domenech, "The Workers' Movement and Political Change in Spain, 1956–1977," *International Labor and Working-Class History* 83 (2013).
16. For this section the sources of information are mainly the records of the archives of the Ministry of Labor, the "Anuario de las Relaciones Laborales en España" and the bibliography mentioned in other footnotes.
17. Catholic organizations were among the fundamental foundations of the labor movement, facilitating part of the trade union movement from the 1960s onward, and demonstrating a divide in the iron Catholic Church that legitimized Franco's regime from the beginning of the dictatorship. In this sense, Catholic organizations generated a cohesive militancy with a varied left-wing ideology that subsequently passed on to the CC.OO. and other trade unions. The collective shared codes and the construction of identity, the common cultural frameworks, provided meaning to collective action. For a more detailed analysis of the important role played by the Catholic grassroots organizations, such as the Catholic Action Workers' Brotherhood "Hermandad Obrera de Acción Católica" (HOAC) and the Young Christian Workers "Juventud Obrera Cristiana" (JOC), vis-à-vis the church hierarchy, see B. Roca and E. Bermúdez-Figueroa, "Framing labor militancy and political exchange in a Spanish Catholic trade union: the Autonomous Union of the Vine in Jerez (1979–1987)," *International Labor and Working-Class History* 98 (2020) and G. Sanchez-Recio, "El sindicato vertical como instrumento político y económico del régimen franquista," *Pasado y memoria* 1 (2002).
18. For the political repression during 1968, see Molinero and Ysas, *Productores disciplinados y minorías subversivas*, 79; Babiano, *Emigrantes, cronómetros y huelgas*, 285–92; A. Soto, "No todo fue igual: cambios en las relaciones laborales, trabajo y nivel de vida de los españoles, 1958-1975," *Pasado y memoria*, 5 (2006): 34.
19. See I. Saz, "Mucho más que crisis políticas: el agotamiento de dos proyectos enfrentados," *Ayer* 68 (2007).