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The nature and response to the 1930s agrarian crisis: Spain in a European perspective

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Abstract

The impact of the Great Depression was less in Spain than in most other Western European countries, but government response to the problems was also more limited because of weak state capacity. As economic depression coincided with major changes in political opportunities and constraints created by the Second Republic, there were demands for radical changes in farm policy. Inappropriate policies (land reform) and contradictory goals (higher farm wages and lower food prices) weakened the popular support for the Republic, and quickly divided the Spanish countryside.

Keywords: Great Depression, Land Reform, State Capacity, Spain, Second Republic

JEL Classification: N54; O13; Q15; R52

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The nature and response to the 1930s agrarian crisis: Spain in a European perspective

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The interwar period saw major political and economic changes across Europe. As is frequently quoted, if in 1920 all of Europe's 28 states excluding Bolshevik Russia and Hungary were democracies or had limited parliamentary systems, by 1939 half of them had become dictatorships with absolute powers. During this period governments almost everywhere had to respond to two major exogenous shocks: the need to maintain hundreds of thousands, if not millions of soldiers on the front during the First World War, and the collapse of world prices during the Great Depression. The fact that Germany was driven to the negotiating table because of hunger rather than military defeat, and the widespread hardships found across many European capitals during the War, played a major part in determining farm policies during the 1920s. However, while the agrarian problems created by the Great War were linked to the need to increase food supplies and improve distribution systems, those of the Great Depression were associated with managing domestic overproduction and low farm prices.

The Great Depression began in the US, and quickly became international in its scope. As governments increased tariffs to protect producers from falling international prices, trade quickly dried up and unemployment rose rapidly in industrial economies. The farm population still represented between a third and a half in virtually all western European countries, and small family farmers used their growing political voice to demand that governments help restore farm profitability. The result was that most European countries saw major changes in the nature and extent of state intervention in the sector, shaped by a combination of the need for food security and the economic turmoil of the 1930s. In some countries, the organization of farming and the food chain underwent dramatic changes. At the extreme, the state used collectivisation in the Soviet Union and the *Reichsnaehrstand* in Germany to control the supply and distribution of foods,

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considered crucial in the event of a future war. Elsewhere change was less dramatic, but still included the creation of the corporatist National Union of Farmers in England and Wales; attempts to regulate wheat, wine and sugar markets in France; and the switch from a system of market-determined prices to one of political agreements in Scandinavia.

In Spain, as this paper argues, the agrarian background to the Great Depression differed to most of Western Europe in four major aspects. First, the country did not participate in the Great War, and there were therefore fewer demands to build state capacity, help farmers increase output, or intervene in markets. Second, although the destructive effects of the international depression were less than elsewhere, so too was the ability of the state to respond effectively to voter demands. Third, dry farming covered perhaps four-fifths of the country, and seriously restricted farmers' ability to adapt crop rotations to low prices, while if the direction of technological change offered limited possibilities to increase labour inputs and cultivation intensities, there were growing opportunities for labour-saving mechanisation. Finally, although the family farm had increased in importance over the half century prior to the Depression, its relative importance and political influence remained considerably less than in northern Europe.

Government policy was fiercely disputed in Spain during the Second Republic (1931-1936), as small farmers and landless labourers for the first time had the political opportunities to organize and lobby governments. In fact, unlike most European countries, there were two distinct demands, namely the need to resolve low farm gate prices for major crops (wheat, wine, olive oil), and to respond to the low incomes and poverty among large sections of the rural population in southern Spain caused not just by the cyclical downturn, but also by long-run structural underemployment. To a significant extent the two solutions were incompatible, as higher food prices would hurt urban and farm workers, while increases in the wage bill made family farms uncompetitive.

The paper is divided into five major sections. The first two examine the nature of the Great Depression and its impact on farming, and identifies briefly how some European governments adapted to the demands of the different farm groups. Sections three and four then look in more detail at the nature of Spanish agriculture, and how the changes in political

opportunities and constrains during the Second Republic led to attempts to produce radical changes in farm policy. The last section concludes.

Section 1. The Great Depression and agriculture

The Great Depression is usually seen as beginning with the Wall Street Crash in October 1929, which in turn was caused by investors responding to the Federal Reserve Board’s attempts to cool the overheating domestic economy by raising the discount rate to reduce the money supply. Although perhaps a logical response to domestic problems, it was exactly the opposite of what was needed for the international economy, given that the US owned a significant share of the world’s gold reserves. The global economic depression was then made considerably worse by a falling money supply, deflation and tariff wars. The value of world trade collapsed by 61 per cent between 1929 and 1932 and food prices halved (Table 1). Official unemployment rates rose sharply, especially in the industrial economies of Germany and the US (Table 2). In general, the depth and length of a country’s depression was shorter if it left the Gold Standard early, and its government attempted to increase economic activity.³

Table 1

World Production and Prices between 1929 -1932.

	Production		Prices	
	1929	1932	1929	1932
Industry	100	64	100	64
Food	100	100	100	52
Raw Materials	100	75	100	44

Source: Feinstein, Temin, and Toniolo, Table 6.2.

³ Feinstein, Temin, & Toniolo, 1997, p.170 and Table 9.3.

Table 2

Industrial Unemployment rates in the 1920s and 1930s

	1921-9	1930-8	Ratio
United Kingdom	12.0	15.4	1.3
Sweden	14.2	16.8	1.2
Denmark	18.7	21.9	1.2
Norway	16.8	26.6	1.6
France	3.8	10.2	2.7
Germany	9.2	21.8	2.4
Netherlands	8.3	24.3	2.9
Belgium	2.4	14.0	5.8

Source: Feinstein, Temin, and Toniolo, Table 7.1.

Economic historians have usually argued that Spain suffered considerably less than the other large western European countries during the Great Depression of the 1930s.⁴ Therefore if GDP and GDP per capita fell between 1929 and 1931, it was followed by a modest recovery (Table 3). Unemployment increased, but the quality of the few available estimates are poor. The relatively limited impact of the Depression was not the result of some enlightened economic policy, but rather a reflection of Spain's traditionally weak export sector, its reduced dependence on international financial markets, and high tariffs. Yet it would be wrong to underestimate the consequences of the international downturn for the Spanish economy or the difficulties that farmers faced selling in domestic markets, the collapse of international trade, and the closing of possibilities for emigration.

⁴ Comín, 2002, Comín, 2010 and Palafox, 1991, pp.148-50, argues that the 'main reason' why production and prices fell less than other European countries was the protection provided by the devaluation of the peseta from 1928.

Table 3 Index of GDP and its major components, at 1929 prices

	Agriculture	Industry	Construction	Services	Real GDP	GDP per capita	Mining
1929	100	100	100	100	100	100	100
1930	87	99	105	101	97	96	94
1931	93	89	76	101	94	92	81
1932	103	88	64	102	96	94	70
1933	92	86	75	104	95	91	67
1934	103	87	71	106	98	94	62
1935	102	89	73	110	101	95	73

Source: Prados de la Escosura, 2003, cuadro A.5.8 (pp.388-9).

Farmers in Europe faced three distinct problems. First, those that were dependent on export markets were affected by falling demand and, although they usually represented only a small share of the sector, they were often geographically highly concentrated.⁵ Given Eastern European farmers' dependence on Western European markets, the effects for them were more severe.⁶ Second, many countries by 1929 were already self-sufficient in basic foodstuffs, so that raising tariffs was no longer sufficient to clear markets. Across Western Europe the dominant production unit in agriculture was the family farm and, in the face of falling prices, farmers attempted to maintain their incomes by working longer hours to increase production. Governments could in theory intervene in markets by establishing minimum prices to help raise farm incomes, but for these to work they also needed to introduce mechanisms to regulate supply by eliminating surpluses, and restrict farmers ability to increase output further.⁷ Although Table 4 suggests that Spanish wheat farmers faced only minimal price falls, these

⁵ In Spain the exports of oranges and olive oil were severely affected.

⁶ Warriner, 1939.

⁷ Pasour & Rucker, 2005.

were ‘official’ prices, and small farmers in particular had considerable difficulties in finding a buyer at these levels.⁸

Table 4

Spanish prices of selected farm commodities and factor inputs

	1880/85	1913/14	1925/29	1931/35
Wheat	92	100	160	156
Olive oil	88	100	181	143
Wine		100	96	113
Meat (beef)		100	191	175
Wage labour (1)	92	100	233	259
Wage labour (2)	88	100	261	280
Rent	56	100	144	152

(1) Coastal Catalonia and (2) Spain

Sources: Barciela López, Giráldez, Grupo de Estudios de Historia Rural, & López, 2005, pp-336-7, Garrabou & Tello, 2002 and Bringas Gutiérrez, 2000, pp.57 and 96.

Finally, for many northern European countries, the major characteristics of the Great Depression was its industrial nature and, in particular, the high and persistent levels of industrial unemployment. Indeed, unemployment is usually considered by economists as an urban and industrial phenomena associated with fluctuations in the business cycle. By contrast, family farmers were by definition self-employed and, so long as they maintained their land, could not be considered as unemployed. Instead enforced idleness in agriculture was seasonal and linked to the farm cycle. Serious difficulties occurred on occasions with inclement weather such as drought or torrential rains, which could lead to major underemployment and the loss of harvest wages (Section 3).

Yet in many respects industrial unemployment did have a direct bearing on agriculture. As Theodore Schultz noted in his study on agriculture in the United States, the ‘failure of industrial output to expand during the thirties was the basic factor in the worsening of the agricultural situation. The main cause for the unproductive employment and low earnings in

⁸ Palafox, 1991.

agriculture was the unemployment in industry.⁹ The Spanish example shows clearly the positive effects that industrial growth had on its agriculture. Over the two decades between 1910 and 1929, the country's GDP grew by 69 per cent; industry by 91 per cent; and agriculture by 48 per cent. The numbers employed in agriculture fell by 20 per cent from 5.1 to 4.1 million, but the sector's contribution to GDP only fell from 28 to 26 per cent, as farm labour productivity grew by 57 per cent.¹⁰ Larger concentrations of urban consumers produced a dynamic effect for agriculture, by encouraging the specialization in higher value foodstuffs.¹¹ Growing industrialization also attracted underemployed agriculture labour, pushing farmers to introduce new technologies to increase output and reduce labour inputs. All this was reversed in the 1930s. Between 1929 and 1935 Spain's industrial output declined by 11 per cent, and construction and mining fell by a massive 27 per cent (Table 3). As agriculture was the employer of last resort, unemployed urban workers returned to their villages to look for work on the family farm, or compete with local workers for seasonal employment, on the large estates. The introduction of democracy in 1931 therefore coincided with a period of major cyclical unemployment, and led to demands for market intervention and greater social spending.

2. From the Great War to the Great Depression: agriculture, and the response of governments

There were fundamental differences across Europe in the responses to the economic and political instability experienced between 1914 and 1939. The demands of the First World War led to the role of the state in economic management to increase significantly everywhere, and this would continue after the hostilities ceased. However, both the depth and the direction of state capacity was essentially a political decision, and therefore reflected the interests of the changing political regimes in each country. The economic disruptions produced in the interwar period caused considerable social mobility, and sometimes conflicts. In agriculture, this was

⁹ Schultz, 1945, p.113.

¹⁰ Prados de la Escosura, 2003, pp. 291-2, 388-9 and 609.

¹¹ Simpson, 1995, chapter 8.

reflected not just in the deteriorating urban: rural relations as the result of supposedly excessive profiteering by farmers during the Great War, but also between different groups within the sector,¹² resulting in a lack of post-war class unity between peasants and workers in some countries.¹³ In particular, the needs of governments to increase food production and political parties to attract voters, helped strengthen farmers' positions at the expense of landowners, while workers benefitted from both the tightening labour markets and greater presence of trade unions. At the risk of excessive simplification, three major models of farm organizations appeared across Europe during this period.

At the most extreme were the authoritarian regimes found in the Soviet Union and Germany, where both Stalin and Hitler introduced major changes to the food chain by the late 1930s to help avoid a repetition of the starvation in a future war. Russia had been a major food exporter before the War, but the state's inability to provide the basic needs for urban consumers led to food protests and contributed to the 1917 Revolution.¹⁴ The widespread land invasions by small farmers were initially welcomed by the Bolsheviks, but the failure of peasant agriculture to supply cheap and abundant food for the cities was seen by the government as a threat to the Revolution.¹⁵ Collectivist agriculture by contrast allowed the state to plan the production and distribution of food on a major scale. The new farms were massive, averaging around 80,000 hectares and highly mechanised, encouraging some US experts to initially believe that they were also their own country's future.¹⁶ Urban consumption of basic foods such as bread, potatoes and cabbage rose, but that of higher value foods fell. However, increased urban consumption was not achieved by rising farm output, but rather by the decline in rural areas, and the significant fall in livestock numbers.¹⁷ The 1932 famine left perhaps 10 million dead, but by 1934 the state was in a position to determine cropping patterns, collect surpluses, and control the countryside,

¹² For France, Augé-Laribé & Pinot, 1927, pp.141-3. See also Chatriot, 2016.

¹³ Mann, 2012, p.148.

¹⁴ Gatrell & Harrison, 1993, p.445.

¹⁵ Ellman, 2014, p.182 and Allen, 2003, p.46.

¹⁶ Fitzgerald, 1996, pp.459-486.

¹⁷ Ellman, 2014, p.195. Allen, 2003, pp.135-6, suggests that the loss of 15 million horses between 1929 and 1933 freed food for about 30 million people.

leaving the country better prepared for future military threats. In the Soviet Union, the collectivization of agriculture replaced market relations with state coercion and violence.¹⁸

In Germany, the statistical returns by farmers during the First World War were ‘chronically unreliable’, and reports issued by the Food Office were known as ‘tables of lies’.¹⁹ To guarantee food production and distribution, the Nazi’s established a new and highly impressive statistical service to measure economic activity and allowed radical planning experiments.²⁰ In September 1933 the *Reichsnaehrstand* (RNS) or State Food Corporation was created, which set prices and exercised ‘more or less’ direct control over 25 per cent of Germany's GDP, regulating the whole food chain from the farm to the table, and effectively ending the free markets for agricultural produce.²¹ All individuals and existing organizations involved in food production and its distribution were obliged to join. Higher prices encouraged farmers to increase production, making Germany 83 per cent self-sufficient in food by 1937, despite rising per capita consumption, and allowed Hitler ‘all the necessary machinery’ for controlling food supplies and prices by the outbreak of war.²²

The interwar experience of liberal democracies such as Britain or France was very different to those in Germany and the Soviet Union, but also represented important breaks from the past. Both governments attempted to increase farm efficiency without abandoning the market by creating new bodies which allowed alliances between farm organizations and the state, not just to determine policy, but also crucially to implement it. In England and Wales, the National Farmers’ Union (NFU), became the official client group representing the industry.²³ The organization played a major role in formulating and implementing policy during the Great War, helping to survey farms, assess labour needs, and promote food production.²⁴ However, it

¹⁸ Ellman, 2014, ch.6.

¹⁹ Tooze, 2001, pp.70-1.

²⁰ Tooze, 2001. The National Socialists agricultural philosophy was distinctly nationalist.

²¹ The state controlled imports through the *Reichsstellen* and, although not formally part of the RNS, ‘formed an indispensable component to its action’. Tracy, 1989, p.193.

²² Tracy, 1989, p.199.

²³ Founded in 1908 to protect the interests of tenant farmers, it quickly included owner-occupiers as well. Unions were also created in Scotland and Ulster, but the NFU took the lead in representing farmers throughout the United Kingdom. Self & Storing, 1963, p.37.

²⁴ Cox, Lowe, & Winter, 1991, p.41.

rejected attempts to become an official government body when it resigned from the Council of Agriculture for England, and instead remained independent, widening its support base by including landowners and workers. By the 1920s it had acquired a level of organizational capacity and monopoly of representation that allowed it to represent the sector and work with the state.²⁵

Although the extent of the influence of the NFU before the Second World War should not be exaggerated, its success in becoming the official client group helps us to identify the problems facing similar farm lobbies in other European countries during the interwar period to succeed. Four factors in particular appear to be crucial. First, the ability for different farm groups to organise freely in the country was already established by the mid-nineteenth century. Second, there were relatively low levels of agrarian class conflict, as landowners had already lost considerable economic and political influence by 1914, and surplus rural labour was attracted to urban areas by high wages. Third, although different farming regions existed, these were fewer than in southern Europe, where the absence of rainfall in large areas created a major divide between dry and wet farming. A more homogenous agriculture and land-tenure regime helped produce a relatively unified lobby, especially after Ireland's independence. Finally, the fact that Britain was essentially an industrial economy implied there was no danger that a farm lobby would be able to control the legislature, and a policy of free-trade implied that urban workers benefitted from low food prices while there was no threat of a flood of cheap labour migrating from the countryside reducing urban wages.

Only the first of these factors was also true for France, where attempts to create a national farm organization came to nothing prior to the Second World War. Political parties remained weak in France, but competition between the conservative Right and republican Centre-Left groups for influence in the countryside led to the creation of 2,069 farm syndicates with 512,000 members by 1900. After the *Fédération nationale de la mutualité et de la coopération agricoles* was created in 1910 to group together the credit, insurance, and

²⁵ Cox et al., 1991, p.45-7.

cooperative societies, figures increased to 15,000 syndicates and 1.5 members by 1929.²⁶

However attempts by both the Left and Right to create a strong centralized system failed, as did the experiment to create a single representative body in 1919. Instead, power lay in the strong regional associations and, from the 1920s, with specialist organizations in major commodities such as wheat and wine.²⁷ Government policies often had a ‘small farmers’ bias’, as political parties competed for their votes, and state intervention was limited both in the areas of research and structural reform, and concentrated on price support.²⁸

By contrast, in Norway, Sweden and Denmark, social democracy broke with liberal democracy during the interwar period, and political power was assigned to working-class parties. Political bargains substituted for market-determined wage (and other price) settlements and labour market peace and discipline was secured through a social compact rather than trade union weakness. Deflationary liberal policies were abandoned in the face of economic depression. This Scandinavian solution was achieved by political alliances in the 1930s, as urban workers were willing to concede farmers price-support for their products, interest rate reductions, tariffs, and tax relief, in exchange for programs that increased public works and expanded employment and other social costs, which raised farmers’ labour costs. The agreement was possible because, although marginal smallholders and farm workers gained little compared to the middle peasantry, the ‘distribution of wealth within the countryside was not an issue’.²⁹

Spain’s experience in the interwar period would bear little relation to any of these three models. No farm group would have wanted the Soviet solution, and neither landowners nor farm workers would have been happy with the transfer of their rights to farmers as in Nazi Germany. Spain’s weak political parties and large, militant workforce made the Scandinavian

²⁶ Politicians therefore found it difficult to mobilize the rural vote nationally, but used it instead to create networks of local support among elected administrative officers such as mayors. Sheingate, 2001, p.44, 66 and 92.

²⁷ Cleary, 1989, pp.49-51.

²⁸ Augé-Laribé, 1950, pp. 124-31, described agricultural research and extension as ‘the regrettable failure of agricultural policy’, Sheingate, 2001, p.73 and Cleary, 1989, p.18. There were however some important exceptions. For a more positive interpretation in the wine sector, see Paul, 1996 and Simpson, 2011.

²⁹ Luebbert, 1991, p. 268.

solution difficult, while even if its farm groups had overcome the difficulties of creating a national organization such as the NFU, urban groups would have been reluctant to have seen even higher food prices. Finally, the French solution required not just far greater state capacity than the Spanish government enjoyed in the early thirties, but also a Social and Christian democratic tradition in politics which was largely missing in Spain at this time.³⁰

3. Spanish agriculture on the eve of the Great Depression

The nature of the problems produced by the Great Depression, and the response of the different European governments, varied significantly according to the internal conditions in each country. In part this reflected the relative importance and nature of each country's agriculture, but it was also influenced by the characteristics of political organizations, and the distribution of power between not just urban and rural groups, but within the farm sector itself. The economic turmoil affected diverse groups very differently, and this in turn threatened to change radically the distribution of political power within countries. In addition, as Michael Mann has noted, the Depression 'destroyed incumbent governments almost everywhere, regardless of whether they were of the right, left, or center, inserting an element of randomness into international differences.'³¹ To simplify our discussion, we stress four factors that help explain the nature of the 'agrarian problems' and the difficulties that the Spanish governments faced in resolving them during the Second Republic (1931-1936), before considering the wider political changes.

The first was that agriculture was the employer of last resort. The fact that approximately half of Spanish workers were still employed in agriculture on the eve of the Great Depression was the result not only of the country's relatively late industrial growth compared to northern Europe, but also the remarkable expansion in the area cultivated during the first third of the twentieth century, which was only halted by weak farm prices in the

³⁰ These questions are discussed in more detail in Simpson & Carmona, in preparation.

³¹ Mann, 2012, p.313.

1930s.³² However with the economic depression there was now a tendency for unemployed urban workers to return to their villages, increasing the labour supply at a time when farm work was falling. This had two very different consequences. On the one hand, the supply of labour on the family farm increased at a time of low farm prices, squeezing household incomes. In Spain, most agricultural workers owned or rented their land, and these now lobbied the government to support prices.³³ On the other hand, especially in areas of latifundios in southern Spain, returning urban workers increased the supply of landless and near-landless day labourers. Measuring rural unemployment accurately during the 1930s is impossible, not just because of government's limited capacity (see below), but also because of the seasonal nature of agriculture, and the differences between family-run enterprises and large estates. These distinctive regional differences of independent family farms and landless labourers are summarized in Table 5.

Table 5. Regional occupational distribution of active male agricultural population, 1956

	Southern Spain	Rest of Spain
Total active males (000s)	1557	2988
Labor employing entrepreneurs	18%	20%
Family operators - owners	14%	40%
TOTAL	32%	60%
Family operators – tenants	11%	17%
Hired labourers - permanent	13%	7%
Hired labourers - temporary	43%	17%
TOTAL	67%	41%

Source: Malefakis, 1970, p.94

³² GEHR, 1983. This is discussed in more detail in Simpson & Carmona, in preparation, ch. 3.

³³ Carmona, Roses, & Simpson, forthcoming, for a reappraisal for the long-run changes in the numbers of landowners, tenants and landless workers in Spain.

The second characteristic was the importance of the *secano*, and the need for dry farming techniques to be used over as much as four-fifths of the country because of the long summer droughts. These conditions were ideal for growing extensive cereals, especially wheat, as well as wine and olive oil. However, rising Spanish living-standards by the 1920s implied that the income elasticity of demand for the first two commodities was low, while olive oil producers were dependent on export markets which suffered during the Depression.³⁴ The nature of dry farming technologies severely limited the possibilities of farmers to shift to alternative crops, or intensify rotations. A second problem created by the *secano* was the highly seasonal nature of labour demands, with very limited amounts of work available during most months, but large numbers required at the harvest. In the 1930s the changing political situation offered syndicates the possibility to build significant labour movements, although the presence of new labour-saving machinery now also offered employers the possibility of eliminating the need for most seasonal workers. Therefore by the 1930s Spanish governments faced two distinct demands, namely the need to resolve low farm gate prices for major crops (wheat, wine, olive oil), and to improve welfare and reduce unemployment, especially in southern Spain. To a significant extent these two policies were incompatible: high food prices hurt urban workers, while higher harvest labour costs reduced the competitiveness of family farmers.

A third factor was Spain's limited state capacity. Not only was the available information to the government and country's citizens in 1931 concerning land ownership and farming practices very limited, but the government lacked the ability to implement policy decisions in an efficient and impartial manner.³⁵ This weakness was the result of both Spain's neutrality during the First World War, and the consequent lack of demand for the state to intervene in the production and distribution of foodstuffs, and a party political system which until the early 1920s was based around patronage networks, rather than ideology. Despite the major efforts of the new Republican governments, new organizational systems could not be created overnight,

³⁴ Simpson, 1995, chapter 8.

³⁵ North, Wallis, & Weingast, 2007.

leading to the inevitable failure to meet even the limited expectations of most voters for reform.³⁶

Finally, the creation of the democratic Second Republic radically changed the nature of political opportunities and the constraints to collective action for family farmers and rural wage earners. Traditional demands for structural change, and in particular land reform, now coincided with calls for government to resolve low farm prices and cyclical unemployment caused both by the economic downturn and adverse weather conditions.³⁷ On the one hand labour syndicates, especially the Socialist FNTT, provided the leadership and organizational capacity for farm workers to demand solutions to their grievances, and challenge governments over the slow speed in implementing reforms. On the other hand, landowners and farmers responded by overcoming their fragmented regional interests to provide a coherent platform to defend existing property rights, and Catholicism. The period can be divided into three distinct phases, with the first (1931 to November 1933), and third (spring 1936), having governments sympathetic to the interests of organized labour, and the second (November 1933 to February 1936), to farmers. As we shall now see, the attempts by first Republican governments to change significantly the nature of land and labour markets failed because of a combination of weak state capacity and wider organizational ability of the landowners and farmers. In addition, efforts to stabilize wheat prices for small farmers also largely failed. Therefore even if the intensity of the economic crisis was limited in Spain, the capacity of the state to intervene to stabilize markets and to respond to the social problems was also considerable weaker than in the leading industrial nations, leaving voters quickly became disillusioned with the new experiment at democratic government during the Second Republic.

³⁶ These points are developed in Simpson & Carmona, in preparation, and Carmona & Simpson, 2017.

³⁷ In particular, the failure of the olive harvest in 1930/1.

4. The limits to government intervention in agriculture during the Second Republic (1931-1936)

The Second Republic saw numerous attempts at reform, touching upon most aspects of agriculture. However, both contemporaries and historians, have stressed the importance of the land reform that aimed to redistribute private property from large landowners to landless workers to create small family farms or workers' collectives, as being the most important. After a short examination why this reform failed, we look briefly at the attempts to reorganize labour markets and support the incomes of cereal farmers.

The 1932 Agrarian Reform Law was a 'document of extraordinary complexity' and if 'milder' than similar legislation in Eastern Europe or Mexico, it still envisaged a profound transformation of farm ownership.³⁸ Limits for individual ownership were established in each village according to the different crops, but all land could be expropriated if it was considered to be badly cultivated; continuously leased for more than twelve years; or where the owner had failed to use irrigation when the facilities were available. Individuals who had acquired lands in the nineteenth century where they had only enjoyed the seigneurial jurisdiction were to lose them, without compensation.

Initially, there was much enthusiasm concerning the possibilities for land reform, with the Socialists talking of settling 100-150,000 peasants annually, although even the government's more modest goal of 60-75,000 settlers of November 1931 had been dropped when the law was finally passed. Instead, by December 1933, only 6000 or 7000 peasants had been given 45,000 hectares. Settlements continued after the victory of the centre-right coalition in November 1933, and between January and September 1934 a further 6,289 peasants received 81,558 hectares. However the law of July 1935, which allowed most landowners to avoid having their lands expropriated, had a limited budget leading to José Antonio Primo de Rivera, the leader of the extreme-right Falange, to claim that it would take 160 years to complete.³⁹ This law might have effectively killed land reform, but contained a 'social utility' clause, which permitted

³⁸ Malefakis, 1970, p.205. This paragraph is based on this work.

³⁹ Malefakis, 1970, p.360.

unrestricted use of land in the case of urgent social problems, and this would be used by the government in the spring of 1936 to settle 110,921 peasants on 572,035 hectares.

There were several reasons why land reform failed. The first, and perhaps most important, was the limited state capacity to implement it. The Azaña government lacked even basic information on crucial matters such as the numbers of landless and poor farmers; the potential area of uncultivated land that could be brought under the plough; or the capacity of local agriculture to absorb labour. The land cadastre gave limited information on farm size and the taxable income, but could not be used to measure an individual's total land holdings across the country, or indicate whether a low cadastre rent was the consequence of poor cultivation techniques, or because of the poor quality of the land.⁴⁰ Detailed provincial studies on local cereal and livestock production systems had been compiled in the early 1890s but, with the exception of olive oil in 1923, there were nothing remotely similar produced during the first third of the twentieth century for any sector.⁴¹ The first census of farm machinery was not published until 1932 although, as historians have shown, it contained major errors.⁴² Finally, with the exception of a few newspaper reports, no information existed to show how farms actually operated.

In fact the government's agronomists quickly collected information that showed that the possibilities for settling of large numbers of landless labourers were strictly limited. For example, they established that significant progress had taken place on cereal farms found on the rich Campiña soils in Cordoba, with much of the land being continuously cultivated on those farms found at an easy walking distance from the village. Longer rotations were usually found on farms further away from the village, but even here, the fact that legumes were planted on parts of the fallow, implied that an average of 68 per cent of the land was actually being sown.

⁴⁰ Rents were not updated and could quickly become out of date, making comparison across provinces impossible. Carrión, 1932: 1975, p.98.

⁴¹ In particular, for cereals, Spain. Dirección General de Agricultura Industria y Comercio, 1891a, and livestock, Spain. Dirección General de Agricultura Industria y Comercio, 1892; less detailed studies were also published for the vine and olive; and Spain. Dirección General de Agricultura y Montes, 1923.

⁴² Spain. Ministerio de Agricultura, 1933, pp. 318-26 and Fernández Prieto, 1997, pp.139-44.

As Ontiveros and Mata note, this level of cultivation intensity left few possibilities for land reform to increase output. These conclusions are supported by recent work looking at the settlements in the province of Badajoz.⁴³ Given the existing state of dry farming technologies and level of farm prices, only a fraction of workers could have been settled easily. The large numbers who demanded land, and the limited areas that could be brought under cultivation, would lead to conflicts, especially in Extremadura.⁴⁴

A second problem was the need for a democratically elected government to respect legality. As Malefakis has noted, Spanish contemporaries were faced with either a slow reform that respected legal niceties, or a revolutionary one that ignored them.⁴⁵ Indeed, as Michael Albertus has recently argued, successful land reforms in Latin America in the twentieth century have been more likely to occur under authoritarian regimes than democracies.⁴⁶ Yet if contemporaries believed that land redistribution was the optimal solution to resolving problems of structural unemployment in southern Spain, then the faster break-up of the landed estates might have been achieved by using market mechanisms.⁴⁷ In fact this possibility was also impossible in the 1930s for two, very distinct reasons. First, the market price for land was kept high because of tariffs, but any government that reduced cereal prices to help landless labourers acquire small plots would have met with major opposition from the country's small family farmers. Second, the state, especially in the 1930s, was unable to underwrite the funds required to transfer sufficiently large amounts of land to meet the demand for work.⁴⁸

Although few contemporaries distinguished between structural and cyclical unemployment, land reform was perhaps a strange policy measure to use to respond to the 1930s economic crisis given the previous experiences in Europe after the First World War.⁴⁹ By contrast, the

⁴³ Simpson & Carmona, 2017.

⁴⁴ Carmona & Simpson, 2016.

⁴⁵ Malefakis, 1970, pp.393-5.

⁴⁶ Albertus, 2015.

⁴⁷ López Ontiveros & Mata Olmo, 1993, p.45, for the decline in the size of Cordoba's latifundios from the mid-eighteenth century, and Carmona et al., forthcoming, for the increased access to land by wage labourers from the mid-nineteenth century.

⁴⁸ The details are in Simpson & Carmona, in preparation, chapter 8.

⁴⁹ Warriner, 1939 and Brassley, 2010.

land invasions in Extremadura in 1932 and 1936 do appear, at least in part, to have been connected to the cyclical downturn.⁵⁰ The same was true for the series of decrees and laws passed between 28 April and 14 July 1931 which aimed to radically change the nature of land and labour markets and intended to have an immediate impact on farmers' decision-making. Small tenants could not now be evicted unless they failed to pay their rent or cultivate the land; a tribunal revised, and reduced, many rents; and a preference was given to the formally constituted workers' societies for renting land, which was aimed at eliminating the problem of subletting.⁵¹ Workers benefitted from the introduction of an eight hour day; arbitration boards were created to determine work conditions; and all local workers were to be in employment before 'outside' labour could be contracted. Finally, and in an attempt to avoid a lock-out, all farm work was to be continued as before, using the same number of workers. By November 1931 this was supplemented by the Intensification of Cultivation decree, which allowed technicians to give to workers lands that they believed could be brought under the plough so as to increase employment. As Domenech has argued, government policy helped resolve the 'acute coordination and collective action problems of mobilizing rural labourers', greatly helping the growth of both the Socialist FNTT and Anarchist CNT.⁵²

This labour legislation tried to increase wages and maintain cultivation and employment levels at a time of weak or falling farm prices. In traditional agriculture, landowners often provided emergency employment for their workers when inclement weather or poor harvests reduced demand, and the state exceptionally offered emergency funding to municipalities for public works. This now changed as landowners had the legal obligation to employ workers chosen for them from lists drawn up by the village mayor and, on occasions, to cultivate the land according to the requirements of the state's agronomists. What had been previously been a paternalistic system that worked to the benefit of the employer, was now changed to one which benefitted other groups, and especially the Socialist FNTT syndicates. In practice, it was not

⁵⁰ Carmona & Simpson, 2016.

⁵¹ Malefakis, 1970, p.167. See chapter 10.

⁵² Domenech, 2013.

that one system was necessarily fairer than the other, but rather that the two systems benefitted very different groups of *workers* within village society. This created significant tensions and conflicts as the distribution of the rewards could shift dramatically with each change in local government.⁵³ At the same time employers faced higher unit wage costs at a time of low farm prices.

The final area of state intervention considered here is the question of cereal prices. Although a contemporary estimate suggests that Spain had two million wheat farmers was an exaggerated guess, cereal-legume rotations still accounted for 28 per cent of net farm output in 1930, considerably more than in other European countries.⁵⁴ Spanish governments from the late nineteenth century increased tariffs sufficiently so that by the late 1920s the country was virtually self-sufficient in wheat. During the First World War ‘maximum’ prices were introduced for wheat, flour, and bread prices to protect urban consumers, but in the 1920s ‘minimum’ prices had been used to help farmers, with governments passing numerous decrees to adapt to changing market conditions. However, the system failed because of the state’s lack of information on output and stocks, and its total inability to implement its policies. Although the information concerning the annual area sown and the amount harvested had improved considerably since the turn of the century, it still remained imprecise.⁵⁵ By contrast, the state had no information on the level of the country’s stocks, or individual farm output. This led to the politically disastrous decision to import wheat to help depress high urban bread prices in the months leading up to the 1932 harvest, which turned out to be the country’s largest to date.⁵⁶

A related problem was the lack of independent professional associations that could help link independent village groups with the state. Political theorists, from Alexis de Tocqueville to Robert Putnam, have stressed the importance of civic associations to democracy. In many European countries village-level independent farm group and associations were brought

⁵³ See for example, Cobo Romero, 2003.

⁵⁴ Montojo Sureda, 1945, p. 15 and Simpson, 1995, Table 2.4 For Europe, O'Brien & Prados de la Escosura, 1992.

⁵⁵ Torres, 1944.

⁵⁶ Montojo Sureda, 1945, pp.39-40.

together in strong, ‘top-down’ federations, which helped to give voice to the concerns of the family farmers. This did not happen to the same extent in Spain, as explained elsewhere.⁵⁷ The subcontracting in 1907 by the French government to the powerful *Confédération générale des vignerons du Midi* to police producers and merchants in the fight against wine fraud showed how farm policy could be implemented, but the lack of similar types of organizations made it impossible to replicate in Spain in the 1930s.

Governments, even with perfect information, would still require mechanisms to both ensure that minimum prices were actually paid to farmers, *and* that farmers would not then respond to a guaranteed market for their produce by increasing output by bring more land into cultivation, or using more fertilizers. These problems have plagued the European Union over the last half century or more, and were far too complex for any European governments in the 1930s. However, even the attempts by Spanish governments in the interwar period to establish minimum prices for family farmers fell far short of their needs. When they were abandoned in the spring of 1936 it was because, according to the Decree, ‘neither the farmer has obtained the advantage of selling his wheat at a sufficiently profitable price, nor the consumers’ cheap bread.’⁵⁸ Spanish politicians and economists debated the possibility of creating a vertically integrated organization to manage the wheat market but, as Rafael del Caño noted, the massive storage capacity needed would not appear ‘by magic’, and nor would the technical and administrative systems required to allow it to operate efficiently.⁵⁹ It would be left to the Franco regime to implement the *Servicio Nacional del Trigo* as a state monopoly from 1937.⁶⁰

Conclusions

This paper has argued that the impact of the Great Depression was less in Spain than other western European countries, but that governments’ response to the problems was also much more limited because of weak state capacity. In particular, this hampered the ability of

⁵⁷ Simpson & Carmona, 2017b.

⁵⁸ *Boletín del Instituto de Reforma Agraria*, Abril 1936, 46, p.414.

⁵⁹ del Caño, 1933, p.108.

⁶⁰ See especially Barciela López, 1985.

politicians to evaluate policy options, and carry them through. The state lacked basic information on farming practices, and was too often dependent on interested parties to provide village level information, whether this was the local political boss, or in the early 1930s, the Socialist *Casa del Pueblo*. Spain of course was not alone in this respect, and it is worth quoting in detail comments made by two French experts in the early 1920s:

The statistics published by the Ministry of Agriculture are drawn up by officials who do not dispose of funds sufficient to enable them to adopt satisfactory methods of observation; nor are these officials qualified for the scientific observation of economic facts. The statistics are very incomplete even in respect of cultivation areas and crops. As regard certain crops and certain categories of animal produce they are completely silent. They furnish, for instance, no information whatever on food products of such importance as milk and eggs. They have for a long time ceased to take any note of those phenomena of rural economy which have a social bearing, such as the number and distribution of estates, the number of landowners, the classification of holdings according to their area, their agricultural equipment, or the methods of their cultivation; as regards these we have only a few estimates dating from more than thirty years ago, whose accuracy has been justly challenged.⁶¹

However, state capacity is created only slowly over time, and the combination of the experience of the First World War, and the demands of party politics, ensured that the leading European nations were well advanced of Spain by 1929.

Finally, the paper has argued that the government responded to the 1930s Crisis by trying to implement two very different policies, namely market intervention to support farm prices to help the family farmers, and labour and land reforms, which aimed at increasing landless workers' living standards. The use of land reform as an instrument to improve workers' living standards and respond to the problem of the international crisis has to be questioned given the

⁶¹ Augé-Laribé & Pinot, 1927, pp.2-3.

conditions in Spain in the early 1930s, although it would prove a highly useful tool for both the Socialist and Anarchists organizations on the Left, and the conservative landowning coalitions on the Right, to recruit and build up their organizations in the countryside. By contrast, attempts to raise both farm prices *and* wages at the same time inevitably failed, leaving both of these major groups alienated.

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