THE MODERNIZATION OF SPAIN

by José Casanova

The story of Spanish modernization has been told numerous times and from many different perspectives. The first information came from governmental and business sources, both Spanish and foreign, relating to the favorable prospects for Spanish economic development and the new business opportunities that Spain offered as an “investment paradise” and as Europe’s new industrial frontier. Most of the early studies by Spanish economists were both critical of the path of economic development chosen by the Franco regime as well as skeptical of the prospects for real development unless “true” structural changes were introduced. By the early 1970s, however, the evidence was clear enough to silence if not the critics at least the skeptics and the regime felt confident that its economic performance and its record of economic growth could stand comparison with the performance of any other member country of the OECD, with the exception of Japan. This optimistic attitude was clearly reflected in the triumphalist language of the III Plan. Having accumulated a GNP annual growth rate of over 7 percent throughout the 1960s, Spain ranked first among Western countries in the race for development. The “case of Spain” was even studied as a possible model of export-oriented industrialization for underdeveloped countries.

Following Linz, political scientists studied the Spanish authoritarian system and its effects upon economic policy-making and economic development. Most Spanish analysts, positing a necessary relation between economic and political modernization, saw Franco’s authoritarian regime as “dysfunctional” and as an impediment to authentic development. This was basically the position taken by the Spanish left opposition to the Franco regime. Others, like Anderson, used the case of Spain to show that in an age of managed economies, whatever the differences between authoritarian and liberal democratic political systems may be in terms of political structure, these differences become insignificant when it comes to the formulation and execution of macroeconomic policy. “It seems evident,” says Anderson, “that Spain’s distinctive political system was quite compatible with the practice of neo-Keynesian economics.”

3. Charles W. Anderson, The Political Economy of Modern Spain (Madison, 1970), p. 244. Such evidence can, of course, be used differently according to one’s value system. It may be used to legitimate authoritarian regimes as conducive to economic development or to criticize the authoritarian and technocratic tendencies of advanced capitalism. In any case, it puts into question the widespread ideological simple view of modernity and progress. This nuance was often overlooked by critics of the Spanish model of economic modernization. For the most systematic attempt to characterize the ideal-type of Spanish political system in a comparative differential perspective, see Klaus von Beyme, Vom Faschismus zur Entwicklungsdiskussion (Munich, 1971). Also see Frederick Pike and Thomas Stritch, eds., The New Corporatism. Social-Political Structures in the Iberian World (Notre Dame, Ind., 1974), for an attempt to develop a conceptual model of “corporatism” to analyze Iberian political structures.
It is, however, in the works of a new generation of empirically oriented Spanish sociologists that the best documentation of the Spanish transformation can be found. These sociologists described the process of Spanish modernization, determining exactly the place of Spain alongside other industrial and non-industrial countries in scales of development designed to measure all possible socio-economic indicators. Some of the studies claimed to be so precise as to allegedly be able to determine exactly how many years separated Spain from Italy and France, and then predict how long it would take Spain to catch up with them by projecting existing rates of growth into the future. Spain had stopped being "different." It was only a little "backward," a difference of degree, not of kind, as easily quantifiable as it would be easy to surmount by appropriate social planning.  

All these studies describe in different vocabularies the story of Spanish modernization. However, there is a noticeable absence of any attempt to offer a historical interpretation as to why the modernization of Spain took place "so and now" and not otherwise. If one subscribes to the structural-functionalist, developmental-evolutionist and ethnocentric model of modernization which dominated the social sciences literature, no such interpretation is necessary. Apparently, sooner or later all societies are to undergo the natural process of development known as modernization. The mechanics of the process and the stages of growth are well known. The only thing we may need to know is the phenomenon which in each case triggers the "take off" by shattering the equilibrium of traditional society and by propelling the now "transitional" society towards self-sustained growth, the form of equilibrium typical of modern societies.

Factors in the Spanish case often added to explain the transformation can be classified into two main categories; i.e., "exogenous" or external factors and "endogenous" or internal factors. American aid, foreign capital investment, tourism and the general economic boom of the West are the most frequently mentioned exogenous factors. These factors, together or separately, are credited - quite correctly - with having made Spanish economic development possible. Without taking these external factors into account, the extraordinary Spanish performance remains indeed incomprehensible. But when considered in the context of the political and economic system created by the Cold War and the extraordinary economic expansion of the Western capitalist economies after World War II, the Spanish performance is no longer so miraculous. From such a perspective, Spanish development can be explained as a spillover, or a regional effect of Western economic development. In a more systematic form, it can be seen as a consequence of the integration of the capitalist chain.  

The Modernization of Capital in Spain  

The thesis of Spanish modernization developed most radically by Edward Hansen was that the transformation was not a Spanish development of a political nature in Spain, a process imposed from outside by an imperialist dependency. The following is the analysis: (1) A theoretical classification of endogenous or autonomous economic development or development from exogenous or dependent economic development concerning the empirical nature of the historical relations between a center and a periphery. (2) A general proposition assumed empirical nature of the underdeveloped region cannot attain an agricultural technology, without being established as centers of dominance. "...the historical nature of the Spanish case is no longer the question of a national pivot..." 7

Before going into a more detailed analysis:

(1) The meaning and validity of such a thesis is not solely on their value as an interpretation of social reality. There is a rich tradition of different types of historiography. Hansen, however, is of minor interest in this respect.

(2) The empirical nature of the world-system is constituting a very complex system of relations of domination between the various countries. The various countries disagree, however, with the implied claim that the functional nature of the system is one of dependence.

(3) The case of Spain shows points of view.

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consequence of the integration of the Spanish economy into the imperialist capitalist chain.6

The Modernization of Capital in Spain

The thesis of Spanish modernization as an exogenous phenomenon is developed most radically by Edward Hansen, who argues that the Spanish transformation was not a Spanish development but rather the modernization of capital in Spain, a process imposed from without and determined by relations of imperialist dependency. The following points can be discerned in Hansen's analysis: (1) A theoretical classificatory distinction between development (i.e., endogenous or autonomous economic process) and modernization (i.e., exogenous or dependent economic process); (2) A general proposition concerning the empirical nature of the world system: "contemporary economic and political relations between 'advanced' and 'backward' regions are asymmetrical;" (3) A general proposition which is logically derived from the assumed empirical nature of the world system: "a contemporary underdeveloped region cannot attempt to industrialize, or even transform, its agricultural technology, without withdrawing from the influence of established centers of dominance:" (4) An empirical statement about the historical nature of the Spanish case: a "process imposed from without by already fully developed industrial centers;" (5) An historical-theoretical conclusion derived from points 2 and 4: "in modernizing societies, the nation and the region, and their respective elites, are no longer the prime movers, the national pivot is no longer the key unit for determining national evolution in a modernizing context."7

Before going into a more detailed analysis, it should be pointed out that:

(1) The meaning and validity of such ideal-typical constructions depends solely on their value as an interpretative tool in the understanding of empirical, social reality. There is a need to develop such ideal-typical constructions of different types of modernization. The one proposed by Hansen, however, is of minor interpretative value.

(2) The empirical nature of the world system is indeed highly asymmetrical, constituting a very complex system of economic, political and cultural relations of domination between "advanced" and "backward" regions. I disagree, however, with the implied "closed" inner-systematic or structural-functional nature of the system as well as with the consequences of dependence.

(3) The case of Spain shows precisely that a country may be able to

industrialize successfully by ending its long isolation from the outside world and by entering a relation of dependence within the capitalist world market. Such an integration indeed implies a radical change in economic policy from national development to dependent modernization. But in the case of Spain it worked.

(4) That the modernization of Spain was "imposed from without" is only partially valid and highly misleading if it is taken without further qualifications. It cannot mean that the modernization of Spain was forced on or unwillingly accepted by Spaniards. There was indeed a great deal of pressure, both external and primarily internal, on the regime to change economic policy. But the decision to modernize the Spanish economy by integrating it into the capitalist world system was a political decision — one which was planned by the Opus Dei ministers. This decision, which signified a radical break with Spanish tradition, is in need of sociological explanation. Once the fateful decision was taken and the Spanish economy was successfully integrated into the capitalist world system, Spain lost its relative autonomy and became highly dependent on foreign developments.

(5) Without entering into the metaphysical discussion about prime movers or last instance determinations, the Spanish national context and the nature of the Spanish modernizing elite offers one of the most important clues for understanding Spanish modernization.

Spanish industrialization can be characterized as dependent, uneven and distorted, but it cannot be denied that the industrialization of Spain did take place and that it was successful at least insofar as it radically altered the Spanish economy and the social structure of Spain as a whole. This is even implied by Hansen, who suggests that the industrialization of Spain should be seen as a typical case of what Froebel and others have called export-oriented industrialization, i.e., "free-trade zones" or "world-market factories" in which transationally organized manufacture is integrated vertically into the world market but actually separated from the national economy. This type of production would rule out from the start the goals of national industrialization.

The Socio-Economic Transformation

The Spanish case cannot be considered in such a light. It would be more justified, although equally erroneous, to see it, as Donges does, as a successful 'model' of export-oriented national industrialization. Some figures of the Spanish case should suffice as illustration.


11. The information and the figures are taken almost literally from the following sources: Baklanoff, Economic Transformation, op. cit., pp. 45-70; Wright, Spanish Economy, op. cit., pp. 138-142; Tamames, Republica, op. cit., p. 382; Gonzales, Economia Politica, op. cit., pp. 300-309. From 1950 to 1975, while the active working population of Spain remained basically the same, roughly 37 to 58 percent of the total population, its sectoral distribution changed drastically. The population active in the agriculture increased from 21.5 percent in 1975. During the same period, the industrial sector grew from 26.5 percent to 38.2 percent, while the service sector grew from 25.8 percent to 40.5 percent. In absolute terms, the industrial sector increased from 47 percent of total GNP to 1975, and the remaining active agrarian population declined, which means that the relative weight of agriculture in the Spanish economy.

With the help of inflation, the GNP per capita increased from $2,500 in 1975 at an annual growth rate of 7 percent to $2,600 in 1978. Equally significant data are provided by a study of Spain's GNP growth at an annual average of 4 percent from 1960 to 1975. By 1975, Spain's share of total export value in the world market was 9 percent, making Spain one of the most important agricultural exporters in the world. This increase of manufactured goods form an important part of Spain's export strategy. The rapid growth of Spain's industrial sector, which increased from 47 percent of total GNP in 1960 to 58 percent in 1975, has been closely linked to the rise of the productive forces in Spain. The development of Spain's industrial sector, which increased from 47 percent of total GNP in 1960 to 58 percent in 1975, has been closely linked to the rise of the productive forces in Spain. The development of Spain's industrial sector, which increased from 47 percent of total GNP in 1960 to 58 percent in 1975, has been closely linked to the rise of the productive forces in Spain. The development of Spain's industrial sector, which increased from 47 percent of total GNP in 1960 to 58 percent in 1975, has been closely linked to the rise of the productive forces in Spain.

12. Thorstein Veblen, Imperial Germany and the Industrial Revolution (New York: Charles Scribner's Sons, 1920). Some of the advantages were: a) the over-the-board substantial improvement in wage and overall export of the most modernized enterprises, b) the increase of productivity, c) the advantage of being a late-comer, and d) the techniques, of avoiding past mistakes and...
Impressive as they may seem, these facts acquire their right proportion when considered in the perspective of what Veblen called the "advantages of backwardness." But the figures defy any attempt to justify the industrialization of Spain. Furthermore, from a purely sociological perspective, the question whether capital was 'Spanish' or 'foreign' is irrelevant as long as it produced similar results in terms of transformation of the social structure, division of labor, transformation of economic sectors, urbanization, transformation of the class structure, rise in the standard of living, changes in consumption patterns, and changes in public opinion. In each and all of these factors, Spain began to resemble any other capitalist industrial society.

The import of foreign capital was surely a very important factor in Spanish industrialization. But it should not be given the absolute relevance implied by Hansen. American economic "aid" may have been important for Spanish economic growth in the 1950s. Yet, the amount of American aid received by Spain was significantly smaller than that received by many other European economies under the Marshall Plan. Similarly, the extent to which the
drastically. The population active in the agrarian-primary sector changed from 47.5 percent in 1950 to 21.5 percent in 1975. During the same period the labor force active in the industrial sector grew from 26.5 percent to 58.2 percent, while the population in the service sector jumped from 25.8 percent to 40.3 percent. In absolute terms, 1.8 million people left the land between 1960 and 1973 and of the remaining active agrarian population in 1976, 55 percent were over 45 years old, which means that the relative weight of agriculture in the Spanish economy is likely to continue to decline. In 1973, agriculture already contributed less than 13 percent to Spain's GNP.

With the help of inflation, the GNP per capita income jumped from roughly $300 in the 1950s to over $2,500 in 1975 at an annual growth rate of 6.45 percent in real terms. In absolute terms, there was a radical improvement in the standard of living of the average Spaniard. From 1960 to 1974, Spain's GNP grew at an annual average rate of over 7 percent.

Equally significant data are provided by an analysis of the trends in Spanish exports. Through the 1960s, Spanish exports grew at an annual rate of 15.7 percent, compared with 0.8 percent annual growth rate in the 1950s. In 1959, Mediterranean agricultural products and mineral raw materials accounted for 67 percent of Spanish exports — a typical figure for a peripheral country. By 1973 the share of traditional exports had fallen to 33 percent, while manufactured products had risen to 67 percent of total export value. Significantly, consumer manufacturers (shoes, automobiles, apparel and books) had increased their share from 9 percent to 21 percent. But the increase of manufactured goods from 5 percent to 23 percent was even more dramatic and significant; heading the list in this case were ships, machine tools, electrical equipment and machinery. Spain's share of the world market for manufactured products rose at an annual average rate of 9 percent in the period from 1962 to 1973. Most economic analysts tended to agree that the Spanish economy, despite all its imbalances, had become a highly diversified, internationally competitive economy.

12. Thorstein Veblen, *Imperial Germany and the Industrial Revolution* (Ann Arbor, 1966); Alexander Gerschenkron, *Economic Backwardness in Historical Perspective* (Cambridge, Mass., 1962). Some of the advantages were: a low-start base which offered a large room for over-the-board substantial improvement in productivity and rationalization; the possibility of rapid and wholesale import of the most modern foreign technology and know-how which was the key to the rise in the productivity of labor; large reserves of cheap and repressed labor; and the sheer advantage of being a late-comer, which gives the possibility of choosing from well-tested techniques, of avoiding past mistakes and of looking for substitutes.

13. For comparative figures see Manuel Varquez Montalban, *La Penetracion Americana en Espana* (Madrid, 1974), pp. 206ff. The testimony of Varquez Montalban, a member of the Central Committee of the Spanish Communist Party, is important because it is unlikely that he might have underestimated the extent of imperialist economic expansion in a book trying to document the "penetration" of the Spanish economy by American capital. Ironically, the Spanish Left, which admits the fact of the industrialization of Spain, tries to minimize the importance of American
Spanish economy suffered penetration by private foreign capital was not significantly different from the pattern in other Western European economies.14

In short, a better case can be made from studying Spain for the thesis of the internationalization of capital, the growth of a global economy and the end of economic sovereignties than for arguing the failure of Spanish industrialization.15 Looking at the Spanish economic record, two facts seem evident. First, the successful industrialization of Spain. Second, the growing integration of the Spanish economy in the world market and in the capitalist division of labor. Moreover, both facts are closely related so that one can argue that capitalist dependency led to the industrialization of Spain and that the industrialization of Spain led to ever increasing international dependency. When one contrasts the Spanish evidence with other equally evident cases in which capitalist dependency has reproduced underdevelopment or has at least precluded industrialization, it seems fair to conclude that capitalist dependency sometimes leads to industrialization while sometimes it hinders such industrialization.16

Capitalist Dependency

Since the same cause alone cannot produce opposite effects, it seems reasonable to infer that we are dealing here with two different types of capitalist dependency.17 That is to say, it is not in the nature of abstract capital but rather in the nature of concrete capitalist relations to produce one or the other result. In other words, the relation of dependency is not a logical one which can be deduced from the nature of capital, but rather a historical one which has to be studied empirically. It is thus imperative to study when and why certain forms of capitalist relations, while intrinsically unequal, may be beneficial to both partners, while certain forms of capitalist relations, in addition to being unequal, are so exploitative that they may preclude development.18

Of course, one of the advantages of accumulation and imperialism is that unity. Thus, it is able to derive two components from the same general theoretical principle: imperialism as a fresh source of profit at home due to monopolistic stagnation and the mode of economic exploitation gained within the capitalist system, a sort of home expansion. There is further the third utilization due to the internal processes of capitalist accumulation at home.19

Whereas the mode of capitalist exploitation within the periphery, creating in this way new dependencies, is an aspect of capitalist accumulation. Both analytically and historically, Marxist analyses are not, however, consistent in their general theory of capitalist imperialism.

Granted that capitalist relations have therefore a distorted relation and that the capitalist system, however, shows a relation of capital and labor, it is "inevitable" nonetheless to the welfare of both and to a substantial rise in the standard of living that depends on the expropriation of the world surplus. These mutually beneficial aspects of capitalist relations, even though the nature of the relation of capital and labor may remain the same.

The same analysis can be applied also to the level of Marx himself was implying that nations may exchange according to gain, but one is always defrauded, and the 1960s, capitalist dependency may have ended the relation. At other times, however, capitalist dependency may have been industrialization.21 One would wish to see for comparative purposes and the need to study the internal structure of international relations among capitalist economies.22

18. The need for comparative different analyses may exchange according to gain, but one is always defrauded, and the 1960s, capitalist dependency may have ended the relation. At other times, however, capitalist dependency may have been industrialization.21 One would wish to see for comparative purposes and the need to study the internal structure of international relations among capitalist economies.22

19. See, for example, James O'Connor, The First Theory of Capitalism, in Selected Works (Moscow, 1969), and Dependent Accumulation and Underdevelopment (New York, 1979); Fernand Henrique Cardoso, Ideologias de la Burguesia Industrial en Sociedades Dependientes (Mexico, 1971).


21. Jordi Nadal, El Franco de la Reina (Barcelona, 1980) and Gabriel Tortella Cesares, Los Origenes de...
preclude development.  

Of course, one of the advantages of the Marxist theory of capitalist accumulation and imperialism is that it is not one but actually two theories. Thus, it is able to derive two completely different historical results from the same general theoretical principle. There is first the theory of capitalist imperialism as a fresh source of profit to counter the declining rate of profit at home due to monopolistic stagnation. This form of imperialism amounts to a mode of economic exploitation geared to keep the periphery ‘underdeveloped’ within the capitalist system, a sort of Lebensraum theory of capitalist expansion. There is further the theory of imperialism as a mode of surplus utilization due to the internal oversupply caused by the oversuccess of capitalist accumulation at home. This form of imperialism amounts to a mode of capitalist exploitation which would actually help to industrialize the periphery, creating in this way new sources of profit and new possibilities of capitalist accumulation. Both analyses of imperialism can be found in most Marxist analyses. They are not, however, successfully integrated into a general theory of capitalist imperialism.  

Granted that capitalist relations intrinsically imply unequal exchange and therefore a distorted relation and a form of domination, the history of the capitalist system, however, shows numerous concrete cases in which the relation of capital and labor, while remaining unequal, contributed nonetheless to the welfare of both, namely, to the accumulation of capital and to a substantial rise in the standard of living of labor. There are reasons other than the imperialist exploitation of the peripheries by the metropolis or the expropriation of the world surplus to explain these mutually beneficial effects. These mutually beneficial effects, of course, do not make the relation less unequal or less distorted. It only implies that it does not lead to absolute pauperization, even though the relative distribution of benefits between capital and labor may remain the same or may even grow in favor of capital. 

The same analysis can be applied to capitalist relations at the international level. Marx himself was implying such an analysis when he wrote that “two nations may exchange according to the law of profit in such a way that both gain, but one is always defrauded.” Sometimes, as in the case of Spain in the 1960s, capitalist dependency may have been beneficial to both members of the relation. At other times, however, as in the case of Spain in the 1860s, capitalist dependency may have been highly detrimental to national industrialization. One would wish that Marxist analysis would go beyond ...
scholastic discussion into historical analysis. An example of this confusion is the following: “Another outcome is that the popular masses have experienced a considerable increased exploitation both by their own dominant classes and by those of the imperialist metropolises from the very fact of this industrialization.” 22 This makes sense from the perspective of a Marxist theoretical laboratory model that could be expressed in the following formula: Industrialization equals increased productivity of labor equals increased expropriation of surplus value equals increased accumulation of capital equals increased exploitation. But historically and phenomenologically, at least in the case of Spain, this makes no sense. The Spanish popular masses were certainly no better off when they were being exploited only by their own inefficient dominant classes, which were unable or unwilling to rationalize the Spanish economy, than later, when they were exploited twice, by their own and by foreign imperialist classes.

It would, however, be as fallacious to draw general laws of capitalist development or a general model of industrialization from the Spanish case as it is fallacious to draw general laws of imperialist dependency or a general model of underdevelopment from, e.g., Latin American societies. But Hansen or any Marxist-Leninist may easily grant the success of Spanish industrialization and yet argue that it confirms their theory. Namely, Spanish industrialization would be a typical case of dependent modernization and not of autonomous development. That would be the reason why Spanish industrialization was uneven, distorted, and full of contradictions. Although Spanish industrialization was all these things, the distinction between modernization and development is sheer casuistry if what is implied is basically endogenous vs. exogenous development.

At a time when even China with its enormous natural, cultural and human resources has, at least temporarily, given up the ideal of true development in order to follow the path of “four modernizations,” it seems ludicrous to offer autonomous development as a model of industrialization. To be fair, Hansen warns: “It should be noted that withdrawal may involve heavy sacrifice and, when compared with modernization, result in a slower rise in such indices of growth as standard of living and percentage of population in non-agricultural pursuits.” 23

Moreover, in a strict sense, the pure ideal-type model of autonomous development that Hansen has in mind happened only once — in the case of England. Afterward, all transformations have been in a certain sense follow-up “modernizations,” defined by Hansen as “the process by which an underdeveloped region changes in response to inputs (ideologies, behavioral codes, commodities and institutional models) from already established industrial centers.” But, more important, even if autonomous development were viable today, it is unclear why endogenous development should be intrinsically better than exogenous development other than from a perspective of nationalist power politics.

Hansen is right in distinguishing both, and in stressing the need to construct and evaluate different types of modernization explicitly stated. It is unclear, however, that the particularist value as “autonomous” is standard. After all, the meaning of the term is derived from the intrinsic nature of social formation in question and its results (its socio-historical consequence) and not the form or direction of endogenous character. Most observers agree that the Spanish autonomous development regime, that of the Autarquia (1931-1939) full of contradictions than the dependency phase (1957-1973). 24

Yet, a Marxist-Leninist may still argue no contradiction within modernization is not derived from its intrinsic logic of capitalist dependency, modernization to be necessarily uneven. Thus, Villa argues that the integration chain created commercial, technological asymmetries from “outside” forces and that the Spanish production process.

24. Hansen’s model of autonomous development is a model of socialism in one country — a typical case of ideological-theoretical model. The Soviet model of “autarkic development,” which was 1939. According to Mussolini, the formulation of an autonomous economy is meaningless unless it is upheld by the independence in Antonio Robert, Un problema nacional (Madrid: general of industry and an official economist of the government). Robert stresses that the rationale and ultimate goal should be the strengthening of the nation. Such a model of industrialization since the latter, even if successful, usually ended up in an industrialization, namely, national independence.

25. Hansen himself hints at the sometimes it is the values when he states that “in many societies the existence is the conflict of social forces, further evidence of the fact that Schneider, et al., Modernization and Development conflict between national independence and national power conflict between the Opus Dei technocrats and the international capitalist integration and the Falang “developed” one. The same anathetical conflict between technocrats and politicians. Chinese literature is usually referred to as between “Bureaucracy and Technocracy in the Socialism of Immanuel Wallenstein, “Semi-peripheral Count in Capitalist World Economy” (Cambridge, 1979).

perspective of nationalist power politics from which national independence is the highest absolute value which should not be compromised even for the sake of raising the welfare of the nation's citizens.\textsuperscript{24}

Hansen is right in distinguishing between different types of development and in stressing the need to construct normative standards with which to evaluate different types of modernization, so long as the related value systems are explicitly stated. It is unclear, however, how such a nationalist-particularist value as "autonomous" could alone serve as the normative standard. After all, the meaning of each type of modernization would be derived from the intrinsic nature of the process (i.e., the structure of the social formation in question and its formative principle) and from its net results (its socio-historical consequences), rather than from its exogenous or endogenous character. Most observers, at least most Spaniards, would agree that the Spanish autonomous development of the first phase of the Franco regime, that of the Autarquia (1939-1951) was more uneven, distorted and full of contradictions than the dependent development of the modernization phase (1957-1973).\textsuperscript{25}

Yet, a Marxist-Leninist may still insist that the negative character of modernization is not derived from its being exogenous, but rather from the intrinsic logic of capitalist dependency, which, by its own nature, causes modernization to be necessarily uneven, distorted and full of contradictions. Thus, Villa argues that the integration of Spanish capital into the imperialist chain created commercial, technological, financial, ideological and cultural dependence from "outside" forces and those forces consequently came to control the Spanish production process.\textsuperscript{26}

\textsuperscript{24} Hansen's model of autonomous development seems to be indistinguishable from the Soviet model of socialism in one country — a typical case of historical necessity sublimated to the category of ideological-theoretical model. The Soviet model was to find further systematic elaboration in the fascist model of "autarkic development," which was officially incorporated by the Franco regime in 1959. According to Musolinis, the formulator of the model, "a country's self-determination is meaningless unless it is upheld by the independence of its economy from external markets." Quoted in Antonio Robert, \textit{Un problema nacional} (Madrid, 1943), p. 126. Antonio Robert was director general of industry and an official economist of the Franco regime during the autarky period.

\textsuperscript{25} Hansen himself hints at the sometimes irreconcilable conflict between those two ultimate values when he states that "in many societies the two alternatives coexist and are represented by conflicting social forces, further evidence of the extent to which they may be antithetical." Peter Schneider, \textit{et al.}, \textit{Modernisation and Development}, \textit{op. cit.}, p. 340. Indeed the ultimate value conflict between national independence and rationalization of the economy was central to the power conflict between the Opus Dei technocrats who stood for economic development through international capitalist integration and the Falange Bureaucrats who preferred a "free" Spain to a "developed" one. The same antithetical conflict appears in socialist countries in the form of a political struggle between technocrats and political ideologists or bureaucrats — a conflict which in Chinese literature is usually referred to as between "red and expert." See, e.g., Serge Mallet, "Bureaucracy and Technocracy in the Socialist Countries," \textit{Socialist Revolution} (May-June 1970); Immanuel Wallerstein, "Semi peripheral Countries and the Contemporary World-Crisis," in \textit{The Capitalist World Economy} (Cambridge, 1979).

\textsuperscript{26} Vidal Villa, "Spain and Imperialism," \textit{op. cit.}, pp. 51-52.
Development of the Capitalist World System

At this point, the inner systemic logic of Marxist theory comes to its full conclusion in Wallerstein’s model of the world system. There is only one world system, the capitalist one, from which it is illusory to escape. There is, furthermore, only one logic determining all relations within the system: the logic of capitalist reproduction. Indeed, there is neither national development nor modernization. There are only changes of location or of roles within the capitalist division of labor between the core and the periphery.

“It is not states,” Wallerstein writes, “but the capitalist world economy that ‘develops’ over time. Within this framework, particular states may come to change their economic and political roles and place in the hierarchy, but this is quite different from ‘developing.’” “This is not development, but successful expropriation of world surplus.”

Neither Wallerstein nor anybody else has tried to apply this model for an interpretation of the Spanish case. A Wallersteinian interpretation of the Spanish case can be outlined as follows: The logic of capitalist development with its inevitable long-term tendency to oversupply causes ever-recurring upward and downturn cycles. These periodic changes in capitalist trends are usually accompanied by internal transformations within the structure of the capitalist system. These transformations offer special opportunities to those capitalist agents—firms, classes, or states—who are ready to take advantage of the conjunctural opportunities and are therefore able to turn the situation into their own advantage at the expense of somebody else. “At each succeeding moment of crisis in the history of the capitalist world-economy,” writes Wallerstein, “a similar shift of ‘bargaining power’ has taken place… intermediate elements in the surplus extraction chain gain at the expense of those at the core of the system. In present-day terms this means, among other things, a relative profit advantage to the semi-peripheral nations…. In moments of world economic downturn, semi-peripheral countries can usually expand control of their home market at the expense of core producers and expand their access to neighboring peripheral market, again at the expense of core producers.”

Now, the Spanish case does not exactly fit Wallerstein’s analysis since Spain, a member of the semi-periphery, took advantage of the unusual opportunities offered by the world capitalist system not at a world-economic downturn but rather at an extraordinary world economic expansion, the post-World War II economic boom. But the model used for downturns could as well be applied to upward turns. Wallerstein himself provides the clue for such an application when in another context he writes: “It is worth distinguishing between the effect of world economic downturn on the structure of national economic life and the ability of some countries to transform commodity shortage during such downturns, and in previous downturns, and such commodity exports show themselves to be catalytic some countries (Saudi Arabian and Iranian oil in the 1930s).” But commodity shortages may also occur during extraordinary expansions in the 1960s. For several reasons, the rise of the service sector and the growth of the post-industrial society, Europe became “sun, fun, and labor” — all coming to Spain. There is a saying in Spain, “El sol, los peces, los pobres” (All the Spanish miracle), implying that tourism and industrial production are two main sources of capital this way.

At this point, one could even think that cyclical reproduction to understand centuries, had been sitting on a problem: what to do with it other than consuming and inventing the siesta to protect the workers often attributed their poverty to millions of fair sun worshippers living high for their idols. The eyes of the Spanish discussed the unique opportunity destiny had given them, and they took advantage of it — the result was the European economic boom, among other things.

Among Spaniards, this was a period of great prosperity, and the constant criticism of the government for not uncovering serious lacunae in such prosperity, which might disappear as unemployment increased. It could, first, help to explain why the Costa del Sol has suddenly acquired all sorts of commodities susceptible of more important Marxist analysis. Only windfall profits, which lead to accumulation in order to be transferred to the conversion of wealth into capital automatic is the transformation of capital.
structure of national economic enterprise in semi-peripheral countries and the ability of some countries to take advantage of what is defined as an acute commodity shortage during such crises: for example, oil today, gold today and in previous downturns, and other commodities yet to be so defined. For such commodity exports show high relative price rises, and in and of themselves may catapult some countries into the semi-peripheral category (Saudi Arabian and Iranian oil today, but also South African gold in the 1990s). But commodity shortages need not only happen during crises, they may also occur during extraordinary booms. That is precisely what happened in the 1960s. For several reasons, such as an extraordinary economic boom, the rise of the service sector and the coming into being of what has been called the post-industrial society, European societies suffered an acute shortage of “sun, fun, and labor” — all commodities that Spain possessed in large supply. There is a saying in Spain, “El milagro espanol consistio en exportar sol y pobres” (All the Spanish miracle amounted to was the export of sun and the poor), implying that tourism and the migrant workers’ remittances were the two main sources of capital that financed the industrialization of Spain.

At this point, one could even do without Marxist analysis and the logic of cyclical reproduction to understand what happened in Spain. Spaniards, for centuries, had been sitting on a “gold mine.” However, they did not know what to do with it other than constantly complain about the unbearable heat and invent the siesta to protect themselves from it. In fact, Spaniards had often attributed their poverty to the harsh Spanish climate. Until one day millions of fair sun worshippers and fun lovers descended on Spain searching for their idols. The eyes of the Spaniards opened up and at once they realized the unique opportunity destiny or geography had bestowed on them. They took advantage of it — the result being the Spanish miracle: a spillover from the European economic boom, a windfall profit from the new vacation craze.

Among Spaniards, this was a commonly held view — so common, in fact, that even well-informed economists took it for granted. This would explain the constant criticism of the government’s economic policies for having built the house of Spanish prosperity on a foundation of sand: on windfall profits which might disappear as unexpectedly as they appeared with the first European economic recession. But Marxist analysis could help in uncovering serious lacunae in such a seemingly convincing narrative account. It could, first, help to explain why sun and fun, which heretofore had only had use value, suddenly acquired also exchange value, i.e., had been converted into commodities susceptible of being packaged and commercialized. Even more important, Marxist analysis could point out that windfall profits are only windfall profits, which have to be transformed into capitalist accumulation in order to be translated into economic growth. Now such a conversion of wealth into capital is by no means automatic. Even less automatic is the transformation of capital into the sustained rationalized type

29. Manuel Funes Robert was one of the few Spanish economists who saw the structural and not just the conjunctural importance of tourism and the service sector in post-industrial societies. See his Valor Político de la Balanza de Pagos en España (Madrid, 1969).
of accumulation needed for successful industrialization. After all, Spanish history is filled with such “missed opportunities” in which windfall profits went away, leaving behind beautiful churches, palaces and precious records of Spanish grandeur and creativity, but no sign of economic growth. Moreover, it is not that capitalism had not triumphed before in Spain. There were many periods of capitalist accumulation, many beginnings of industrialization, yet sustained industrialization constantly failed. 30

It is interesting in this context that André Gunder Frank, trying to prove Weber’s thesis wrong, presents the same misplaced argument of many economic historians by stating, “As Smith and Marx already observed, capitalism was born in Catholic Italy, Spain and Portugal.” 31 Such an argument basically restates the critiques of Robertson, Hyman, Fanfani and others, implying that modern capitalism came into being before the Reformation and therefore the Reformation could not have anything to do with capitalist development — at least not with its origins. To such an argument one can only answer that obviously Weber and his critics are talking of two different types of capitalism. As to the argument that capitalism was born in Catholic Italy, Spain and Portugal, Weber would probably answer that this precisely confirms his point, i.e., that in Catholic countries capitalism was not able to transform itself in the direction of what he called modern rational capitalism. Notwithstanding its triumph in Spain, capitalism was unable to industrialize the country. In other words, Spanish capitalism was unable to rationalize the Spanish economy. To attribute such a failure to the lack of sufficient capital, as many economic historians tend to do, seems tautological. One would then have to ask why Spaniards failed to accumulate sufficient capital in the direction of industrial investment.

What is in need of explanation is why this time the Spaniards seized on their fortuna, while so many other times they did not. Wallerstein’s general model of the capitalist world system cannot offer a satisfactory answer to this question. Nor can Wallerstein’s general theory offer an explanation as to why Spain was not a member of the capitalist core in the first place, i.e., why, in Wallerstein’s words, “Spain started down this path and then turned off it to become part of the semi-periphery.” 32 Neither a general theory of capitalist development nor the inner systemic logic of the economic system alone can explain why Spain turned off the modern world economy in the 16th century and turned on again toward the capitalist core in the 20th century. Surely, the capitalist world system was the context or the environment that determined, in the last instance, both the possibility of economic success or failure and the opportunity or to forgo it. Understanding the ideal and material decision. Now, it just happens that Wallerstein, as Marxian theorist, is also a good historian. His historical explanations happily conform to his theoretical model.

Let us look at some of the explanations offered by the birth of the modern world-system - Wallerstein incorporated into a single system which brought in and if Charles V’s imperial ambition brought in him into inevitable conflict of interest - that were self-defeating, then Spain becoming a core state in the modern world-system merely exhausted Charles V’s Empire before the Castilian impact of rising prices, luxury imports, inflationary and anti-protectionist fiscal policy. Instead of moving against foreign rivals, Spain was expelling Spanish non-Catholics. 33

Finally, talking about the priority the Philippines gave to ideal-religious considerations, Wallerstein writes: “[Spaniards] too valued their priority than did the Portuguese, who thought in this great Christian-Moslem world that the Spanish put great emphasis on the Philippines. They succeeded to gain ‘the faith’ as a price: ‘This deep-seated hostility to the Moslem princelings of the Moluccas was more than Portuguese hostility, why not make a success of the spice trade? Can be expanded.’”

Now, these historical explanations are convincing. After all, Wallerstein may be provided by the great socio-economists in Spain, Elliott, Hamilton, and Vicens Vives, consistent with the critical ones rejected by the beginning of the 19th century, by liberal Spanish literature is called “the death of Spain in explanations amount to saying that the

30. See, e.g., Pierre Vilar, La Catalogne dans l’Espagne Modern, 5 volumes (Paris, 1963); Josep Fontana i Llário, La Quebra de la Monarquia Absoluta (Barcelona, 1971); Jordi Nadal, Fracaso; Gabriel Tortella, Orígenes, op. cit.; Nicolas Sanchez Albornos, Economia Dual, op. cit.; Santiago Rodón y Jose Luis García Delgado, La Formación de la Sociedad Capitalista en España, 1914-1920, 2 volumes (Madrid, 1973); Jose Luis Garcia Delgado, Orígenes y Desarrollo del Capitalismo en España (Madrid, 1975); Josu Clavera et al., Capitalismo Español: de la Autarquía a la Estabilización, 1939-1959 (Madrid, 1978).
33. Ibid., pp. 180, 192.
34. Ibid., p. 359.
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determined, in the last instance, both the opportunities and the conditions of possibility of economic success or failure. However, the decision itself to grasp the opportunity or to forgo it can only be explained phenomenologically by understanding the ideal and material interests of the Spaniards who made the decision. Now, it just happens that Wallerstein, in addition to being a good Marxist theorist, is also a good historical sociologist who knows how to look for convincing historical explanations when needed. His are, however, ad hoc historical explanations juxtaposed but not integrated into his general theoretical model.

Let us look at some of the explanations Wallerstein presents when analyzing the failure of Spain in the 16th century to grasp the opportunities offered by the birth of the modern world system: "If the Catalans were incorporated into a single system with the Castilians, which they were not, and if Charles V's imperial ambition had not both drained Castile and drawn him into inevitable conflict of interest with portions of his empire, conflicts that were self-defeating, then Spain might indeed have had some chance of becoming a core state in the European world economy. Instead, overextension merely exhausted Charles V and his successors... [The] unwillingness of Charles V to take a Spanish nationalist perspective and adopt a mercantilist policy before the Castillian bourgeoisie was overwhelmed by the impact of rising prices, luxury expenditures of the aristocracy and inflationary and anti-protectionist effects of the Emperor's borrowings... Instead of moving against foreign merchants, Spain pursued the path of expelling Spanish non-Catholics."

Finally, talking about the priority that Spaniards in their colonization of the Philippines gave to ideal-religious interests over material-economic ones, Wallerstein writes: "[Spaniards] took Christian evangelization as a greater priority than did the Portuguese, who were more sensitive to the limits of their power in this great Christian-Moslem encounter in 16th-century Asia. Chanu points out that the Spanish put great effort into stopping Moslem penetration in the Philippines. They succeeded to some extent but they paid an economic price: 'This deep-seated hostility to Islam, this inability to make deals with the Moslem princelings of the Moluccas — is this not the true explanation, far more than Portuguese hostility, why the Spaniards in the Philippines could not make a success of the spice trade?'"

Now, these historical explanations are both sound and interpretatively convincing. After all, Wallerstein makes good use of the best available sources provided by the great socio-economic historians of this period: Braudel, Chanu, Elliott, Hamilton, Vicens Vives. Wallerstein's explanations are also consistent with the critical ones repeatedly put forth, at least since the beginning of the 19th century, by liberal Spaniards trying to explain what in Spanish literature is called "the decadence of Spain," which Wallerstein prefers to call the fall of Spain into the semiperiphery. Basically, these explanations amount to saying that the Spanish Habsburgs and the Catholic

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53. Ibid., pp. 180, 192.
54. Ibid., p. 339.
Church, with the help no doubt of traditional economic interests, sacrificed the Spanish economy and the Spanish nation state — the two pivots of modernization — to the ideal and material interests of the “universal Christian Monarchy,” the traditional medieval model of social order.

But explanations of this sort cannot be reached by looking solely at the Spanish economic structure, much less can they be derived from the structure of the capitalist world system. One gets to them by an historical phenomenological analysis of the Spanish social structure and of the unique Spanish religious and political culture. The analysis of the structure of capitalist development in the world system and in Spain can help explain how wrong economic decisions lead almost inexorably to economic failure. But such an analysis is not necessarily of help in explaining why certain Spaniards consistently took “wrong” economic decisions. (Wrong, of course, only from the perspective of an instrumental rational system of values.) These wrong decisions had indeed fateful consequences in pushing Spain away from the European core into the outskirts rather than the periphery of the system.

Spain was not able to come out of the general European crisis of the 17th century with the kind of energies typical of the other core states. It was only well into the 18th century that Spain realized how far behind the European core states she had fallen. The task of organizing the “catching-up” process became extremely difficult. It was complicated even more by the fact that certain institutions, classes and social groups in Spanish society, i.e., “traditional Spain,” systematically refused to accept the view that the difference between Spain and Europe was one of quantifiable backwardness, claiming instead that the difference consisted in a qualitative unreachable cleavage between two mutually exclusive civilizations or models of social order.

Modern Spain did follow a capitalist development and a general political and cultural development in many ways parallel to the development of its European neighbors. Yet somehow Spanish development always failed to live up to the English or French models. These failures and the protracted conflict between the two Spain led to the elaboration of all types of rationales about the Spanish “character” and its alleged inability to adapt to the modern world. We need to know, therefore, why Spain could reconcile itself with the modern world system in the 1960s or, more precisely, to find out why “traditional” Spain paradoxically ended its long resistance to the modern world shortly after its overwhelming victory over “modern” Spain in the Spanish Civil War. Going back to our economic analysis, we need to know why this-time the windfall profits of the European economic boom were transformed into rational capitalist accumulation. Once again, Wallerstein provides a clue in searching for a plausible historical explanation. Talking of the oil exporting countries, Wallerstein points out that in order for the opportunities offered by the commodity shortages to be fully realized, state policy has to intervene “to translate the windfall profits into particular kinds of imports.”

This is precisely what happened in Spain, tried to ensure that the windfall revenues from imports of capital goods to modernize Spanish industry be world competitive rather than luxury items. But taking into consideration the economic policy record of the Franco Spanish state in such a rational economic granted. Indeed, only a concrete interpretation of the radical change in 1957.

At this point, Marxist analysis is not nothing but the general staff represents that the change in the new class, or the new faction which calls the passage from agrarian to industrial capitalism. Marxist analysis would still need to relate the history of Spanish capitalism with the bourgeoisie which is prepared to theory has always assigned to the bourgeoisie, repeatedly refuse that the theater of Spanish history.

One of the problems which certain historians derive from the fact that the Spanish bourgeoisie is not a “deus ex machina” but an entity which considerably all the members came indeed to represent. To interests of precisely this new factor the history of Spain at a critical role precisely because they themselves have the ethos of this new class.

57. In this context, for instance, Poulat’s “comprador” Spanish bourgeoisie is extreme that Poulantras does not feel obliged to make see Acosta, Cruz Franquismo, op. cit. A representatives of a “denationalized bourgeois bourgeoisie.” In the case of Opus Dei, how “national” and a “comprador” bourgeoisie of both, representatives of a new national development and representatives of a new development of global corporate capitalism.

This is precisely what happened in Spain. The economic policy-makers tried to ensure that the windfall revenues of the tourist boom were translated into imports of capital goods to modernize Spanish industry so that it would become world competitive rather than into imports of consumer goods or luxury items. But taking into consideration the history of the Spanish state or the economic policy record of the Franco regime, such an intervention of the Spanish state in such a rational economic direction was not to be taken for granted. Indeed, only a concrete historical analysis can offer an interpretation of the radical change in state economic policy that occurred in 1957.

At this point, Marxist analysis could retort that the capitalist state is nothing but the general staff representing the interests of the bourgeoisie and that the change in policy can easily be explained by the coming into power of a new class, or a new faction within the bourgeoisie, what Tunon de Lara calls the passage from an agrarian to a financial bourgeoisie.36 In such a case, Marxist analysis would still need to explain why now and for the first time in the history of Spanish capitalism a faction appeared within the Spanish bourgeoisie which was prepared to take the historical role which Marxist theory has always assigned to the bourgeoisie — a role, however, which the Spanish bourgeoisie repeatedly refused to play or played only so half-heartedly that the theater of Spanish history alternated between farce and tragedy.

One of the problems which certain types of Marxist analysis have in viewing history derives from the fact that they already know the script in advance and thus seem to be unaware that historical actors have a tendency to improvise once they are on stage. The Opus Dei signifies such an improvisation in Spanish history. Not a deus ex machina, of course, but a new intrusion, nonetheless, which considerably altered the Spanish plot. Some Opus Dei members came indeed to represent very skillfully the ideal and material interests of precisely this new faction of the Spanish bourgeoisie which identified its future both with national economic development and with the new trends in international capitalism. Opus Dei members could play this role precisely because they themselves were the avant-garde or the carriers of the ethos of this new class.37

37. In this context, for instance, Poulantras' distribution of roles among the "national" and "comprador" Spanish bourgeoisies is extremely confusing. Contributing to the confusion is the fact that Poulantras does not feel obliged to make concrete historical references. For a similar analysis see Acosta, Crisis Franquismo, op. cit. Acosta Sanchez views the Opus Dei members as representatives of a "denationalized bourgeoisie," which grew out of the "hegemonic financial bourgeoisie." In the case of Opus Dei, however, the classical Marxist differentiation between a "national" and a "comprador" bourgeoisie does no longer make sense. Opus Dei members were both, representatives of a new national bourgeoisie which furthered national economic development and representatives of a new "international" managerial class, which furthered the development of global corporate capitalism.