

# **ECONOMÍA APLICADA • 19**

**Gonzalo Caballero Miguez**

Facultad de Ciencias Económicas y Empresariales

Campus As Lagoas-Marcosende

Universidad de Vigo - 36310 VIGO

Correo electrónico: [gcaballero@uvigo.es](mailto:gcaballero@uvigo.es)

**THE EVOLUTION OF INSTITUTIONS  
AND STATE GOVERNING PUBLIC  
CHOICE IN THE SECOND HALF OF  
TWENTIETH-CENTURY SPAIN**

**CONSELLOS EDITOR:**

**XO AQUÍN ALVAREZ CORBACHO**

Dpto. Economía Aplicada.

**MANUEL ANTELO SUAREZ**

Dpto. Fundamentos do Análise Económica.

**JUAN J. ARES FERNÁNDEZ**

Dpto. Fundamentos da Análise Económica.

**XESÚS LEOPOLDO BALBOA LÓPEZ**

Dpto. Historia Contemporánea e América.

**XOSÉ MANUEL BEIRAS TORRADO**

Dpto. Economía Aplicada.

**JOAM CARMONA BADÍA**

Dpto. Historia e Institucións Económicas.

**LUIS CASTAÑÓN LLAMAS**

Dpto. Economía Aplicada.

**MELCHOR FERNÁNDEZ FERNÁNDEZ**

Dpto. Fundamentos da Análise Económica.

**MANUEL FERNÁNDEZ GRELA**

Dpto. Fundamentos da Análise Económica.

**XO AQUÍN FERNÁNDEZ LEICEAGA**

Dpto. Economía Aplicada.

**LOURENZO FERNÁNDEZ PRIETO**

Dpto. Historia Contemporánea e América.

**CARLOS FERRÁS SEXTO**

Dpto. Xeografía.

**IGNACIO GARCÍA JURADO**

Dpto. Estatística e Investigación Operativa.

**Mª DO CARMO GARCÍA NEGRO**

Dpto. Economía Aplicada.

**XESÚS GIRÁLDEZ RIVERO**

Dpto. Historia Económica.

**WENCESLAO GONZÁLEZ MANTEIGA**

Dpto. Estatística e Investigación Operativa.

**MANUEL JORDÁN RODRÍGUEZ**

Dpto. Economía Aplicada.

**RUBÉN C. LOIS GONZÁLEZ**

Dpto. Xeografía e Historia.

**EDELMIRO LÓPEZ IGLESIAS**

Dpto. Economía Aplicada.

**XOSÉ ANTÓN LÓPEZ TABOADA**

Dpto. Fundamentos da Análise Económica.

**ALBERTO MEIXIDE VECINO**

Dpto. Fundamentos da Análise Económica.

**EMILIO PÉREZ TOURIÑO**

Dpto. Economía Aplicada.

**MIGUEL POUSA HERNÁNDEZ**

Dpto. de Economía Aplicada.

**CARLOS RICOY RIEGO**

Dpto. Fundamentos da Análise Económica.

**JOSÉ Mª DA ROCHA ALVAREZ**

Dpto. Fundamentos da Análise Económica.

**ROMÁN RODRÍGUEZ GONZÁLEZ**

Dpto. Xeografía.

**XAVIER ROJO SÁNCHEZ**

Dpto. Economía Aplicada.

**XOSÉ SANTOS SOLLA**

Dpto. Xeografía e Historia.

**FRANCISCO SINEIRO GARCÍA**

Dpto. Economía Aplicada.

**COORDENADORES DA EDICIÓN:**

**-Área de Análise Económica**

Juan J. Ares Fernandez

**-Área de Economía Aplicada**

Manuel Jordán Rodríguez

**-Área de Xeografía**

Rubén C. Lois González

**-Área de Historia**

Lorenzo Fernández Prieto

**ENTIDAD ES COLABORADORES**

Fundación Caixa Galicia

Consello Económico e Social de Galicia

Fundación Feiraco

Instituto de Estudos Económico e

Galicia Pedro Barrié de la Maza

Caixanova

**Edita:** Servicio de Publicación da Universidade de Santiago de Compostela  
**ISSN:** 1138 - 2686  
**D.L.G.:** C-1689-2003

## **INDEX:**

- 1- Introduction.
- 2- The departure situation: a predatory State in self-enforcing institutions, 1939-1949.
- 3- The darwinian adaptation of the predator during the fifties.
- 4- Making markets: institutional change towards economic modernisation and social change, 1959-1975.
- 5- The new framework: the contractual State.
  - 5.1- A transitive transition.
  - 5.2- The new self-enforcing institutions.
  - 5.3- From the predatory State to the Spanish contractual State.
  - 5.4- Formal rules and transaction costs.
- 6- Path's dependence and creating "self-reinforcing" institutions during the Spanish democratic stage.
- 7- Conclusions

## **ABSTRACT:**

The economic history of Spain during the second half of the XX Century represents a story of success. The key of this “Spanish economic miracle” resides in the process of institutional change of the country, which includes the making of markets with their key date of 1959, the political reform of democratisation between 1975 and 1978 and a general evolution towards the european institutional framework.

From the theoretical approach of Douglass North Theory of the State (New Institutional Economics) and Avner Greif Theory of Institutional Change (Historical Institutional Analysis), this article analyses the institutional foundations of the Spanish economic development during the period 1950-2000, and exposes interesting lessons on the relationship between institutional change and economic development.

In the *northian* work, the Spanish institutional framework and the existence of a predatory State appear as explaining factors of the economic failure of Spain for several Centuries. The Franco dictatorship constituted the last example of this predatory State, and implied a “self-destructing” institutional framework, according to the definition by Avner Greif. While in the first francoism of the forties the institutional formula combined a genuine predator with economic depression, the decade of the fifties meant an institutional adaptation provoked by a change in the set of possibilities, in the objectives and in the subjective model of the State. This process of change flowed into the making of a market economy that allowed a stage of strong growth and of change in the Spanish informal institutions during the sixties (corroborating the hypotheses of Yoram Barzel, Douglass North and Mancur Olson). It generated a new economy and a new society that, after the death of General Franco, constituted a contractual State in the *northian* sense, across a transitive and transactional political transition towards a new democratic situation that expanded the possibilities for cooperation and signified a “self-reinforcing” institutional framework.

**Key words:** Institutions, State, Francoism, Market, Spanish economic miracle

# THE EVOLUTION OF INSTITUTIONS AND STATE GOVERNING PUBLIC CHOICE IN THE SECOND HALF OF TWENTIETH-CENTURY SPAIN\*

## 1- INTRODUCTION

This paper analyses the institutional foundations that explain the “Spanish economic miracle” in the second half of the XX Century from a new institutional theoretical approach that incorporates lessons from New Institutional Economics, Historical and Institutional Comparative Analysis and Transaction Cost Politics.

The Spanish economic history through this period is a story of success. The Spanish population lived, at midway through the last Century, in an agrarian and underdeveloped economy that had not experienced an industrialisation process that other European neighbours had already made in the XIX Century. The situation showed autarky, inflationary vicious circle and economic failure. But there were five strong tendencies that determined the general economic evolution until the XXI Century: economic growth; the intensive productive transformation of the economy; the change towards a new policy and economic culture of stability, liberalization and market; the integration in the European tendencies; and a total modification of the economic role of the State.

In this way, at the end of the XX Century, the Spanish economy presents a level of development and welfare comparable to those in the European western world. This Spanish experience constitutes a good example of a successful process of economic development, specially due to the consolidation of the changes.

And under this Spanish experience, the key piece to understand the “economic miracle” is the role that institutions played throughout time: the process of institutional change occupies the main agenda for research into the economy. This process was initiated in a political dictatorship and economic autarky framework that implied lack of both market economy and democracy, and finished in a democracy with economic and

---

\* The previous versions of this paper were presented at the European Historical Economics Society Summer School on The Role of Institutions (Trinity College, Dublin, August 2001) and the European School on New Institutional Economics (Institut d'Études Scientifiques, Cargèse, 2002). The comments of Lee Alston, Xosé Carlos Arias, Fausto Dopico, Jean-Michel Glachant, Yadira González, Timothy Hatton, James Livesey, Abel Losada, Oliver Volckart and Barry Weingast were stimulating. This paper was presented at Warwick Research Euro-Workshop “Government & Institutions in Twentieth Century

political freedom (next to other traits as the welfare State or the political decentralisation).

Of this effort of communication between, on the one hand, New Institutionalism and, on the other, the evolution of an economy such as the Spanish - which has passed from underdevelopment and dictatorship to a new and consolidated scene of prosperity and freedom in a brief space of time- it is possible to expect a triple process of enrichment.

In the first place, the broad progress of the relation between economy and institutions that the New Institutional Economics incorporates, allow us to have a better understanding of the evolution of the Spanish economy. The objective is to cover the deficit of institutional analysis that exists in the Spanish academy.

Secondly, the proposed analysis can enrich the present state of the economics of development when defining the keys to a fast, successful, intense but non-traumatic process such as the Spanish, which so many times has been proposed as the model for other economies (from Latin American to Eastern Europe). It is advisable to try to extract the possible lessons from the Spanish case for other countries.

Thirdly, the very state of knowledge of the relations between the State, the institutions, the transaction costs and the economy, and of the processes of institutional change can advance, thanks to the discoveries that the analysis of the Spanish experience contributes. In this sense, extending the empirical fields of analysis is interesting for this process of “guerrilla action” that tries to form New Institutional Economics from different subdisciplines (Coase, 1999). In particular, this work is developed with the preferred attention posed in the second level of the social analysis of Williamson (2000).

In this paper we will show that the Spanish experience generates the following lessons:

- A) Francoism constituted the last way in which the Predatory State took form in Spain: the institutional evolution transformed that traditional model of State towards a contractual State via political transition (1975-1978), in a similar way of that of North and Weingast (1989).
- B) Franco’s dictatorship experienced a process of institutional change that showed the “self-destructing” character of the first francoism institutions: the “self-

---

European Economic History” (University of Warwick, July 2002), invited by Stephen Broadberry and Mark Harrison (paper available in the website <http://www.warwick.ac.uk/economics/harrison/workshop/>).

enforcing” institutions that prevailed in the forties opened a stage of adaptation during the fifties that changed many “quasi-parameters”, and broke the first institutional equilibrium of the francoism (according to the theoretical notions of Avner Greif (2002)).

- C) In fact, the Spanish experience corroborates the hypotheses of Barzel (1997), North (2000) and Olson (2000) on the possibility of economic growth emerging with the passage of time under a sovereign that maximises its wealth: thus, Spain experienced the institutional change of making markets and economic modernization, 1958 being the key date.
- D) The economic reform of market preceded the political reform of democratization in Spain. The political change of 1978 allowed a solid institutional basis for market economy and modified the fronts of public intervention, generating vicious circles in the sense of Olson (2000). Moreover, political markets reduced transaction costs and represented a more efficient social point than Franco’s regime. And meanwhile, the civil society was gradually emerging (Pérez Díaz, 1993).
- E) The path of the Spanish economy changes course in the second half of the XX Century: the historical memory of the Spanish Civil War (1936-39) which confronted “the two Spains” supposed a process of collective learning of enormous consequences in all later historical evolution. As North (2000) indicates, when in a society it is perceived that the system of beliefs is inconsistent with the results that it predicts, there occur the conditions of drastic change in the trajectory of a society. This is what happens in a new Spanish society during the sixties, that gradually discovers the irrational and mistaken aspects of the political and economic recipe book of francoism, and demands a new institutional framework which is economically and politically more efficient.
- F) The path of the institutional change in Spain followed the pro-European way. Spanish civil society’s European aspirations were one of the motors for change in the country, next to the explicit European policy of the Spanish State. The Spanish institutional path is a good example of gradual change versus those experiences that are characterized as “big-bang” or “shock-therapy”.
- G) The main formal changes produced in the Spanish institutional path are: stabilisation and liberalisation of markets in 1959; political democratisation in

1978; adhesion to the EEC in 1986 and the incorporation to EMU in 1999. In Spain, major public choices affecting the basic institutional framework since the sixties were adapted with coherence to the pro-European view, and, furthermore, were structured in an order that makes evident the unfeasibility of any of them without having accepted the previous choices.

- H) The institutional situation that was born in 1978 with the democratic transition constituted “self-reinforcing institutions”, such as the Spanish evolution showed until the end of the XX Century.
- I) There was a rupture in the path of the Spanish economic policy, which shifted from the scenario at the end of Franco's regime, in which Spain lacked a coherent and minimally efficient policy scheme, towards a new scenario in which the institutional framework incorporates modern economic policy (fiscal, monetary or financial, for example).
- J) The story of the Spanish success throughout the period 1950-2000 should not lead to trivial idealisation. In fact, the institutional inertia maintains some problems such as the unemployment or the lack of competence during many years.

## **2- THE DEPARTURE SITUATION: A PREDATORY STATE IN SELF-ENFORCING INSTITUTIONS, 1939-1949**

In the Northian work, the analysis of Spain during the XV, XVI and XVII centuries appears in recurrent form as a representative example of how a bad design of the institutional framework prevents political and economic success (North, 1981, 1985, 1989, 1990a, 1994, 2000). In this way, the Spanish institutional evolution supposed the economic failure of the country during several centuries, the predatory character of the Spanish state constituting an important explanatory variable.

This scenario implied that the State was at the service of particular and non-inclusive interests, and that there was no division of powers guaranteeing property rights and the credibility of the government's commitment

The new authoritarian régime, that in 1939 had eliminated democracy and the parliamentary system of the Republic, established a life-Presidency reserved for General Francisco Franco. The new institutional framework was based on a predatory State in the Northian sense, that is to say, an agency relation in which the State is to be in the

service of a principal which it incorporates only certain social sectors characterized by their antirepublicanism. In particular, the Northian predatory State takes the form of an autocracy, in which the dictatorial régime decides the size of the state and can take control of the fiscal residues - understood as the difference between total output and the cost of the State Government (Przeworski and Limongi, 1993).

In particular, Francoism adopted a political formula that concentrated all power in the General: the Caudillo was not limited except by its own will. In this way, the régime had absolute capacity of decision to be able actually to shape without obstacles the political-economic program that it considered suitable. Nevertheless, the failure of the economic policy of the régime became especially evident throughout the forties, when that predatory state acted according to its genesis and nature, initiating in the fifties, forced by circumstances, a process of institutional re-adaptacion that implied the gradual elimination of some of its characteristic elements.

The very nature of the régime was based on the monopolistic power of coercion when *de facto* not obtaining the legitimacy within the established institutional framework. Franco was the constituent power in a situation without possibilities of veto, and the régime had the capacity to impose non-voluntary interchanges that would end up by becoming expropriations and meant an attenuation of property rights.

In this first period of Francoism, the set of rules that were to prevail in the Spanish economy was characterized by the absolute and discretionary power of the State, which prevented the agents from believing in the stability of the institutional framework. There were no institutional mechanisms that allowed the State to establish credible commitments in the rules of operation of the economy: nothing guaranteed that the régime would not change the rules in the near future or make arbitrary confiscations, the reason why the economic value of the future was reduced, and with this all type of investment and growth fell (North, 1993). Again, the predator meant a “long night” for the Spanish economy in establishing an institutional formula that nothing would approach the technical frontier of production (consider that the maximum previous production, that took place in 1930, did not recover until 1952). Until 1950 in the Spanish economy, the predator and depression coexisted.

The *Franquista* interventionism was incapable of confronting a policy of public spending that stimulated growth, due to the economic insufficiency of a state that did not have modern mechanisms of tax collecting, and that due to the high level of fraud did not collect a third of what it should (García Delgado and Jiménez, 1999). In this

scenario, the public sector did not receive enough even to cover its meagre expenses, incurring a situation of public deficit that the state solved through a printing of money, with perverse inflationary effects.

Public intervention was characterized by a regulation implemented via a multiplicity of regulations and direct controls on the performance of the economic agents in the interior, establishing prices, amounts and recipients. The markets were limited in their function of allocation mechanism, and the institutional framework moved away from one suitable for capitalist development. The establishment of companies, agricultural and industrial production, internal and external commercialization, the labour market, the financial and exchange markets were characterized by the discretionary and extra-budgetary direction of the predatory state. This dictatorial inspector derived from the *Franquista* distrust in economic freedom and involved an expropriation of economic rights that affected all society, reducing the value of goods (González, 1989). The authoritarian system prevented the proprietors from protecting themselves from the political assault that expropriation presented, reminding us of the British situation previous to the Glorious Revolution, according to the postulates of North and Weingast (1989).

But in addition to this interventionism, which decreased the possibilities of the Spanish economy and caused the development of a black market on the margins of the institutional framework established by the State, the predator assumed a pretension of national self-supply that meant the substitution of imports (autarky), relying thus on protectionism that built on a conviction in the capacity of “role of director” of the State in directing the economy (the *traditional paternalism* of the Spanish State). A forced industrialization, which denied that the catalyst system of prices was important to the population, was imposed, which provoked inefficient behaviours in the economic agents instead of establishing an assembly of rules that stimulated economic conduct that would favour growth.

In this way, this institutional framework, that did not respect the rights of private property and entailed high transaction costs, explains the economic failure of the Forties. The question that we must formulate is why this predatory State and these institutions - that constituted a limiting factor of growth - survived. The answer is that they constituted SELF-ENFORCING INSTITUTIONS during the Forties (an equilibrium, a stationary state), that prevailed but did not perpetuate over time (according to Avner Greif (2002), they were SELF-DESTRUCTING such as the

following experience corroborated: the next sections will show this point). Three factors explain this institutional equilibrium.

- 1- In the first place, the predatory State itself - understood as the winning military army of the war - looked to sustain itself in power, and in a society that had just undergone a civil war, rivals did not exist who seriously defied this established State, though this was after World War II when a greater sensation of fragility of the survival of the regime came about.
- 2- Secondly, there was a demand for that institutional framework, though this limited development and led the economy into a depression. (a) Thus, part of the Spanish population demanded that political régime as good for consumption in spite of its economic cost, due to their ideological preferences. (b) But in addition, sectors existed that saw their economic income guaranteed in that institutional framework: although the size of the cake had been reduced, they were able to take control of a greater piece. The situation of favoritism and lack of competition was able to generate followers of this inefficiency in the system, as in the case of monopolistic position of companies and already established supervisory groups or that of sectors near power (c) Likewise, there were citizens averse to risk, who arranged to assume that institutional framework if they could in this way avoid the possibility of strife.
- 3- Thirdly, it is necessary to indicate the ideological error on the operation of the economy that the regime had. That ideological error did not allow the quantification of the costs that the predatory policy pre-supposed for growth. The predator thought that interventionism and autarky were channels for development, showing a remarkable ignorance of the effects of the economic policy. The bad economic results, international experience, the appearance of the first generations of economists.. later allowed the regime to adapt its subjective model of economic political decision.

The Spain of the forties corresponds to a situation near balance and institutional stability, that can only be understood in a society terrified by the potential and real violence of the régime and by the memories of the civil confrontation. The régime tried to maintain that so-inefficient institutional framework through the expansion of a shared mental model propitious to its interests, and of the indiscriminate use of the political function of repression. But in addition to which the political-judicial-bureaucratic framework turned out to be totally inadequate for *first order economizing*, their effects

were felt in the informal aspects of the economy as a terrible handicap. In this sense, the Spain of the Forties survived in practically null levels of social capital.

### **3- THE DARWINIAN ADAPTATION OF THE PREDATOR DURING THE FIFTIES.**

In the Fifties there coexisted in the Spanish case after the Civil War certain timid institutional changes with the exit of the depression and the first samples of growth. New circumstances in the inner and outer surroundings forced the predator to adapt itself to modifying the institutional framework. This decade corresponded with a phase of adaptation and change of economic policy of the regime, which little by little moved away from the protectionist and interventionist model of the previous decade, and would definitively leave in 1959. In this way, these years correspond with a “pivotal decade” between the situation of the forties characterized by the genuine predator and the economic depression and the new scene of the sixties in which the conditions of the surroundings led the predator to cause a phase of modernization and clear economic expansion.

The first question that we must consider is why the predator initiated institutional change. The answer to this question happens via the analysis of the three different elements of the maximization process that explain the conduct of the *Franquista* State.

- A) The grouping of selection possibilities of the State. The grouping of policies that the predator could choose was modified by changes in external and internal restrictions. Among these external factors, there predominated the new scene of the Cold War, generating a high added value to the Spanish political position and this was to mean the end of isolation for Spain: In this sense, there appeared a grouping of economic political possibilities linked to the surroundings that previously were not at the disposition of the predator. But the changes also affected the internal factors, since, with the passage of time, the economic penury of the population implied a risk for the survival of the predator. In fact, in these years there arose the first strike movements, and the first protests of a civil society that began to shrug off the weight of the that had prevented it from acting after the war. The inner restriction limited the State when it established the degree of depredation that society would stand: if that degree surpassed a threshold of

degradation, society would be disposed to confront the State and support some political rival to the State.

- B) The pursued objectives. The predator maintained its intention to perpetuate itself in power to serve the interests of the traditionalist sectors of Spanish society, both via the imposition of an institutional framework that favoured their economic interests and via the defence and imposition of values such as Catholicism or antiliberalism -despising everything what smacked of individual rights. If the objective of the State as maximizer was to maintain itself in the power, this forced it to obtain a series of intermediate objectives, among which economic growth and the well-being of the population were to occupy growing priority. The problem was to reside in that the State would have to apply policies that contradicted its genuine ideology and its original postulates. This situation generated a trade-off between objectives (growth versus ideology) to which the state would have to respond at every moment. Due to the continuous strengthening of civil society with the passage of time, the objective of the general welfare and growth would occupy a more and more important place in the political-economic agenda of the régime.
- C) The nature of the State as decider. The *Franquista* State continually modified its nature of decider, passing from one irrational mental model to another with doses of much greater rationality and realism. The ideology of the régime was adapting learning with experience, and in the Fifties certain important changes took place. In this direction it was possible to indicate the importance of change in the dominant economic thought of Spain (Requeijo, 1990), the role of the first generations of economists emerged from the Spanish University and the external recommendations of organizations such as the IMF and the OEEC. All these factors were extending a message of liberalization of the markets and recovery of basic balances: little by little, and in a process of resistance and conflict, this message was introduced into the State apparatus.

In fact, as opposed to the characteristics of previous governments, the new government of 1951 made certain political changes that reflected the contradictions and conflicts between regulation and liberalization, indicative of an adaptation process. The decisive change of the 1957

government incorporated a team of technicians who would finally obtain, and not without upheavals in the government, the application of a coordinated package of policies of reforms.

Due to these three great processes of change, the result was the modification of the institutional framework of the Spanish economy, of which the Fifties implied a period of beginning in which autarky and economic interventionism still prevailed, but in which there already existed conflicts and strife due to the institutional changes. After the *biennium* of transition 1949-1950 in which Spain made its first contacts with the United States (González, 1989), the 1951 change of ministers opened a period in which policies were applied that attenuated the rigidity of autarky and previous economic interventionism: the institutional framework did not play a stimulant role in economic growth but little by little it stopped preventing the development of the possibilities of the Spanish economy. In addition, the agreements with the U.S.A. allowed the entry of currency and with it the import of goods of equipment essential to increasing production. In this way, private investment and growth recovered, which maintained a cumulative annual rate around 4% for the period 1949-59. In these years, Spain experienced an industrial revolution that in 1958 allowed industrial production practically to double that of 1950 (González, 1989).

The last two years of the period constituted the biennium of pre-stabilization (1957-1958). In 1957 the Spanish economy had lived in a situation of galloping inflation, the fruit of excessive growth in demand and wage increases. This growth in prices was accompanied by a deficit in the balance of payments that entailed the reduction of the accumulated external reserves – we can say that the increase of imports entailed the strangling of the external sector. The new government of 1957 understood that the growth of prices was the fundamental problem, for which reason it applied a monetary policy of contraction of the total creation of credit and carried out a tributary reform that while increasing collection allowed a partial reduction of the necessities of the financial means of the public sector. The situation reflected that the problem was well diagnosed but, in spite of these partial solutions, a complete political resolution of the solution was lacking. In fact, the OEEC indicated that the government measures, which also incorporated some measures of foreign trade, were few and badly coordinated.

Thanks to the accumulated reserves from other times, Spain had assets with which to finance the supply of merchandise from 1953 to 1958. But those reserves were becoming exhausting. In parallel, towards 1958 two phenomena of doubtless relevance

to the external position of the Spanish economy took place: (a) on the one hand, Spain entered international economic organizations (the IMF, OEEC, World Bank); (b) on the other hand, in December of 1958 the main European currencies adopted the external convertibility.

In this scene of adaptation of the predatory State, the tensions between those in favour of “old policy of inflation and industrialization” and those in favour of “the new policy of stabilization and liberalization” were evident. Impelled by the international current of convertibility - which forced the peseta to stabilize prices if it wanted to declare its convertibility - and faced with the permanent and increasing crisis of the balance of payments that in July 1959 placed the Spanish economy in a “virtual suspension of payments”, the régime - in its effort to adapt in a darwinian manner to the circumstances and survive - decided on a new economic order of stabilization and liberalization. The State assumed the necessity of institutional change before the non-viability of the traditional Spanish political economic project, especially in the new international economic context. There was no alternative to economic policy if it were wanted to save the Spanish economy “at the edge of the abyss”. The challenge was confronted via the Plan of Stabilization and Liberalization of 1959.

#### **4- MAKING MARKETS: INSTITUTIONAL CHANGE TOWARDS ECONOMIC MODERNISATION AND SOCIAL CHANGE, 1959-1975.**

In the process of adaptation of the Franquist predatory State, 1959 was the year of inflexion in the economic policy of the regime. As opposed to the surroundings of a first Francoism, characterized by an old policy that gathered the three traditions of the Spanish economy -inflation, protection and intervention -, the régime bid decisively in that year for a new policy of stability, liberalization and market (Varela, 1989).

In April of 1959 the Report of the Mission of the IMF recommended to Spanish policy-makers stabilization through discipline in financing of the public sector, moderation of growth of private credit (through the exercise of monetary policy), elimination of intervention that distorted allocation, and liberalization of foreign trade and payments (betting on a sole and realistic exchange rate for the peseta) (Fuentes Quintana, 1984).

The practical suspension of payments of the Spanish economy in 1959 forced institutional change towards the market economy with the approval of the Plan of

Stabilization in July of that year, verifying “the first law of Spanish economic policy” according to which only in an external deficit situation policy-makers confronted a process of important reform (Fuentes Quintana, 1984). This reform built on the ideas of internal and external economic liberalization and openness, the establishment of a mixed economy based on flexibility and market discipline (eliminating the discretionary performance of the government), financial discipline (monetary and budgetary policy of stabilizing character), and sole and realistic exchange rate.

In this way, the State redefined the institutional framework of the economy, as well as its own role of intervention. The interventionist tradition of the Spanish state consisted of exhaustive control of commercial or financial external operations and a multiplicity of direct controls on performance of internal economic agents. This interventionism was characterized by its extensiveness and intensity, its inefficiency for economic growth, its barriers to entry and its restrictions on competition, corporativism and lack of social control (Serrano and Costas, 1990). In reality, an extreme interventionism by the public sector on the private sector that attenuating the right of property and elevating transaction costs did not suitably delimit the role of public or private affairs.

In 1959 the role of intervention of the State experienced a remarkable transformation and improvement in the functions of allocation and stabilization, the distributive function being suspended. The 1959 reform meant that the State accepted the protagonism of the market as an allocation mechanism, differentiating more clearly the public from the private affairs and resigning its tradition of discretionary intervention to a great extent. This choice by the market which forced the non-viability of previous economic policy - made as much internally as externally - so this choice broke interventionism as much as effective protectionism of the economic policy of 1939-59. In this way, the plan and the reforms of 1959 questioned the economic order established because defining a new institutional framework that incorporated a model of market economy similar to those of the European surroundings: administrative intervention allowed private initiative to assume responsibility for economic decisions based on the system of costs and prices as an essential indicator (Marti, 1989). The new formal institutional framework welcomed therefore a regime of greater economic freedom to carry out transfers of goods to the hands of those who most valued them, transfers which before only the informal economy had the capacity to make, thus, with the new

rules, the transaction costs of the economy being considerably reduced and, with them, improving the efficiency of the economic system.

However, in the allocation function there were still many improvements left to be introduced. In fact, in addition to which the process of liberalization of 1959 was partial, the predatory character itself of the authoritarian political framework would be receptive to limitations of the market throughout the sixties, as we will see. Also, the public sector still could not support the market mechanism in its allocation function in those cases in which the market was deficient in this respects (public goods,...): the fiscal rickets made budgetary activities difficult. But still with these deficiencies the 1959 change is qualitative.

In addition, institutional reform grants great importance to stability in the markets. In a Spanish economy which lived in a situation of vicious circles - formed around public deficit, printing money, inflation, deficit in the balance of payments and exhaustion of reserves, the success of the Spanish economic policy was non-viable if in the new market economy it did not decisively undertake discipline and macroeconomic stabilization.

In this way, the state assumed a program of liberalization and stabilization that responded to the necessities of change in allocation and stability of the Spanish economic system to obtain such development. The Plan of Stabilization of 1959 looked for internal and external balance, putting special emphasis on monetary and financial discipline of the State to obtain price stability, as well as equilibrium in the balance of payments (for which the peseta was devaluated and an exchange rate established of 60 pts/\$).

The application of the Plan in July 1959 as an indivisible program caused a traumatic shock in the economy. After a brief initial depressive effect, the objectives sought - price stability, contained exchange rate, adjusted balance of payments , reduction of imports, and increase of tourism and foreign investment- became reality. The Plan established the bases for a stage of strong growth that allowed the Spanish economy to register the highest rates of the western world, except Japan. In this process the function of production of the Spanish economy was modified and the habits of consumption and economic behaviour of Spanish society changed (García Delgado and Jiménez, 1999).

The Plan gave new direction to economic policy, the Spanish economy approaching that of the countries of the western world, and releasing it from interventions inherited

from the past: it was recognized that the possibilities of development of the country within the autarkic schemes were null.

In 1959 this economic liberalization (internal and external) and stabilization meant a transcendental change in the Spanish economy, representing the advance *par excellence* in the economic modernization of the country. The principles of the Plan since then have impregnated the processing of Spanish economic policy, but with different degrees of intensity depending on the moment. In fact, the transcendental project of reform that the 1959 Plan implied had not been fulfilled in its entirety, though during 1960-74 many economists continued to insist on the necessity of continuing the process of reform in the direction of the Plan (Requeijo, 1989).

A typically *northian* question to raise is the credibility of the liberalist and reformist commitment of 1959, that is to say, why the agents believed in a new institutional framework the duration of which depend on the political decision of a predatory State into whose hands fell all concentrated power. The answer can be found in that the regime needed to behave responsibly in order to equip itself with a *reputacional capital* which would allowed it to survive.

As the economy was thus overcoming its internal problems and improving its external accounts, the pressures of those in favour, and beneficiaries of the old *autarkic* policy multiplied, demanding the return of an interventionism of the traditionally State favourable of economic power. These pressures provoked the establishment of the 1960 tariff (that maintained discriminated areas of protection), and besides, between 1964 and 1975, with the application of the Development plans, they would obtain the institutional framework of recommended economy which they demanded, paralyzing the development of the market economy. The survival of the predatory state explains an institutional formula receptive to those pressures.

The Development Plans of the Franquist State –which used instruments of labor, industrial, fiscal and growth policy to the service of the recommended economy- had binding character for the public sector and agreed private sector, and was exclusively indicative for the rest of the private sector. These plans were in imitation of the French model of indicative planning of Monnet, “virtually without seeing whether the structural problems of the Spanish economy were or were not similar to those of the neighbouring country” (Tamames, 1989). In the sense pointed out by North (2000), it is possible to remember that the application of formal rules on basic institutional framework non-coherent with those rules was the prescription for political and economic failure. These

plans restrained the process of economic liberalization, contracted the rate of possible growth and generated disfuncionalities and inefficiency (García Delgado and Jiménez, 1999).

This retrogressive movement in the program of liberalization was clear especially in the financial sector. In this sector, strong protectionism and null internal competition - that allowed banks to live in an oligopolistic situation where to increase their benefits and their industrial participation and influence in economic policy – were established: it was the “financially-enlightened despotism” that denied the market protagonism (Serrano and Costas, 1990; García Delgado and Jiménez, 1999).

## **5- THE NEW FRAMEWORK: THE CONTRACTUAL STATE**

In order to understand the passage of the predatory-dictatorial State to the contractual-democratic State in Spain, it is essential to evaluate five fundamental characteristics:

- 1- The death of general Franco (20th November of 1975). The personalist cult factor of the pro-Franco regime help us to understand that - according to the experience of many other such dictatorships - the régime was not able to survive without its main political protagonist.
- 2- The economic development of the sixties and early seventies was one cause of democracy. The argument went that, with the modernization of the sixties, the Spanish economy would enter a Huntington “zone of transition”, in which democratization possibilities were multiplied. The democracy would appear as a consequence of economic development, non-deliberate, nor anticipated by the dictatorship, as the result of a mixture of economic success and political obsolescence. If the political objective of the Franquist economic reform was to promote an authoritarian pact that exchanged consumption for political assent, this failed. The economic and subsequently social change first increasingly made necessary organized representation of the interests. An increasingly complex market economy demanded a democratic political régime, so that the market reform preceded the political change (Maravall, 1995). According to Greif (2002)´s theory, we can point out that during the most recent stage of francoism many “quasi-parameters” were modified (social, cultural, religious changes): the institution gradually

changes relevant quasi-parameters in a way that causes it to no longer be self-enforcing

- 3- The economic crisis of 1973. When Franco passed away, the Spanish economy was being affected by problems derived of the oil crisis. These problems were more serious in a less flexible economy such as the Spanish than in the developed European countries. This crisis damaged the legitimacy of Francoism, which from the sixties onwards was not already based on ideological reasons but on the performance of the economy. When this performance failed, the economic agents demanded a new institutional framework.
- 4- A modern system of beliefs based on social learning. This system assumed the convenience of the political and economic model of the European societies, but simultaneously it incorporated the learnings of the Spanish experience. Among these, the terrible civil war of 1936-39 still held an outstanding place as an episode that society was not prepared to repeat under any circumstances. This generated a framework of disposition to agreement and dialogue that reduced the transaction costs. Also a good proportion of the class leaders shared these beliefs, it being especially important that the heir to the Crown, Juan Carlos de Borbón, did so, too.
- 5- The external conditioner. Democratic European surroundings demanded that Spain assumed a democratic regime. This was, for example, a requirement of incorporation in the EEC.

### **5.1 – A Transitive Transition**

When analyzing the political transition in Spain (December 1975- December 1978), two differentiated periods can be distinguished:

A) - The one that began in December of 1975 after the death of the dictator and still extended until June of 1977, when the first democratic pre-constitutionalists elections were celebrated. In this period that lasted eighteen months, the predatory State still survived the dictator, but it gave way to the steps necessary for its own dissolution, thus constituting a first phase in the process of State mutation.

In this first phase of the transition, the priorities of the political agenda are centered on the political elements of negotiation and procedure that try to induce agents with

positions of power in the pro-Franco State to accept a change that broke with their privileged position. This was “harakiri” of the pro-Franco predatory State (Colomer, 1998).

During the first six months of 1976, the government, presided over by Arias Navarro, tried to maintain a reform process that allowed to the model of predatory State to survive: it mainly tried to adapt the Fundamental Laws of Francoism to a regime of limited representative democracy. But the failure of the “aperturista government” of Arias Navarro must be interpreted as a defeat of the reform faced with the defending options of the rupture. In the collective choice this may be viewed as *Rupture > Reform*.

With the arrival of Adolfo Suárez to the presidency of the government in July 1976, the choice of transition via legal means towards a new democratic State model became the governmental priority. The population’s overwhelming endorsement to the Law of Political Reform, declared in the referendum of December of 1976, signified the dissolution of the pro-Franco *Cortes* and the introduction of a democratic system of government. This law unblocked the way towards a new legitimacy without breaking with the legality of the previous regime - taking advantage of monarchic legitimacy - and made possible the processing of a new constitution. In the collective choice, reform was preferred to continuity: *Reform > Continuity*.

**B)** - A second period opened with the elections of June of 1977 and it closed with the approval by referendum in December of 1978 of the new constitutional text. The organs of power of the previous regime had already disappeared. We are now faced with a period of gestation and childbirth of the contractual State.

The minority government which the centrist Adolfo Suárez headed after the elections of 1977 developed a consensus policy that took to the limit the cooperative solution, which does not correspond with the habitual exercise of political activity.

The procedure to make the new constitutional text integrated all the parliamentary groups and gathered the balance of forces. In this way, Suárez wanted to avoid at all costs the imposition of such a text, and tried to favour consensus.

The transactions among the different political groups drew up a text that was endorsed by the two Chambers between July and October of 1978, that consensus being reflected in 87.9% of votes in favour in the referendum held on the 6 of December of 1978. In this way, a modern democratic state with the form of a parliamentary monarchy was constituted which implied a break with the previous régime. In fact, the

Spanish Constitution of 1978 was made with the anti-model of the Fundamental Laws of Francoism (González Encinar, 1992).

This historical process, in which the reformist government of Suárez decided to agree with the leftiest opposition the formation of a contractual and democratic State, implying a loss of influence of the tradicionalists positions most averse to the rupture. In the collective choive, the rupture was preferred to continuity: Rupture > Continuity.

Throughout the three different elections, the historical process of collective choice was in selecting options:

Failure of the Arias Government:	Rupture > Reform
Suárez and the approval of the Law of Political Reform:	Reform > Continuity
Constituent Process:	Rupture >Continuity

The process of collective selection shows coherent and transitive preferences that were expressed in the following order: Rupture > Reform > Continuity (Colomer, 1998).

Rupture was therefore the preferred and stable option that emerged from the process of political transition and ended in the Constitution of 1978, opening a new cycle in Spanish history.

## **5.2- The new self-enforcing institutions.**

During a period of thirty six years, the Spanish institutional framework was characterized by a dictatorship that concentrated all power in General Franco. When the key piece of the dictatorial regime disappeared from the scene in 1975 it heralded a period of institutional change: all the formal and informal institutional framework of the regime was based on implicit or explicit contracts, in which General Franco was a contracting part. His death broke that framework and opened a new process of hiring among the political agents, in which each expected to re-accommodate his position

Throughout Spanish political transition (1975-1978), no political actor alone was able to impose his preferences, opening a process of political transactions that would lead the authoritarian regime to enter a democracy. The process of social learning and historical memory turned civil confrontation into the great evil to avoid, the different sectors were conscious of the high costs that non-cooperation would imply at the time of establishing the new institutional framework. Thus, most reformist and moderate

agents of the Franquist régime were prepared to accept an agreed rupture from a new contractual state for fear of revolutionary competing movements; and those in favour of democratic options also preferred to agree rather than run the risk of a hardening of the régime and a new civil war. The result meant a contractual, democratic and agreed state that constituted new SELF- ENFORCING INSTITUTIONS (the players were interested in adhering to the new rules) (Greif 2002). Weingast (2000) works on the “self-enforcing” topic of the Spanish experience in an unpublished paper.

### **5.3- From the Predatory State to the Spanish Contractual State**

In the institutional structure of the traditional Spanish State (XV, XVI, XVII Centuries) the great power of the Spanish Crown confronting the parliament constituted an important characteristic that Spain inherited from the kingdom of Castile – a very different situation was that of the successful British way (North and Weingast, 1989). The triumph of the Crown meant the triumph of medieval values, beliefs and concepts, and perpetuated the system of medieval status (North, 2000). In this way, the path of the Spanish economy advanced from then on a basic institutional framework characterized by a predatory state and traditional beliefs and values that will always imply considerable delay with respect to the more outpost tendencies of rationalism, enlightenment or technological advance that would exist in Europe. General Franco’s dictatorship (1939-1975) constituted the last way in which the Predatory State took form in Spain

The three years between December of 1975 and December of 1978 realized the model of the Spanish transitional experience from a predatory State - that voluntarily ended itself- into a new contractual State.

Two institutional conditions are necessary for the establishment of a contractual State that propels the good running of an economy: on the one hand, the guaranteed and well-defined right to private property and the impartial compulsory execution of contracts; and on the other, the absence of depredation (Olson, 2000). The political structure set up in 1978 meant improvements in both directions: Spain achieved a “market-augmenting government” that was powerful enough to protect and establish the rights to private property and the enforcement of contracts, and at the same time limited so as not to deprive individuals of those rights.

#### **5.4- Formal Rules and Transaction Costs**

According to Northian theses, the change of nature of the Spanish State entails ample transformation in the institutional framework of Spanish society that implied both institutional change of economic rules and a change of political rules that would modify later policy-making and change political output.

The new institutional framework created during the Spanish transition considerably reduced the level of transaction costs both in political and economic markets, favouring the efficient allocation of resources. Thus, for example, the approval of a constitutional text explicitly showed the basic formal rule of society; and the establishment of a division of powers limited the risk of depredation on the part of the State apparatus and, when incorporating the independence of the judicial power, formed a *third part enforcement* of private contracts. The institutions appeared clearer, more credible and more legitimate, lowering the price of the *ex- ante* and *ex- post* costs of hiring. This also affected the political markets, in which the establishment of a democratic system implied more clearly established the limits of the political rights of the citizens, who in their function of principal would watch, and would punish or approve with its vote, the management by the political agents. The Transaction Cost Politics (North, Dixit, Epstein, Weingast,...) has produced an interesting theoretical apparatus that makes evident these political improvements.

#### **6- PATH'S DEPENDENCE AND CREATING "SELF-REINFORCING" INSTITUTIONS DURING THE SPANISH DEMOCRATIC STAGE.**

In what North (2000) himself characterizes as an ambitious statement, he indicates that when in a society it is perceived that the system of beliefs is inconsistent with the results that it predicts, there occur the conditions of drastic change in the trajectory of a society. This is what happened in Spain during the second half of the XX Century, when the society gradually discovered the irrational and mistaken aspects of the political and economic recipe book of francoism, and started to make a new institutional framework which is economically and politically more efficient.

This new trend, that changes the course of the institutional framework of the Franco's autarky, generated four very important formal changes in the basic institutional framework: the economic reform of market in 1959, the political reform of

itself: thus, the shared mental models of the Spanish were gradually adapted in order to accept a continuous and gradual institutional change in Spain.

The change, first economic and subsequently social, made organized representation of interests increasingly necessary in the face of the gradual emergence of “liberal-democratic” traditions in civil society (Pérez Díaz, 1993). Thus, a new Spanish society was generated.

The explicit European policy of the Spanish State appeared at some times to be the cause and at other times the effect of the forceful trends for Europeanization that spread in Spain, in such a way that the institutional change process advanced hand in hand with continual and interrelated impulses on the two first levels of Williamson’s (2000) social analysis.

The Spanish experience is a good example about the *gradualism* of institutional changes, avoiding the conflict between formal and informal institutions, which is the way towards economic and political failure, according to North (2000).

All these trends consolidated a democratic institutional framework that is “SELF-REINFORCING” in the sense of Greif (2002), that is to say, it exhibited positive feedback in the period 1978-1999 and remained in force over the eighties and nineties (it perpetuates itself). In this stage, Spain makes a modern economic policy: welfare state, fiscal policy, monetary policy, decentralisation, financial regulation,.... All these elements reinforce the basic institutional framework.

## **7- CONCLUSIONS**

In this paper we have made an analysis of political economy on the evolution of the Spanish economy throughout the period 1950-2000 from a neoinstitutionalist perspective that incorporates the outstanding contributions of the New Institutional Economics, the Historical and Comparative Institutional Analysis and the Transaction Cost Politics. In particular we use the Northian Theory of the State and Greif’s Theory of Endogenous Institutional Change.

In this way, we have deepened the knowledge of the Spanish economy of the XX century and contributed lessons that the Spanish experience allows us to extract on the relations between institutional change and economic change.

The history of Spain was characterized by permanence, throughout the centuries, of models of political organization that were the fruit of the imposition of certain political

sectors on others. The predatory State was a quite common feature throughout the history of Spain and explains the political-economic failure of the Spanish empire.

Over the centuries, the lack of political cooperation to define the State model explains many of the confrontations that have existed in Spain to obtain a coercive monopoly. The Civil War of 1936-1939 represents the best example of confrontation between “the two Spains”, and it indicates an unquestionable lesson for Spaniards on the high costs that are paid for noncooperation. Without doubt, this lesson is fundamental to understanding how, in the following opportunity to redefine the Spanish political-institutional framework (in 1975 when General Franco passed away), politicians take to extremes the cooperative option, establishing by consensus a contractual and democratic régime. In this way, Spain in the second half of the XX Century broke free of most of the vicious circles in which it had moved, and redirected its evolutionary path towards political-economic virtuous circles that reduced the transaction costs and allowed efficiency gains.

After the civil war, the economic policy of interventionism and autarky carried out by the personality cult dictatorship of General Franco implied a complete economic failure. The régime adapted itself in the Fifties, rectifying its economic prescription, and the country began to experience certain growth. Economic thinking began to change and favoured the important reform of stabilization and liberalization of 1959, which established the foundations to construct a market economy.

The new institutional bases allowed a strong stage of growth in the Sixties and early Seventies that implied a considerable social change. In this way, the change of formal institutions of 1959 generated a remarkable change in the informal institutions throughout the following decades. This new society and new economy demanded new formal rules more adaptable to the new situation. These new rules were to arise from a process of transition in 1975-1978 that established a model of contractual State and opened a new stage in the history of Spain. Since then, democratic self-reinforcing institutions were perpetuating themselves.

The Spanish experience since 1978 shows how the State transformation allowed new tendencies in the Spanish policy and economy. Among other things, Spain has formed a modern Welfare State, has assumed an intense process of political decentralization and has incorporated totally into the tendencies of European construction. These factors help understanding of the positive evolution of the Spanish economy until the end of the century.

In reality, institutional change is the key to understanding the Spanish political and economic success throughout the second half of the XX Century.

**FIGURE: THE INSTITUTIONAL FOUNDATIONS OF THE SPANISH ECONOMIC MIRACLE FROM FRANCOISM TO DEMOCRACY**

YEARS	STATE (According to North's Theory)	INSTITUTIONAL FRAMEWORK	INSTITUTIONAL CHANGE (According to Greif's Theory)	ECONOMIC OUTCOMES
1939-1949	Genuine Predatory State	<ul style="list-style-type: none"> <li>• Dictatorship</li> <li>• Non Market Economy</li> <li>• Autarky and Discretionary Interventionism</li> </ul>	Self-Destructing Institutions	Depression: "A long night for the Spanish economy"
1950-1958	A Predator in Adaptation	"Pivotal decade": Attenuation of autarky and economic interventionism	Breaking the Self-enforcing Institutions of the early Francoism	Growth recovered
1959-1975	The Predatory State favours Economic Growth	<ul style="list-style-type: none"> <li>• Making Markets</li> <li>• Stabilisation and Liberalisation</li> <li>• Social Change</li> </ul>	Quasi-parameters Change	<ul style="list-style-type: none"> <li>• Economic Development and Modernisation</li> <li>• Strong Growth</li> </ul>
1975-1978	<ul style="list-style-type: none"> <li>• Self-Dissolution of the Predatory State</li> <li>• Gestation of the Contractual State</li> </ul>	Political Reform of Democratisation: Transitive Transition	Self-Enforcing Democratic Institutions	Adjustment and reform against economic crisis
1978-2000	<ul style="list-style-type: none"> <li>• Contractual State</li> <li>• More efficient political system</li> <li>• Consolidated democracy</li> </ul>	<ul style="list-style-type: none"> <li>• Market-augmenting Government</li> <li>• Boundary between public-private</li> <li>• Modern Economic Policy</li> <li>• Europeanisation (EEC and EMU)</li> </ul>	Self-Reinforcing Institutions and new institutional path	<ul style="list-style-type: none"> <li>• Integration in the European Economy</li> <li>• Opening of the Spanish economy</li> </ul>

## BIBLIOGRAPHY

- Arias, X. C. y Caballero, G. (2002): "Instituciones, Costes de Transacción y Políticas Públicas: Un panorama", *Revista de Economía Institucional*, forthcoming.
- Barciela, C. (1986): "El mercado negro de productos agrarios en la posguerra", pp. 192-205, en J. Fontana (ed): *España bajo el franquismo*. Ed. Crítica. Barcelona.
- Barzel, Y. (1997): "Parliament as a wealth maximizing institution: the rights to the residual and the right to vote", *International Review of Law and Economics*, 17, pp. 455-474.
- Caballero, G. (2001): "La Nueva Economía Institucional", *Sistema. Revista de Ciencias Sociales*, N. 161, pp. 59-86.
- Coase, R. H. (1999a): "An Interview with Ronald Coase", *ISNIE Newsletter*, Vol. 2, N°1, pp.3-10.
- Coase, R. H. (1999b): "The task of the Society". *ISNIE Newsletter*, Vol. 2, N°2, pp. 1-6.
- Colomer, J. M. (1998): *La transición a la democracia: el modelo español*. Editorial Anagrama.
- Fontana, J. (1986): "Reflexiones sobre la naturaleza y las consecuencias del franquismo", pp. 9-38, en J. Fontana (ed): *España bajo el franquismo*. Ed. Crítica. Barcelona.
- Fuentes Quintana, E. (1982): "Economía y Política de la transición democrática española (Fundamentos y enseñanzas de una experiencia)", *Pensamiento Iberoamericano*, N°1, 143-175.
- Fuentes Quintana, E. (1983): "Hacienda Democrática y Reforma Fiscal. Notas para un balance de la reciente experiencia histórica española", pp. 475- 521, en G. Ane, L. A. Rojo y P. Tedde (eds) (1983): *Historia Económica y Pensamiento Social*. Alianza Editorial/ Banco de España.
- Fuentes Quintana, E. (1984): "El Plan de Estabilización Económica de 1959 veinticinco años después", *Información Comercial Española*, N. 612-613, pp. 25-40.
- Fuentes Quintana, E. (1990): "De los Pactos de la Moncloa a la Constitución (julio 1977-diciembre 1978)", en *Economía española de la transición y de la democracia*, CIS, Madrid.

- Fuentes Quintana, E. (1993): “Tres decenios largos de la economía española en perspectiva”, pp. 1-140, en J. L. García Delgado, *España, Economía*. Espasa Calpe.
- Fuentes Quintana, E. Y J. Requeijo (1984): “La larga marcha hacia una política económica inevitable”, *Papeles de Economía Española*, 21, pp. 2-39.
- García de Blas, A. (1989): “De la crisis de los setenta a la expansión de los ochenta”, *ICE*, N. 676-677, pp. 89-104.
- García Delgado, J. L. (ed) (1985): *Economía Española: 1960-1980*. Herman Blume.
- García Delgado, J. L. (1986): “Estancamiento industrial e intervencionismo económico durante el primer franquismo”, pp. 170-191 en J. Fontana (ed): *España bajo el franquismo*. Ed. Crítica. Barcelona.
- García Delgado, J. L. (1990): “Claves de unos años decisivos”, pp. XV- XXVIII, en J. L. García Delgado (dir): *Economía española de la transición y de la democracia*, CIS, Madrid.
- García Delgado, J. L. (ed) (1993): *España, Economía*. Espasa Calpe, Madrid.
- García Delgado, J. L. (ed) (1999): *España, Economía ante el siglo XXI*. Espasa Calpe, Madrid
- García Delgado, J. L. y J. C. Jiménez (1999): *Un siglo de España. La economía*. Marcial Pons, Madrid.
- García Delgado, J. L. Y J. M. Serrano (1990): “De la primera crisis energética a las elecciones del 77: tiempo de incertidumbre”, pp. 3-21, en García Delgado, J. L.: *Economía española de la transición y de la democracia*, CIS, Madrid.
- García Ruiz, J. L. (2000): “La inflación en la España del siglo XX: teorías y hechos”. *Boletín Económico de ICE*, N° 1667, pp. 2332
- González Encinar, J. J. et al (1992): “El proceso constituyente de cuatro casos recientes: España, Portugal, Brasil y Chile”, *Revista de Estudios Políticos*, 76, p. 7-27.
- González González, M. J. (1979): *La Economía Política del Franquismo (1940-1970)*. Editorial Tecnos.
- González González, M. J. (1989): “La autarquía económica bajo el régimen del general Franco: una visión desde la teoría de los derechos de propiedad”, *Información Comercial Española*, Núm. 676-677, Vol. 1, pp. 19-31.
- Greif, A. (2002): *Historical Institutional Analysis*. Cambridge University Press, forthcoming.

- Gunther, R. (1996): *Spanish Public Policy: from dictatorship to Democracy* Working Paper 84. Center for Advanced Study in the Social Sciences of the Juan March Institute, Madrid.
- Linde, L. M. (1990): “La profundización de la crisis económica: 1979-1982”, pp. 35-57, en *Economía española de la transición y de la democracia*, CIS, Madrid.
- Maravall, J. M. (1981): *La política de la transición*. Editorial Taurus.
- Maravall, J. M. (1995): *Los resultados de la democracia*. Alianza Editorial.
- Maravall, J. M. Y Przeworski, A. (1998): *Political reactions to the economy: the Spanish experience*. Working Paper, 127. Center for Advanced Study in the Social Sciences of the Juan March Institute, Madrid.
- Martí, L. (1989): “Estabilización y Desarrollo”, *ICE*, N. 676-677, pp. 67-88.
- Moradiellos, E. (2001): “La transición política española”, *Sistema*, 160, pp. 55-74.
- Nadal, J. et al (1987): *La economía española en el siglo XX: una perspectiva histórica*. Ariel.
- North, D. C. (1981): *Structure and Change in Economic History*. W.W. Norton. New York
- North, D. C. (1985): “Transaction Costs in History”, *Journal of European Economic History*, Vol. 14, pp. 557-576.
- North, D. C. (1989): “Institutions and Economic Growth: An Historical Introduction”, *World Development*, Vol. 17, N. 9, pp. 1319-1332.
- North, D. C. (1989b): “Comentary 2”, in Stiglitz, J. et al. (1989): *The Economic Role of the State*. B. Blackwell. Oxford.
- North, D. C. (1990a): *Institutions, Institutional Change and Economic Performance*. Cambridge University Press. Cambridge
- North, D. C. (1990b): “A Transaction Cost Theory of Politics”. *Journal of Theoretical Politics* 2, N° 4, pp. 355-367.
- North, D. C. (1991): “Institutions”. *Journal of Economic Perspectives*. Vol. 5, N°1-Winter, pp. 97-112.
- North, D. C. (1993): “Institutions and Credible Commitment”. *Journal of Institutional and Theoretical Economics*. 149/1, pp.11-23.
- North, D. C. (1994): “Economic Performance through Time”. *The American Economic Review*. Vol. 84, N° 3, pp. 359-368.
- North, D. C. (2000): “La evolución histórica de las formas de gobierno”. *Revista de Economía Institucional*, 2: 133- 148.

- North, D. C. y Wallis, J. J. (1994): "Integrating Institutional Change and Technical Change in Economic History. A Transaction Cost Approach". *Journal of Institutional and Theoretical Economics*. 150/4, pp. 609-624.
- North, D. C. y Weingast, B. R. (1989): "Constitutions and commitment: the evolution of institutions governing public choice in seventeenth-century England". *The Journal of Economic History*, Vol. 49, N° 4 (December), pp. 803-832.
- Olson, M. (2000): *Power and Prosperity*. Oxford University Press.
- Przeworski, A. y Limongi, F. (1993): "Political Regimes and Economic Growth". *Journal of Economics Perspectives*. Vol. 7, N° 3 (Summer), pp. 51-69.
- Requeijo, J. (1989): "Lo que fuimos y lo que somos". *Información Comercial Española*, Núm. 676-677, Vol. 1, pp. 5-18
- Serrano, J. M. y A. Costas (1990): "La reforma del marco institucional", pp. 505-525, en *Economía española de la transición y de la democracia*, CIS, Madrid.
- Tamames, R. (1989): "Los planes de desarrollo (1964-1975)", *ICE*, n. 676-677, pp.57-66.
- Tortella, G. (1994): *El desarrollo de la España contemporánea*, Alianza, Madrid.
- Trullén, J. (1993): *Fundamentos Económicos de la Transición Política Española*, Ministerio de Trabajo y Seguridad Social, Madrid.
- Varela, M. (1989): "El Plan de Estabilización como yo lo recuerdo". *Información Comercial Española*, Núm. 676-677, Vol. 1, pp. 41-55.
- Velarde, J. (1989): "El Pacto de la Moncloa: análisis del acuerdo económico-social que hizo posible la constitución de 1978", *ICE*, N. 676-677, pp. 105-118.
- Velarde, J. (1994): "Testigo de cincuenta años de política económica española", pp. 251-295, en J. Velarde, J. L. García Delgado y A. Pedreño (dir): *El Estado en la economía española*. Editorial Civitas.
- Villacorta, L. (2000): "La construcción del estado democrático español: algunas perspectivas", *Revista de Estudios Políticos*, 109, pp. 73-102.
- Weingast, B. R. (2000): "Constructing self-enforcing democracy in Spain", Hoover Institution, Stanford, mimeo.
- Williamson, O. E. (2000): "The New Institutional Economics: Taking Stock, Looking Ahead". *Journal of Economic Literature*, Vol.38, pp.595-613.

# DOCUMENTOS DE TRABAJO YA PUBLICADOS.

## ÁREA DE ANÁLISE ECONÓMICA

1. EXPERIMENTACIÓN Y ESTRUCTURA DE MERCADO EN LA RELACIÓN DE LICENCIA DE PATENTES NO DRÁSTICAS. EL CASO DE INFORMACIÓN SIMÉTRICA. (Manel Antelo)
2. EXPERIMENTACIÓN Y ESTRUCTURA DE MERCADO EN LA RELACIÓN DE LICENCIA DE PATENTES NO DRÁSTICAS. EL CASO DE INFORMACIÓN ASIMÉTRICA. (Manel Antelo)
3. MODELOS EMPÍRICOS DE OLIGOPOLIO: UNA REVISIÓN. (María Consuelo Pazó Martínez)
4. EL ANÁLISIS ECONÓMICO DE LOS PROCESOS DE URBANIZACIÓN. (Olga Alonso Villar)
5. OPTIMAL TARIFFS WHEN PRODUCTION IS FIXED. (José Méndez Naya)
6. REGLAS DE CLASIFICACIÓN DISCRIMINANTE: APLICACIÓN A LA VIVIENDA. (Raquel Arévalo Tomé)
7. ESTRUCTURA DEMOGRÁFICA Y SISTEMAS DE PENSIONES. UN ANÁLISIS DE EQUILIBRIO GENERAL APLICADO A LA ECONOMÍA ESPAÑOLA. (María Montero Muñoz)
8. SPATIAL DISTRIBUTION OF PRODUCTION AND EDUCATION. (Olga Alonso-Villar)
9. DIFERENCIAS SALARIALES Y COMPORTAMIENTO NO COMPETITIVO EN EL MERCADO DE TRABAJO EN LA INDUSTRIA ESPAÑOLA. (Víctor Manuel Montuenga)
10. GPS' PAYMENT CONTRACTS AND THEIR REFERRAL POLICY. (Begoña García Mariño)
11. UNA NUEVA MATRIZ DE CONTABILIDAD SOCIAL PARA ESPAÑA: LA SAM-90. (Melchor Fernández y Eduardo L. Giménez)
13. ENDOGENOUS GROWTH WITH TECHNOLOGICAL CHANGE: A MODEL BASED ON R&D EXPENDITURE. (M<sup>a</sup> Jesús Freire-Serén)
14. PRODUCTIVE PUBLIC SPENDING IN A BALASSA-SAMUELSON MODEL OF DUAL INFLATION. (Jorge Blázquez)
15. EFFICIENT ALLOCATION OF LAND BETWEEN PRODUCTIVE USE AND RECREATIONAL USE. (Eduardo L. Giménez)
16. FUNCIONAL FORMS, SAMPLING CONSIDERATIONS AND ESTIMATION OF DEMAND FOR PROTECTED NATURAL AREAS: THE CÍES ISLANDS CASA STUDY IN GALICIA (SPAIN). (Manuel González Gómez)
17. INNOVACIÓN E COMERCIO: ESTIMACIÓN DUN MODELO DINÁMICO DE DATOS DE PANEL CON COEFICIENTES HETEROXÉNEOS. (Xulia Guntín Araujo)
18. DISPARIDADES REGIONALES EN LA TASA DE PARO: EL PAPEL DEL MECANISMO DE DETERMINACIÓN SALARIAL. (Roberto Bande y Melchor Fernández)
19. RESTRUCTURING OR DELEGATING: WHICH IS BETTER? (Manel Antelo)
20. AJUSTES DINÁMICOS EN LAS TASAS DE PARO: ESPAÑA VS. PORTUGAL. (Roberto Bande)
21. LAGGED ADJUSTMENT PROCESSES AND THE NATURAL RATE IN SPAIN: A COMPARISON WITH PORTUGAL. (Roberto Bande)
22. UN MODELO INTERTEMPORAL DE LA BALANZA POR CUENTA CORRIENTE DE LA ECONOMÍA ESPAÑOLA: LA RELEVANCIA DEL PROCESO DE FORMACIÓN DE EXPECTATIVAS CONSIDERADO. (Belén Fernández Castro)
23. UN MODELO EXPLICATIVO DE LA LOCALIZACIÓN REGIONAL DE LA INVERSIÓN EXTRANJERA DIRECTA. UNA APLICACIÓN A LA ECONOMÍA ESPAÑOLA. (Raquel Díaz Vázquez)
24. NITRATE POLLUTION IN INLAND WATERS: CAUSES, CONSEQUENCES AND POLICY. (Raimundo Viejo Rubio)

## ÁREA DE ECONOMÍA APLICADA

1. ECONOMÍA DE MERCADO E AUTOXESTIÓN: SOCIEDADES ANÓNIMAS LABORAIS DO SECTOR INDUSTRIAL EN GALICIA. (Xosé Henrique Vázquez Vicente)
2. FECUNDIDADE E ACTIVIDADE EN GALICIA, 1970-1993. (Xoaquín Fernández Leiceaga)
3. LA REFORMA DE LA FINANCIACIÓN AUTONÓMICA Y SU INCIDENCIA EN GALICIA. (Xoaquín Álvarez Corbacho)
4. A INDUSTRIA CONSERVEIRA: ANÁLISE ECONÓMICA DUNHA INDUSTRIA ESTRATÉGICA EN GALICIA. (José Ramón García González)
5. A CONTABILIZACIÓN FÍSICA DOS FLUXOS DE ENERXÍA E MATERIAIS. (Xoán Ramón Doldán García)
6. INDICADORES ECONÓMICO-FINANCIEROS ESTRATIFICADOS DO SECTOR INDUSTRIAL CONSERVEIRO EN GALICIA. 1993-1996. (José Ramón García González)
7. A DESIGUALDADE RELATIVA NA DISTRIBUCIÓN PERSOAL DA RENDA EN GALICIA. ANÁLISE CUANTITATIVA A PARTIR DOS DATOS DA EPF 90/91. (Ángela Troitiño Cobas)
8. O BENESTAR-RENDA EN GALICIA. ANÁLISE CUANTITATIVA A PARTIR DOS DATOS DA EPF 90/91. (Ángela Troitiño Cobas)
9. EL FRACCIONAMIENTO DEL PERIODO IMPOSITIVO EN EL IRPF ESPAÑOL Y LA DECISIÓN TEMPORAL DE CASARSE. (Jaime Alonso)
10. ANÁLISE DOS INPUTS INTERMEDIOS, PRIMARIOS E DA FORMACIÓN BRUTA DE CAPITAL FIXO NO SECTOR MITÍCOLA GALEGO. (Gonzalo Rodríguez Rodríguez)
11. UN ALGORITMO GENÉTICO VERSUS TÉCNICAS TRADICIONALES PARA LA VALIDACIÓN TEÓRICA EN VALORACIÓN CONTINGENTE. (Manuel González Gómez)
12. LA INCIDENCIA DE LA LEY DE COOPERATIVAS DE GALICIA EN EL RÉGIMEN FISCAL ESPECIAL DE ESTAS ENTIDADES. (Fdo. Ignacio Fernández Fernández)
13. PANORÁMICA ACTUAL DOS MONTES DE VECIÑOS EN GALICIA. (Grupo de Estudio da Propiedade Comunal (GEPC), IDEGA)
14. ANÁLISIS ESTRUCTURAL DE LOS PROBLEMAS DEL TURISMO EN GALICIA: BALANCE DE UNA DÉCADA (1991-2001). (Begoña Besteiro Rodríguez, IDEGA)
15. LO MACRO, LO MICRO Y LOS POLÍTICO EN LA NUEVA ECONOMÍA INSTITUCIONAL. (Gonzalo Caballero)
16. A EFICIENCIA TÉCNICA DAS EXPLOTACIÓN S LEITEIRAS NA COMARCA INTERIOR DA PROVINCIA DE A CORUÑA. INFLUENCIA DA CONCENTRACIÓN PARCELARIA. (Alfonso Ribas Álvarez, Gonzalo Flores Calvete y Claudio López Garrido)
17. DESARME ARANCELARIO DEL MERCADO GALLEGO Y EVOLUCIÓN DE LAS IMPORTACIONES DE BIENES. (Iván López Martínez y Beatriz García-Carro Peña)

## ÁREA DE HISTORIA

1. APROXIMACIÓN AO CRÉDITO NA GALIZA DO S. XIX. (Francisco Xavier Meilán Arroyo)
2. ASPECTOS DO COMERCIO CONTEMPORÁNEO ENTRE ESPAÑA E PORTUGAL. (Carme Espido Bello)
3. PENSAMENTO ECONÓMICO E AGRARISMO NA PRIMEIRA METADE DO SÉCULO XX. (Miguel Cabo Villaverde)
4. CIVILIZAR O CORPO E MODERNIZAR A VIDA: XIMNASIA, SPORT E MENTALIDADE BURGUESA NA FIN DUN SÉCULO GALICIA 1875-1900. (Andrés Domínguez Almansa)
5. LAS ÉLITES PARLAMENTARIAS DE GALICIA (1977-1996). (Guillermo Márquez Cruz)
6. PERFIL DO PROPIETARIO INNOVADOR NA GALICIA DO SÉCULO XIX. HISTORIA DUN DESENCANTO. (Xosé R. Veiga Alonso)
7. OS ATRANCOS DO SECTOR PECUARIO GALEGO NO CONTEXTO DA CONSTRUCCIÓN DO MERCADO INTERIOR ESPAÑOL, 1900-1921. (Antonio Bernárdez Sobreira)
8. LOS ESTUDIOS ELECTORALES EN GALICIA: UNA REVISIÓN BIBLIOGRÁFICA (1876-1997). (Ignacio Lago Peñas)
9. CONTROL SOCIAL Y PROYECTOS POLÍTICOS EN UNA SOCIEDAD RURAL. CARBALLO, 1880-1936. (Silvia Riego Rama)
10. AS PRIMEIRAS ELECCIÓN DO ESTATUTO REAL NA PROVINCIA DE LUGO. (Prudencio Vivero Mogo)
11. GALICIA NOS TEMPOS DE MEDO E FAME: AUTOARQUÍA, SOCIEDADE E MERCADO NEGRO NO PRIMEIRO FRANQUISMO, 1936-1959. (Raúl Soutelo Vázquez)
12. ORGANIZACIÓN E MOBILIZACIÓN DOS TRABALLADORES DURANTE O FRANQUISMO. A FOLGA XERAL DE VIGO DO ANO 1972. (Mario Domínguez Cabaleiro, José Gómez Alén, Pedro Lago Peñas y Víctor Santidrián Arias)
13. EN TORNO Ó ELDUAYENISMO: REFLEXIÓN SOBRE A POLÍTICA CLIENTELISTA NA PROVINCIA DE PONTEVEDRA. 1856-1879. (Felipe Castro Pérez)
14. AS ESTATÍSTICAS PARA O ESTUDIO DA AGRICULTURA GALEGA NO PRIMEIRO TERCIO DO SÉCULO XX. ANÁLISE CRÍTICA. (David Soto Fernández)

## ÁREA DE XEOGRAFÍA

1. A INDUSTRIA DA LOUSA. (Xosé Antón Rodríguez González e Xosé M<sup>o</sup> San Román Rodríguez)
2. ESTRUCTURA URBANA DA CIDADE DA CORUÑA, OS BARRIOS RESIDENCIAIS: O ESPACIO OBTETIVO E A SÚA VISIÓN A TRAVÉS DA PRENSA DIARIA. (José Piñeiro Mantiñán e Luis Alfonso Escudero Gómez)
3. O AVELLAMENTAMENTO DEMOGRÁFICO EN GALICIA E AS SÚAS COSECUENCIAS. (Jesús M. González Pérez e Xosé M<sup>o</sup> San Román Rodríguez)
4. AS VILAS E A ORGANIZACIÓN DO ESPACIO EN GALICIA. (Román Rodríguez González)
5. O COMERCIO NAS CABECEIRAS DO INTERIOR DE GALICIA. (Alejandro López González)
6. A MORTALIDADE INFANTIL NO NOROESTE PORTUGUÉS NOS FINAIS DO SÉCULO XX. (Paula Cristina A. Remoaldo)
7. O CASO HISTÓRICO DE SANTIAGO DE COMPOSTELA, CARACTERÍSTICAS DEMOGRÁFICAS E MÓRFOLÓXICAS. (José Antonio Aldrey Vázquez)
8. MOBILIDADE E PLANIFICACIÓN URBANA EN SANTIAGO DE COMPOSTELA: CARA A UN SISTEMA DE TRANSPORTES SUSTENTABLE. (Miguel Pazos Otón)
9. A PRODUCCIÓN DE ESPACIO TURÍSTICO E DE OCIO NA MARXE NORTE DA RÍA DE PONTEVEDRA. (Carlos Alberto Patiño Romarís)
10. DESENVOLVEMENTO URBANO E DIFUSIÓN XEOLINGÜÍSTICA: ALGÚNS APUNTAMENTOS SOBRE O CASO GALLEGO. (Carlos Valcárcel Riveiro)
11. NACIONALISMO Y EDUCACIÓN GEOGRÁFICA EN LA ESPAÑA DEL SIGLO XX. UNA APROXIMACIÓN A TRAVÉS DE LOS MANUALES DE BACHILLERATO. (Jacobo García Álvarez e Daniel Marías Martínez)
12. NOVO SENTIDO DA LUTA DE CLASES E DO CONTROL SOCIAL NO MEIO RURAL UMA CONTRIBUÇÃO À GEOGRAFIA DO CONFLITO CAPITAL X TRABALLO. (Jorge Montenegro Gómez y Antonio Thomaz Júnior)
3. MARKETING TERRITORIAL E ESPAÇOS VIRTUAIS A INDÚSTRIA DO TURISMO NOS AÇORES E NO SUDOESTE DA IRLANDA. (João Sarmento)

## ÁREA DE XESTIÓN DA INFORMACIÓN

1. ESTUDIO COMPARATIVO DAS BASES DE DATOS: "SCIENCE CITATION INDEX, BIOLOGICAL ABSTRACTS, CURRENT CONTENTS, LIFE SCIENCES, Y MEDLINE. (Margarida Andrade García, Ana M<sup>o</sup> Andrade García y Begoña Domínguez Dovalo)
2. ANÁLISE DE SATISFACCIÓN DE USUARIOS COS SERVICIOS BIBLIOTECARIOS DA UNIVERSIDADE NA FACULDADE DE FILOSOFIA E CC. DA EDUCACIÓN DE SANTIAGO. (Ana Menéndez Rodríguez, Olga Otero Tovar y osé Vázquez Montero)

## **NORMAS PARA A REMISIÓN DE ORIXINAIS:**

Deberán ser remitidos tres exemplares do traballo e unha copia en diskette ao Director do IDEGA: Avda. das Ciencias s/n. Campus Universitario Sur 15782 Santiago de Compostela, cumprindo coas seguintes normas:

1. A primeira páxina deberá incluír o título, o/os nome/s, enderezo/s, teléfono/s, correo electrónico e institución/s ás que pertence o/os autor/es, un índice, 5 palabras chave ou descriptors, así como dous resumos dun máximo de 200-250 palabras: un na lingua na que estea escrita o traballo e outro en inglés.
2. O texto estará en interlineado 1,5 con marxes mínimas de tres centímetros, e cunha extensión máxima de cincuenta folios incluídas as notas e a bibliografía.
3. A bibliografía se presentará alfabeticamente ao final do texto seguindo o modelo: Apelidos e iniciais do autor en maiúsculas, ano de publicación entre paréntese e distinguindo a, b, c, en caso de máis dunha obra do mesmo autor no mesmo ano. Título en cursiva. Os títulos de artigo irán entre aspas e os nomes das revistas en cursiva, lugar de publicación e editorial (en caso de libro), e, en caso de revista, volume e nº de revista seguido das páxinas inicial e final unidas por un guión.
4. As referencias bibliográficas no texto e nas notas ao pé seguirán os modelos habituais nas diferentes especialidades científicas.
5. O soporte informático empregado deberá ser Word (Office 97) para Windows 9x, Excell ou Acess.
6. A dirección do IDEGA acusará recibo dos orixinais e resolverá sobre a súa publicación nun prazo prudencial. Terán preferencia os traballos presentados ás Sesións Científicas do Instituto.

O IDEGA someterá tódolos traballos recibidos a avaliación. Serán criterios de selección o nivel científico e a contribución dos mesmos á análise da realidade socio-económica galega.