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THE EMERGENCE OF THE SPANISH  
WELFARE STATE (1876-1923):  
THE ROLE OF IDEAS IN THE  
POLICY PROCESS

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The aim of this paper is to analyze the relevance of different factors for explaining the timing of the introduction of welfare state schemes in Spain during the “take off” period, that is from 1876 to 1923. The paper is divided into three sections. The first section provides a brief summary of the chronological timing of the first welfare programs and of their main characteristics. The second section examines the explanatory power of such independent variables as the level of industrialization and urbanization, the political system, and the party and interest group structures. The third and final section discusses the role played by ideology in the policy-making process. My main hypothesis is that the ideological factor has a greater power than other variables for explaining the origins of the welfare state in Spain.

#### 1. The origins of the Spanish welfare state

The purpose of this section is to describe briefly both the chronological development and the characteristics of the first welfare schemes and institutions that were created during the “take off” period of the Spanish welfare state. Scholars usually divide the evolution of Spanish Social Security into three stages: an initial stage, lasting from the late nineteenth century to the Civil War; a consolidation stage that ends with the implementation of the *Ley de Bases de la Seguridad Social* (Social Security Act) in 1967; and a crisis period that lasts up to the present date amid major attempts to change the initial professional model into a universal one.

The initial stage introduced the coverage of a narrow set of risks (industrial accident, old age, unemployment, and maternity) through schemes available only to industrial workers with low incomes. The management of the system was officially centralized through one main institution, namely, the National Institute of Insurance (*Instituto Nacional de Prevision*, INP). However, the task of the INP was defined from the beginning as that of promoting and coordinating social insurance of which the management was soon delegated to a large number of associations and mutual aid societies. The final result was, obviously, the construction of a very fragmented welfare system (Libro Blanco 1977: 37-38).

The initial development took place under three very different periods from a political point of view: the Restoration (1876-1923), the Dictatorship of Primo de Rivera (1923-1930), and the Second Republic (1931-1936).

The construction of the Spanish welfare state began during the Restoration period with the establishment of the Commission for Social Reform (*Comisión de Reformas Sociales*) in December, 1883. The creation of the Commission was mainly due to Segismundo Moret, Minister of Government in the Liberal Cabinet headed by Posada Herrera. The primary task of the Commission was to gather information about the situation of the working classes.<sup>1</sup> From 1890 onwards the Commission was endowed with greater human and financial resources and participated actively in the formulation of legal proposals in the field of social policy.

In 1900, employers' liability as regards industrial accidents was established through the *Ley de Accidentes de Trabajo* (Industrial Accident Law). This law was passed under a Conservative government (it was proposed by Eduardo Dato) and was inspired by its French counterpart of 1889. As expressed in the legal text, the economic consequences of industrial accidents were to be considered part of the costs of production, which should consequently be borne by the employer (Libro Blanco 1977: 17-18).

In 1903, the Institute of Social Reform (*Instituto de Reformas Sociales*, IRS) was created, again under Conservative rule (Antonio Maura). The IRS replaced the

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<sup>1</sup> The Commission for Social Reform was not a parliamentary commission but a permanent organization dependent on the Ministry of Government. There was a Central Commission and also provincial and local ones. The Central Commission was composed of 14 members of different political ideologies and streams of thought (Conservatives, Republicans, Liberal Krausists, etc.). At the provincial and local level, the Commissions were composed respectively of 52 and 23 persons, among whom were political authorities, representatives of the clergy and the working class, liberal professionals, and employers. The information about the situation of the workers was gathered during 1884-85; for this purpose an official questionnaire was used. The results of the survey were presented orally in Madrid as soon as they were assembled, but they did not begin to be published until 1889 (Palacio Morena 1988: 23-44).

Commission and reflected the institutionalization of social reform. It was to last until the creation of the Ministry of Labor in 1920 and it can be considered a unique organization in Europe: it was an open institution, with a low level of bureaucratization, and a very flexible organization with a great capacity for innovation (Palacio Morena 1988: XXI-XXIV).

As a consequence of a conference on social insurance (*Conferencia sobre Previsión Popular*) held in Madrid in 1904, and also of the planning activity of the IRS, the National Institute of Insurance (*Instituto Nacional de Prevision, INP*) was established in 1908 in order to prepare, administer, and develop a modern system of social insurance, especially an old age pension scheme. The Krausist influence of such sociologists as Azcárate and González Posada within the IRS and the proposals devised by Maluquer were decisive for the creation of the INP (de Miguel 1979: 21-22).<sup>2</sup> Krausists believed in social harmony and organicism.<sup>3</sup> They thought society could be transformed through legal reform and the establishment of conditions that would allow for intellectual freedom and moral self improvement of the individual.<sup>4</sup>

The new National Institute of Insurance was based on the principle of “subsidized freedom,” which meant that insurance was voluntary and subsidized by the government (Libro Blanco 1977: 19). There was no limit to the fee paid by the industrial worker and

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<sup>2</sup> Carr (1982: 462) depicts Josep Maluquer as an “obsessed man [...] a Catholic who, through his work in an insurance company, had become a convert to social insurance as ‘the mathematical formula of human solidarity.’ [...] Yet Maluquer’s fundamental Catholic hope -- that society, with no more than encouragement from the state, would solve the social question -- proved illusory.”

<sup>3</sup> The term organicism refers to the conception of society as a living body, that is, every part of society is understood as an organ that is to accomplish a definite function on behalf of the whole.

<sup>4</sup> For a detailed analysis of Krausist ideology regarding social matters see Díaz (1989).

the state contributed an equal amount up to a level that did not exceed one peseta per month (González Catalá and Vicente Merino 1985: 19). The INP was no exception to the rule that institutional innovation in Spain during this period was usually made under Conservative governments, in this case during Antonio Maura's "long government" (1907-1909).

Another conference on social insurance was held in Madrid in 1917, which agreed on the necessity of establishing a compulsory social insurance system by stages. In 1919 old age insurance was made compulsory (*Retiro Obrero Obligatorio*) for all industrial workers between 16 and 65 years of age whose income did not exceed 4,000 pesetas per year. This scheme was to be financed by the state and the employers in a first phase, whereas workers were supposed to pay a compulsory fee in a second phase. Each worker was to open a savings account where the bipartite contributions could be deposited (González Catalá and Vicente Merino 1985: 20). Between 1919 and 1923 all mutual aid societies wanting to offer unemployment or maternity insurance were subsidized by the state.

As regards health insurance, private medicine and support from the traditional charitable organizations remained the only channels of provision up to 1907. In 1904, the publication of a Directive on Public Health (*Instrucción General de Sanidad Pública*) coincided with initiatives originating in the IRS to create a national institution for the management of insurance schemes. When these initiatives crystallized in the INP, a voluntary health insurance system was created. In 1922 the INP organized a conference in Barcelona for the purpose of considering the possibilities of introducing illness, disability, and maternity compulsory schemes. However, the voluntary system lasted until 1942 when a compulsory system (*Seguro Obrero de Enfermedad*, SOE) was finally established (de Miguel 1979: 11-23).<sup>5</sup>

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<sup>5</sup>The Professional Medical Organizations (*Colegios Oficiales de Médicos*) were

During the Dictatorship, despite Primo de Rivera's official commitment to social policy, little was done to improve social insurance, with the exception of better regulation of the industrial accident and maternity schemes. In contrast, the Republican Constitution acknowledged the right, of all citizens to a minimum of welfare. Nevertheless, under the Republic, progress was also scant and limited to the implementation of compulsory insurance for industrial accidents and to some attempts at protecting the unemployed (Libro Blanco 1977: 31-36). The Civil War meant the end to any hope of implementing other innovations planned by the Republican policy-makers.

As a result of the incapacity of both the Dictatorship and the Republic to make some relevant progress towards the implementation of a comprehensive system of compulsory social insurance, the policy-makers of the Francoist regime were faced, after the Civil War, with a welfare system that was basically the same as that introduced during the Restoration. The Francoist Dictatorship forsook all the republican plans to create a decentralized system of social security and implemented instead a centralized insurance system, highly limited in terms of coverage and offering very low quality services (de Miguel 1979: 13).

All these developments -- especially from 1923 onwards -- account for the chronic backwardness of the Spanish welfare state. Nevertheless, the first welfare institutions and provisions were introduced more or less at the same time as in other European countries and their characteristics were not significantly different from those of their European counterparts.<sup>6</sup> This fact becomes interesting when the economic, political and social

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created in 1898. In de Miguel's opinion this allowed doctors to oppose effectively the incipient process of collectivization of medical assistance (de Miguel 1979: 14).

<sup>6</sup> Flora and Alber (1981: 59) offer a record of the dates when industrial accident, sickness, pension, and unemployment insurance were introduced in twelve European countries. They also classify these provisions into voluntary or compulsory. By comparing

conditions under which welfare provisions originated in Spain are considered. In comparative terms, Spain underwent a very slow process of industrialization, suffered from economic underdevelopment, and had highly traditional social structures which were very resistant to change (especially in the countryside). Universal male suffrage was introduced as early as 1890, but the corruption of the electoral system impeded the use of the vote as a means to exert pressure for reform. The Catholic Church had enjoyed a monopoly over social policy until the end of the nineteenth century and was reluctant to be deprived of its traditional role. All these circumstances make an explanation for the introduction of public welfare provisions very difficult, at least at first sight. Let us now consider the political, economic and social situation of the Restoration period in order to evaluate in more detail the extent to which it offered conditions favorable to the emergence of a welfare state.

## 2. The Restoration and the “social question”

During the Restoration, politicians, policy-makers, intellectuals, union members, employers and clergymen referred at length and with increasing frequency to the “social question.” The “agrarian question,” which was the center of most public debates during the eighteenth and early nineteenth centuries was not forgotten but rather included in this new and broader notion of a “social question.” The new term was used to indicate the existence of a social problematic, in particular related to the living conditions of the workers (Palacio Morena, 1988: 4).

The object of this second section is to consider what the objective dimensions of the “social question” were, that is: what was the level of pressure for the introduction of

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these data with the data available for the Spanish case it can be deduced that, with the exception of Germany the development in Spain was very similar to that of other European countries during the “take off” period.



welfare state provisions and what channels were available for the exertion of this pressure? I shall consider, in particular, the economic conditions, the political system, and the interest group structure during the Restoration period.

Flora and Alber (1981) use three independent variables in their attempt to explain the timing of the initial adoption of social insurance programs by twelve European countries. These three variables are: socioeconomic development (level of industrialization and urbanization), political mobilization of the working class (percentage of votes in national elections for working-class parties), and constitutional development (type of political regime and level of enfranchisement).

As regards socioeconomic development, Flora and Alber hypothesize that the processes of industrialization and urbanization “generate and intensify social problems leading to the introduction of social insurance systems” (1981: 58). These authors conclude that socioeconomic development has a very low predictive power for the timing of the introduction of welfare state programs. The Spanish case confirms the rejection of this hypothesis.

Spain remained a rural country during the entire period of the Restoration. Illiteracy was very high (around 70 percent before the turn of the century), social mobility limited, and society could be defined as both traditional and agrarian with all the characteristics which these terms entail (Palacio Morena 1988: 8). The *desamortización* (sale of mortmain) had the effect of consolidating archaic agrarian structures so that industrial development could not be based on a modern agricultural system. The proportion of the labor force employed in the primary sector was very large (around 65 per cent in 1900), and the level of urbanization was low (only 12 per cent of the population lived in cities of fifty thousand or more inhabitants in 1900) (Tortella *et al.* 1981: 409, 323).

Industry was concentrated in certain regions, mainly the Basque Country, Catalonia, and Asturias, and production was specialized into a few industrial sectors. In addition, Spanish industry was highly dependant on foreign initiative and capital as well as foreign equipment, raw materials and technical innovation. Protectionist measures that had been implemented from the 1880s onwards were intensified in the first two decades of the twentieth century. Thus, Spain was never integrated into the international economy during the Restoration period (1876-1923) (Tortella *et al.*, 1981: 418-419).

At the beginning of the twentieth century industrial production rose slightly, especially in the mining sector (coal and copper), metallurgy, electricity, naval construction and paper. The only sector to suffer from the loss of the remaining Spanish colonies in 1898 was textiles, having enjoyed a monopoly of the Cuban market. An expansion of the banking system also took place in the first two decades of the twentieth century. However the agricultural crisis of the previous decades had not been overcome and led to massive emigration to Latin America.

The outbreak of the First World War, in which Spain remained neutral, offered good opportunities for a process of industrialization which continued for many industrial sectors until 1919. Production increased in both the agricultural and industrial sectors; exports grew dramatically as did inflation. Since the production of several basic commodities did not increase enough to cover the decrease in imports, prices started to go up at an alarming rate. The consequent loss of purchasing capacity for the salaried population led to heavy social unrest (Tortella *et al.* 1988: 417-452).

According to the socioeconomic development hypothesis, industrial and urbanization processes induce the introduction of social insurance schemes. These processes were either weak or nonexistent in the different Spanish regions and, nevertheless, welfare programs were created. Thus, socioeconomic development can not

be used as an explanatory variable to account for the emergence of the Spanish welfare state.

According to Flora and Alber, constitutional monarchies --especially those with universal (male) suffrage -- tended to introduce social insurance schemes earlier than parliamentary democracies as a means of securing working-class loyalty towards the political system and thus increase its legitimacy (1981: 46-47). This view is based on Flora and Alber's assumption that working class mobilization (percentage of votes in general elections for working-class parties) can be used as a measure of the political pressure for introducing welfare programs (1981: 58).

The Constitution of 1876 brought a constitutional monarchy to Spain, and universal male suffrage was established in 1890. Under these conditions it could be expected that the working class might exert pressure for the creation of welfare schemes through their participation in the electoral process. Nevertheless, the political system bequeathed by Cánovas del Castillo (the leader of the Conservative party) impeded the use of the vote as a means of exerting pressure. The Canovist system was aimed at securing political stability after the upheavals of the 1868 Revolution and the First Republic. This is why the system was based on the alternation of the traditional dynastic parties in office, that is, the "peaceful alternation" (*turno pacífico*) of the Conservative and Liberal parties in government.<sup>7</sup> The dynastic parties were the only ones that accepted the monarchial system and no anti-dynastic party was to be allowed to govern. The only

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<sup>7</sup> Cánovas was able to establish his system by exerting a high level of repression from 1874 onwards. Associations of all kinds were declared illegal and the press was severely censored. This led to the disappearance of many newspapers, workers and political associations. The distinction between legal and illegal parties meant either exile or clandestinity for radical Republicans. The repression of the labor movement was even greater than that suffered by Republicans. It was not until 1881, when the first "alternation" took place, that the system began to be liberalized and constitutional rights granted (freedom of expression and association) (Artola 1985: 12-14).

way to achieve such “peaceful alternation,” however, was through the manipulation of elections, ultimately done through the device of *caciquismo*.<sup>8</sup>

The Liberal and Conservative parties had been created “from above.” They were composed of notables, and they lacked any kind of party discipline. The peaceful alternation in power worked well while Cánovas and Sagasta were in charge of their respective parties. The death of both leaders around the turn of the century marked the onset of great difficulties for the functioning of the Restoration political system. The existence of numerous factions within both parties posed problems when the time came to replace the old leaders. The new King, Alfonso XIII, who came of age in 1902, decided to make full use of the political functions assigned to the Crown by the constitution, contrary to the custom of previous monarchs. The new interventionism of the King meant additional difficulties for the functioning of the system.<sup>9</sup> Attempts to revitalize the system from within the dynastic parties (especially among the Conservatives) ended in complete failure (Carr 1982: 375-378). *Caciquismo* was progressively weakened in the urban areas where the *caciques* could not control the elections as effectively as in the countryside. Some of the parties in opposition were able to gain seats in the parliament thanks to this weakening of *caciquismo*, but in general the opposition to the regime was unable to mount an effective challenge to it. However the political system disintegrated progressively as the gap between represented and representatives gradually widened irrevocably (Artola 1985: 15-16).

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<sup>8</sup> For a detailed description of the functioning of *caciquismo* (falsification of the suffrage and the system of influence), see Várela Ortega (1977: 401-432).

<sup>9</sup> The “oriental crises,” named after the Royal Palace in Madrid, were usually caused by the use that the monarch made of his prerogative of the dissolution of parliament or of transferring office to a certain minister (Carr 1982: 475-476).

Opposition to the system, mainly from Republicans and Socialists, was very weak. The Republicans managed to regroup under the *Unión Republicana* after the 1898 colonial crisis and 35 Republican representatives were elected to parliament in 1903 (Suárez Cortina 1986: 5-9). However the death of the Republican leader Salmerón led to a split in the party between the Radical faction (Lerroux) and the Reformists (Álvarez). The Radicals, in particular, tried to compete against the regionalist and working-class parties for the votes of labor but with little success.

The labor movement was at this time divided between two very different tendencies, Anarchist and Socialist. In general, the former espoused a revolutionary strategy whereas the Socialist Party and the socialist union (Unión General de Trabajadores, UGT) founded respectively in 1879 and 1888, had always preferred a reformist strategy.<sup>10</sup> Anarchism was dominant in the last decades of the nineteenth century and social conflict took place mainly among the Andalusian peasantry. Day laborers and small peasants suffered from extreme poverty, even in comparison with industrial workers. This accounts for the spontaneous and violent character of Anarchism in Andalusia as opposed to the more organized and pacific Catalanian libertarian movement. After the 1890s, as a result of the successful repression of peasant revolts and Anarchist terrorism, the Socialist movement took the lead. In 1910 a Socialist won a seat in parliament for the first time, thanks to an electoral coalition between the Socialist Party and the Radical Republicans. From the time the anarchosyndicalist CNT

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<sup>10</sup> Divisions within the labor movement were not only programmatic but also geographic. The anarchists maintained a stronghold in the South and East of the country and in Barcelona, whereas Socialism was predominant in Castile, Asturias, and the Basque Country. The main poles of social unrest were situated in the agrarian South and the industrial North, but also in Madrid. As the administrative and political center of the country, Madrid attracted many immigrants who remained jobless due to the low level of industrialization of the region. Socialism was stronger than other radical tendencies here and the workers showed higher levels of consciousness and organizational power than in the rest of the country (Palacio Morena 1988: 10-11).

(*Confederación Nacional del Trabajo*) was established in 1910, socialists tended to use a more revolutionary language to address the workers and agreed to participate in the organization of strikes more enthusiastically in order to avoid losing members to the radical CNT (Tuñón de Lara 1986: passim).

The activity of the labor movement, including strikes and local or regional insurrections, that they managed to organize during the Restoration period should not be misread. Spanish labor in this period was weak in comparison to other European countries: it lacked numbers, organizational and economic resources, success at the elections, and any capacity for coordination of activities at a national level (Linz 1981: 368).<sup>11</sup>

Apart from the political parties and the unions, other interest groups were also weak and fragmented. This fragmentation can be accounted for by ideological cleavages such as the clerical-anticlerical one, deep regional and local differences in economic terms, and regional nationalisms, among other factors. The political class was able to remain independent of civil society during the Restoration period thanks to electoral corruption, clientelistic networks and the use of repressive measures. In general, interest groups attached themselves more to individual politicians than to the dynastic parties; a few were linked to regionalist parties but such exceptions are rare. Thus the kind of linkage between pressure groups and parties that could be found in other European

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<sup>11</sup> Data on affiliation show the weakness of the Spanish labor movement. The Anarchist FTRE (*Federación de Trabajadores de la Región Española*) had around 60,000 members in 1882. After the repression of the terrorist activities of the secret society *Mano Negra* (Black Hand) in 1883 and the internal division of the movement these figures started to decrease (Tortella *et al.* 1981: 352-353). After the creation of the CNT, membership increased again: in 1916 Anarchist affiliates amounted to 30,000, but three years later they amounted to almost 700,000 (Tuñón de Lara 1986, t. II: 147). As regards Socialists, membership of the UGT grew steadily from its creation in 1888: 15,000 towards the end of the nineteenth century, 43,000 in 1904, and 120,000 in 1914 (Tuñón de Lara 1986, t. I: 257, 314; t. II: 28).

constitutional monarchies during the same period was absent in Spain (Linz, 1981: 371-378).

To sum up, neither the existence of universal suffrage within the framework of a political system based on falsified elections nor the level of mobilization of the working-class can account for the existence of relevant pressure for the introduction of social insurance systems. Both Anarchists and Socialists were pursuing social reforms in their programs as early as 1900, but the labor movement in general was too weak to fight for these reforms. At least until 1914, the Restoration oligarchy had no reason to fear the working-class or to seek its loyalty, and by this date the first social insurance schemes and welfare institutions had already been established.

The economic prosperity generated during the Great War, the acceleration of the industrialization process and the migration to urban areas it entailed, together with the mobilization of the working-class (the first general nationwide strike took place in 1917), not to mention the Russian Revolution, could account for the developments in welfare provisions that followed the war. In this case, it is plausible to argue that the introduction of compulsory old age insurance in 1919 and the attempts to establish other compulsory schemes were related to socioeconomic developments and to the mobilization of the working-class. However earlier developments cannot be justified in the same terms.

### 3. The role of ideology in the emergence of the Spanish welfare state

The purpose of this third and final section is to consider some subjective dimensions of the “social question,” that is, to review the perceptions that the political class and policy-makers had of workers and the solutions which they thought might ameliorate their situation. According to Linz (1981: 373), the Restoration was “a period of parliamentary politics in which the leading personalities, consisting mostly of lawyers

with oratorical abilities and inside knowledge of the machinery of the State and administration, governed with considerable independence from real constituencies and interests, thanks to their control over the electoral machine.” Given the independence of these politicians, it seems reasonable to argue that we must take into account their views about the “social question” if we are to understand why they worked for the implementation of certain social policies or at least did not oppose their inception.

The justification of state interventionism in social matters by the political class and intellectuals from the 1880s onwards was related to the upsurge of reformist ideologies that took place at this time. There are three key ideological tendencies that have to be considered in order to understand the meaning of reformism during the Restoration period: Liberal Krausism, Social Catholicism, and the broader and all pervasive concept of regenerationism. Liberal Krausism and conservative Social Catholicism developed parallel to one another; and, despite the anticlerical character of the first and the religious nature of the second, they converged on fundamental points such as the sociological treatment of the “social question,” the belief in organicism and social harmony, and the rejection of an omnipotent state (Palacio Morena, 1988: 17).

In 1876 the Institute of Free Education (*Institución Libre de Enseñanza*, ILE) was founded in Madrid by professors who had lost their chairs the previous year as a consequence of the decree by the Canovist Minister Orovio against freedom of education. The ILE, which was initially designed to be a free university dedicated to non-dogmatic education, came to be one of the most active and prestigious cultural centers in Europe. After the failure of its university program, the ILE devoted itself to primary and secondary education. Obviously, the aim of the founder of the ILE, Giner de los Ríos, of regenerating Spain through intellectual freedom, moral self improvement and legal reform was overly naive and ambitious. The influence of the Institute on the



educational system as a whole was less than the members of the ILE had hoped, but the diffusion of their ideas among politicians and intellectuals, through their bulletin and later foundations such as the Residence at Madrid University (colloquially known as the *Resi*) should not to be underestimated. The ILE also played a decisive role in the creation of the Junta for Further Studies (*Junta de Ampliación de Estudios*), founded to send Spanish students abroad (Carr, 1982: 469-472).<sup>12</sup>

At the end of the nineteenth century and in close conjunction with the ILE, a group of sociologists also started a movement for state socialism (*Kathedersozialismus* in German) at the University of Oviedo. From 1895 onwards the professors of the Group of Oviedo -- González Posada, Buylla, Alas alias “Clarín,” and Altamira - created a University Extension Institute and a Popular University based on the models of the German *Verein für Sozialpolitik* and the British Fabian Society (Alvarez, 1978: 198-232).

The ideological origins of the ILE were confusing and even contradictory: on the one hand the ideology of the institutionists was based on Krausist philosophy and organicism; on the other hand they believed in political Liberalism, free trade and self reliance. The ILE always avoided involvement in partisan politics and most of its members defended freedom of conscience in religious matters. (Cacho Vú 1962,t.I: 96-120). Liberal Krausists believed in the search for a ‘harmonic rationalism’ in philosophy and science, and in a flexible social organicism in order to overcome extreme individualism or collectivism. Krausists rejected both political despotism and violent revolution; society should be transformed, in their view, by active social and economic

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<sup>12</sup> The bulletin of the ILE was published every two weeks for 60 years. For the last 20 years it specialized in pedagogy but until that last phase it included articles on most scientific disciplines (Rodríguez de Lecea, 1988: 129-136). Buñuel, Dalí, García Lorca, Guillén, Juan Ramón, Ochoa, and Prados were among the pupils of the *Resi*. Through the Junta for Further Studies over two thousand Spanish students were able to travel abroad.

reformism and by the ethical transformation of the individual human being (Díaz, 1982: 102-103). Given the fact that Krause was a minor German philosopher whose main work had been written in 1811, the adoption of Krausism by the ILE and its predecessors is very surprising. Carr (1982: 301-303) explains it in terms of an “intellectual accident”: “German Krausism became for an isolated intellectual world a means of reunion with the stream of European thought” and also a way to react against Catholic traditionalism and French ideas (then considered too materialistic). Sanz del Río, one of the most influential professors of the 1860s and tutor of Giner, was a disciple of Krause.

Not all the members of the ILE were Krausists. Jutglar (1969: 150-151) records a list of the founders and first collaborators of the Institute in which intellectuals, writers, politicians and scientists of diverse ideological affiliations are included. Even some of the most important Socialist intellectuals, such as Julián Besteiro and Fernando de los Ríos, appear on the list. However many Krausist institutionists (Moret, Azcárate, González Posada, for example) were also Liberal politicians, and despite the apolitical character of the Institute, a close link with the Liberal Party can be discerned. Thanks to this link, Krausist ideas of social harmony and development of the individual as an integral part of society could be translated into social policy. As noted above, the influence of Liberal Krausists (Azcárate, Moret) in the establishment of the Commission and the Institute for Social Reform was decisive.

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<sup>13</sup> For a discussion of the relations between the ILE and the Socialist Party, see Elias Díaz (1982).

<sup>14</sup> González (1987:87,95) argues that neither revolutionary pressure nor the strength of public opinion can account for the creation of the Commission for Social Reform by the liberal politician Moret, but that it was rather his membership of the Institute of Free Education and his being a convinced Liberal Krausist that can explain his commitment to public social policy.

Another institution that played an important role in the development of new ideologies fostering social reform was the Catholic Church. Unlike Lutheran monarchies where the property of the Church and the religious orders was confiscated and the clergy incorporated into the bureaucracy of the State, in Catholic monarchies, as was the case of Spain, the Church maintained separate welfare organizations well into the twentieth century thus rendering the development of a national welfare state more difficult. The activity of the Church during the nineteenth century in Spain as regards charitable organizations was intense, and it intensified further in the last decades of the century with the development of growing numbers of religious orders and establishments. Compulsory primary education had been introduced in 1857 but as the state education lacked resources, two thirds of secondary education was provided by the Church (Carr, 1982: 472). Catholic establishments also played an important role in social assistance, mainly for the poor, elderly, children, and the mentally handicapped (Palomares Ibáñez, 1979: 131-149).

The official status of the Church was formally recognized in the Constitution of 1876. After the sale of mortmain in the 1851 Concordate, the Church needed the state for financial support. The right to present nominees for bishoprics, a historical prerogative of the Spanish crown (*regalismo*), made the careers of the clergymen dependent on the State (Linz, 1981: 370). Hence, the politicians of the Restoration were careful to maintain distant but cordial relations with the Church in order to avoid conflicts with either the ultra-catholic sectors (Carlists, Integristas) or with the Liberal and Republican anticlericalists (Cuenca Toribio, 1985: 12-18). These were the conditions

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<sup>15</sup> According to Jutglar (1969: 52) this increase in the number of religious establishments was due firstly to the spiritual recuperation of certain aristocratic and bourgeois circles and secondly to the anticlericalism of the Third Republic in France that forced many nuns and monks to emigrate. At the beginning of the twentieth century there were 2,656 convents and 597 monasteries in Spain.

under which the public sector had to renegotiate its relations with a monopolistic private sector in welfare matters. The upsurge of Social Catholicism and Leo XIII's encyclical *Rerum Novarum* (1891) reoriented the Church towards social policy and sensitized Catholic consciousness to workers' problems. These developments facilitated the introduction of public welfare schemes.

The new consciousness of the "social question" defined by Social Catholicism entailed acceptance of the fact that charity would not be enough to solve the problems of the workers. As expressed in the *Rerum Novarum*, the achievement of harmony among the social classes was said to be of primary importance and for this purpose both the Church and the state were to intervene in order to augment the protection of workers (Montero García, 1983: 25-44). The encyclical had a great impact among Conservative leaders already converted to Social Catholicism: it enabled that party to justify state interventionism. Such leaders as Cánovas refer to the "social question" in their discourses in the same terms as the ones used by the Pope in the *Rerum Novarum*: Christian charity and individual initiatives were not enough to solve the problems of the day (Seco Serrano, 1979: 24). Maura, who was Head of the Cabinet when the IRS and the INP were established, shared to some extent the ideas of Social Catholicism, and his followers -- Maurists such as Ossorio -- later identified Maurism with this ideological tendency (Tusell and Avilés, 1986: 351-352).

Finally, the reformist character of both Liberal Krausism and Social Catholicism was to be reinforced by the upsurge of regenerationism after the end of the Spanish-American war in 1898. The defeat of Spain and the loss of her last colonies brought about a psychological rather than an economic disaster. Criticism of the social and political system of Restoration Spain was not new but it now took on the form of regenerationism; the political and economic life of the country had to be revitalized.

Politicians of all ideological tendencies, writers, clergymen, and academics became regenerationists of one kind or another. Therefore, it is somewhat difficult to define what the new activity consisted of (Carr, 1982: 473). Political Conservative regenerationism -- that of Silvela and Maura-- deplored *caciquismo* and wished for a 'revolution from above' that would narrow the gap between represented and representatives. In their view, this goal could be achieved through the reform of local government. Among the intellectuals the greatest regenerationist was Costa, who thought Spain needed an 'iron surgeon' that would make the country ready for real parliamentary democracy and would allow the 'neutral masses' to govern in the place of the oligarchs (Carr 1982: 477, 525-526). Regenerationism had a long-lasting influence and, despite its lack of ideological coherence and also of success in the introduction of practical measures, it had the virtue of enabling otherwise conservative politicians to justify the introduction of progressive or modernizing measures.

In sum, the development of ideologies that favored social reform among the politicians and policy-makers of the Restoration period can account for the introduction of public welfare state provisions better than the limited socioeconomic development of the day or the sporadic pressure exerted by a weak working-class. The kind of welfare provisions that were introduced (voluntary schemes subsidized by the state) can also be related to these new ideologies taken up by the political class, for both of them rejected excessive state interventionism. It should be noted that the social insurance programs were never compulsory; only old age insurance was made obligatory in 1919, long after the main institutions and programs had been created. The fact that the programs were established as voluntary schemes is consistent with the view of both Liberal Krausism and Social Catholicism on the role that should be played by the state, that is, to encourage individuals to join the programs rather than to compel them to do so.

### Conclusions

From the 1880s onwards welfare provisions were introduced in Spain according to a chronology that did not differ much from that of other more developed European countries. The kinds of welfare schemes established in Spain were also similar to their European counterparts. Despite the backwardness of the Spanish welfare state after the First World War, its early development paralleled that elsewhere on the continent.

The introduction of welfare programs in Spain during the Restoration period was closely linked to the development of new ideas. Neither an industrialization process leading to the upsurge of social conflict nor pressure exerted by the working class can account for the introduction of social insurance schemes during that period. The introduction of those programs was the result of the development of new ideologies among the intellectual and political elites. Some of these ideologies originated with the creation of new institutions such as the Institute of Free Education or the Oviedo Group that developed Liberal Krausism. Already existing institutions such as the Catholic Church also developed new ideologies, in this case Social Catholicism. These institutions were able to spread their points of view among the political and bureaucratic elites thanks to the fact that, on the one hand, many Liberal politicians and policy-makers were either members themselves of the Institute of Free Education or maintained close relations with it, and on the other hand, the majority of Conservative politicians were convinced Catholics and were eager to follow the advice of the Church. Moreover, the new ideologies were very influential because of the existence of a small and cohesive political class that was readily influenced by its ancillary institutions. Besides, the introduction of public welfare policies was fostered by the fact that the ideologies adopted by the main political parties -- Conservatives and Liberals -- agreed in

fundamental points: both were committed to social harmony, organicism and state interventionism.

It can be argued that the ideology and perceptions of the political and intellectual elites are of relevant importance as explanatory factors in the case under study because Spanish elites were able to govern during the Restoration period independent from real constituencies and interests. The influence of the ideas and perceptions of the policy-makers on the policy process can obviously be expected to be greater under authoritarian or quasi-authoritarian political regimes, but it may also have an importance under liberal democracy. In fact, even though socio-economic development is the initial impulse for the introduction of public welfare schemes by creating an upsurge of new needs and demands, the response of the state in terms of social policy is not automatic. The kind of welfare schemes and the timing of their inception can depend also in a democratic regime on the ideology of the elites -- their 'world view' -- and on the perceptions they have of the immediate situation.

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