



**INDUSTRIAL MODERNIZATION AND
WORKING-CLASS PROTEST
IN SOCIALIST SPAIN**

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ABSTRACT

In this paper, I examine the Spanish labor movement's response to the Socialist Government's 1983 industrial modernization program for the steel and shipbuilding sectors. Spanish workers in these two sectors were able to exact from the government the most generous recompensation package of all European workers affected by industrial modernization. I argue that it was not the unions but the factory councils that led a successful revolt against the government's plans. My analysis is a synthesis of two strands of social movement research: the political process model and resource mobilization theory. I find that changes in the "political opportunity structure" wrought by the Socialist Party's ascent to power rendered the trade unions ineffective, while resources available to workers inside the plant empowered the factory councils.

RESUMEN

En este trabajo analizo la respuesta del movimiento laboral español al programa de modernización industrial propuesto por el gobierno socialista en 1983 para los sectores siderúrgico y de construcción naval. Los trabajadores españoles de estos dos sectores fueron capaces de obtener del gobierno el paquete más amplio de medidas compensatorias que hayan obtenido trabajadores europeos afectados por la modernización industrial. Argumento que no fueron los sindicatos sino los comites de empresa los que dirigieron la revuelta exitosa contra los planes del gobierno. Mi análisis constituye una síntesis de dos corrientes de investigación de los movimientos sociales: el modelo del proceso político y la teoría de la movilización de recursos. Encuentro que los cambios en la "estructura de oportunidad política" forjados por el ascenso al poder del partido socialista volvieron inefectivos a los sindicatos, mientras que los recursos de que disponían los trabajadores en las plantas fortalecieron el poder de los comites de empresa.

The economic program implemented by the Socialist Government in Spain over the period 1983-1988 shows how stabilization policies can be combined with gradual structural reforms to help a country adjust to domestic and external imbalances. Economic growth, which had fallen below 1% a year in the early 1980s, rose at rates in excess of those prevailing among Spain's industrial partners. During 1987 and 1988 the economy had grown by more than 5% compared with around 3.25 % for the EEC as a whole. The rate of inflation, over 14% in 1982, had fallen below 5% by mid-1987. Private investment rose by more than 15% in both 1987 and 1988; foreign investment boomed. The current account of the balance of payments, which had been in deficit throughout the early 1980s, registered sizable surpluses over 1984-86, equivalent to nearly 2% of GDP annually.

However, as the economy improved, the relationship between the Socialist Party (PSOE) and the Spanish working class deteriorated. Structural reforms in the economy, notably the industrial modernization program, precipitated widespread protests. There were more strikes, more hours lost to strikes, and more participants in strikes between 1983 and 1988 than in any other five year period since the Civil War. In 1988, protests against structural reforms culminated in the widest general strike in Spain since 1934. On December 14, nearly 8 million workers stayed off their jobs in a country whose unionized work force numbers 2 million. *Desencanto* turned into *desmadre*, apathy to anger. The demobilized class of the transition to democracy years remobilized in the years of democratic consolidation.

This period of industrial strife is fraught with paradoxes—economic, political and organizational. The economic paradox: protest directed at the government and at management has not frightened away investors, foreign or domestic. The political paradox: working-class protest had preceded Spain's transition to democracy and declined under the center-right Unión de Centro Democrático (UCD) governments which held office from 1977 until 1982. Yet the magnitude of working-class protest was greater under the Socialist government than it had been under the franquist or UCD regimes. Moreover, through its union confederations, the working class negotiated with the democratic right; with the PSOE, the working class took its demands to the streets. Still, despite the recency of Spain's redemocratization, protest has not destabilized democracy nor has it destabilized Socialist control over the government. The organizational paradox: by all conventional measures, the Spanish working class was the weakest organizationally in Western Europe. Union affiliation was low. The union movement was ideologically and regionally divided, and it split over the issue of structural reforms in Spanish industry. The Socialist Unión General de Trabajadores (UGT) accepted the government's proposals, while the Communist Comisiones Obreras (CC.OO) rejected them. Nonetheless, the working class was able to organize a sustained period of protest against the PSOE's structural

reforms. In some instances, the working class was able to exact a high price from the government for these reforms; in other instances, it was able to preclude them.

To investigate these paradoxes, this paper focuses on the labor movement's response to the Socialist government's 1983 industrial modernization program for the steel and shipbuilding sectors, particularly on the response of the trade unions and the factory councils.¹ Workers in these two sectors were able to exact from the government the most generous recompensation package of all European workers affected by industrial modernization. I will argue that it was not the unions but the factory councils that led a successful revolt against the PSOE's proposals, forcing the government to reform the measures the council leaders found most objectionable.

The change in the political environment wrought by the PSOE's ascension to power, or changes in the working class's "political opportunity structure," rendered the trade unions ineffective in contending with the issue of industrial modernization and encouraged the factory councils to take their demands to the streets and directly to the government. Four aspects of the political opportunity structure will be examined: the stability of political alignments; the openness of political institutions; the availability of allies; and the policy-making capacity of the government. However, changes in the political opportunity structure did not account for the success of the protest. The councils' success was determined by their internal characteristics and resources. These characteristics and resources include organization, leadership, and internal solidarity. Changes in the political opportunity structure acted as a set of intervening variables that pushed opposition to the streets and precipitated the mobilization of resources inside the factories, resources that empowered the factory councils. The internal characteristics and resources of the factory councils, then, acted as the independent variables.

The paper's first section discusses the politics of industrial decline, particularly the implications of industrial decline and reform for democratic and social democratic development and trade union participation in industrial policies. Factors that condition union participation in industrial policy in most OECD countries provide little predictive capacity for the Spanish case. Section two turns to an analysis of the Spanish worker protest against the PSOE's industrial

¹ During 1984-1985, I interviewed trade union leaders in the national confederations and the sectoral federations (metal) of the Socialist and Communist trade unions. I also interviewed the leaders of the sectoral federations of the three regional unions: the Basque ELA-STV; the Basque LAB; and the Galician INTG. The primary emphasis of my research, however, was at the factory council level. I interviewed 192 factory council leaders in the three integrated steel mills, five large public shipyards, and the thirty-five small and medium shipyards affected by the reconversion program, or approximately one-half of each factory council. The leaders were randomly selected, but I respected the proportion of each union's representation on the council in my sample. These interviews followed a semistructured format, covering three general themes: workers' participation in Franco era clandestine labor organizations; the reorganization of the unions after their legalization; and the industrial modernization program. Each interview was transcribed and 120 variables were coded from the interviews. The data in this paper come from these interviews.

modernization program. Social movements research that links collective action to the political process, notably research on the political process model or the political opportunity structure and on internal resource mobilization, provides the framework for this analysis. Section three reflects on the role of protest and the politics of citizenship rights in Spain.

THE POLITICS OF INDUSTRIAL DECLINE

Industrial Policy, Democracy and Social Democracy

The last ten to fifteen years provide ample grounds for the study of the politics of industrial decline in the OECD countries. The oil crisis, new patterns of competition, and growing retrenchment and restructuring, especially in the older sectors of the economy, have challenged expectations of unlimited growth and changed the context in which the postwar bargains between labor and capital operated.² Unions can no longer be certain that capital will provide investment that will generate or sustain employment. Firms in a number of sectors have either shifted to more capital intensive investments, moved to cheaper locations, or sought protection, subsidies or other forms of government assistance.

Traditionally, industrial policies are defined as selective or discriminatory aides to industry, such as tariffs or import quotas, subsidies, loans, loan guarantees, tax breaks, procurement policies, and support for research and development. However, this panoply represents only a narrow part of the policies a state may have to implement and the costs it may have to incur in order to pursue industrial modernization. States may also incur labor costs which may include indemnifications, early retirement, retraining and relocation. Moreover, states may have to initiate regional development programs, since declining industries tend to be concentrated geographically.

The study of industrial policy in a newly democratic regime can give an indication of the strength of the new democracy. Adam Przeworski argues that governments in countries that have recently redemocratized are likely to pursue Keynesian economic projects. Keynesianism provides a "perfect combination for guiding a tolerable compromise" among groups, for keeping the aggregate interests of capitalists and workers in rough balance.³ While Przeworski and other

² On the nature of postwar social bargains in Western Europe, see Peter Lange, et al., *Unions, Change and Crisis: French and Italian Union Strategy and the Political Economy, 1945-1980* (Boston: George Allen and Unwin, 1982) and Peter Gourevitch et al., *Unions and Economic Crisis: Britain, West Germany and Sweden* (Boston: George Allen and Unwin, 1984).

³ Adam Przeworski, "Problems in the Study of Transition to Democracy," in *Transitions from Authoritarian Rule: Comparative Perspectives*, eds. Guillermo O'Donnell, Phillippe Schmitter, and Laurence Whitehead (Baltimore: John Hopkins Press, 1986), pp. 62-63.

students of newly democratized countries generally focus on a new government's need to preserve the interests of capitalists, we can similarly argue that governments must preserve the interests of labor, especially an interest as fundamental as employment. Capitalists have the option of quietly "exiting" the country;⁴ labor usually does not have the same option. Hence a new democratic government will undertake industrial policy, especially if it is designed to restructure declining sectors, only when it believes that it can withstand, and the new democracy can withstand, the opposition from labor than inevitably ensues from job loss. Thus, industrial policy can be a measure of the degree of consolidation of "statecraft" in a new democracy.⁵ It places in sharp relief the problem of democratic consolidation during a period of economic decline.

Furthermore, industrial policy is an important tool for social democratic development, substantively and procedurally. It can finance the formation of the "social citizenship" state and promote solidarity among the working class.⁶ Our study of industrial policy can also direct us toward the inter-class alliances that are necessary to keep a social democratic party in power.

Surprisingly, the literature on industrial policy has little to say about the interclass alliances that may underlie it. Part of the literature is prescriptive and argues for or against industrial policy as a cure for the ills of different national economies. Another portion is descriptive: it outlines the industrial policies in place in different settings and considers their international ramifications, but tells us little about the politics of industrial policy. Instead, the tendency is to assume that industrial policies result from coalitions of ailing firms, local representatives, and trade unions, enlisted to bolster demands for subsidies or protection; however, the ways in which such coalitions come together are rarely examined.⁷

The case of Spain also places in sharp relief the contradictions that can arise in social-democratic interclass alliances during a time of economic change. Social democracy

⁴ Albert Hirschman, *Exit, Voice and Loyalty* (Cambridge: Harvard University Press, 1970).

⁵ On the consolidation of statecraft, see James Malloy, "Statecraft and Social Security Policy in Crisis" in *The Crisis of Social Security and Health Care*, ed. Carmelo Mesa-Lago (Pittsburgh: University of Pittsburgh Press, 1985), pp. 19-51.

⁶ On the social citizenship state, see T.H. Marshall, *Class, Citizenship and Social Development* (Chicago: University of Chicago Press, 1964) and Gosta Esping-Andersen, *Politics against Markets* (Princeton: Princeton University Press, 1985).

⁷ On the prescriptive tendencies in the industrial policy literature, see, for example, Ira Magaziner and Robert Reich, *Minding America's Business: The Decline and Rise of the American Economy* (New York: Harcourt Brace Janovich, 1982). On the descriptive tendencies, see John Pinder, ed., *National Economic Strategies and the World Economy* (Totowa, NJ: Allanheld, Osmun and Company, 1982). An important exception to the descriptive tendency is Peter Katzenstein's work on small states in Western Europe. See Peter Katzenstein, *Small States in World Markets* (Ithaca: Cornell University Press, 1985) and *Corporatism and Change* (Ithaca: Cornell University Press, 1984).

manufactures its own class base.⁸ The study of industrial modernization in Spain silhouettes the Socialist Party's class base. It tells us how contradictions arose within it: how they were expressed politically and how they were resolved politically.

Trade Unions and Industrial Policy

Union involvement in industrial policy in the advanced industrial democracies falls into two distinct patterns. In one, unions participate in defensive coalitions that lobby for protection or special assistance. In the second, unions participate in the reorganization of declining sectors or firms. In these instances, unions are able to prevent or delay layoffs or secure special compensation for workers. However, unions are able to impose their own plans or gain a voice in investment decisions.

The first pattern characterizes the situation in the United States and Canada. Here industries that perceive themselves to be threatened by foreign competition seek exemption from the liberal international order that the U.S. promoted in the postwar era.⁹ Generally, firms have made few attempts to move production offshore or to upgrade products or processes in order to retain comparative advantage. Rather, they enlist labor in defensive coalitions which try to take advantage of the multiple points of access that these systems provide. There is little evidence that unions initiate this process or define the terms of the discussion. Instead, they simply join employers in an uneasy coalition to preserve jobs.¹⁰

The second pattern is characteristic of Sweden, Austria, West Germany and, to a certain extent, Italy. Cases in this second group are strikingly similar: trade unions, drawn—or perhaps propelled—into discussions about the fate of weaker firms or industries, are able to review and comment on restructuring plans. In some instances, trade unions veto restructuring schemes, but in most cases their influence is confined to cushioning the impact on workers or regions by delaying or preventing layoffs, spreading cutbacks over several regions, and securing

⁸ Esping-Andersen, *Politics against Markets*, ch. 1.

⁹ Robert Keohane, "The World Political Economy and the Crisis of Embedded Liberalism" in John Goldthorpe, ed., *Order and Conflict in Contemporary Capitalism* (New York: Oxford University Press, 1984), pp. 15-38.

¹⁰ For U.S. case studies, see the essays in John Zysman and Laura Tyson, eds., *American Industry in International Competition: Government Policies and Corporate Strategies* (Ithaca: Cornell University Press, 1983). On Canada, see William Diebold, "Past and Future Industrial Policy in Canada" in John Pinder, ed., *National Industrial Strategies and the World Economy* (Totawa, NJ: Allenheld, Osmun and Company, 1982), pp. 158-205.

compensatory measures. In exchange, unions endorse restructuring and sanction some redundancies. In these cases, recourse to protection has been a minor element.¹¹

A number of factors condition trade union attitude toward industrial restructuring. One factor is the way in which trade unions are organized. Olson argues that broad and centralized organizations are more likely to promote policies that favor general economic growth and, hence, will participate in national-level accords on economic policies.¹² Individual craft or industrial unions will be led by rational calculations of group-specific costs and benefits that cause them to seek anticompetitive policies. Of the trade union movements in the OECD, it is indeed the more broadly based and centralized movements that have participated in industrial modernization. Decentralized movements, such as the AFL-CIO and the Italian unions, are conspicuously absent at the national level.

A second factor that conditions trade union attitudes toward participating in industrial restructuring is past experience. Trade union participation in industrial policy is highly correlated with union participation in other macroeconomic policies, notably incomes policy. Unions are, in part, products of the nexus of relationships in which they find themselves. Even if union leaders desire it, changing strategies may be difficult because the costs of abandoning established channels or practices may be too high. Katzenstein argues that it is difficult for unions and other actors to escape the corporative networks in which they are involved.¹³

The third factor is the political climate. Many of the instances of social partnership in industrial modernization take place in countries in which Social Democratic parties, alone or in coalition with others, were in power, or failing this, take place under governments that were anxious to promote employment. The bourgeois coalition in Sweden from 1976 to 1982 was a notable example of this. In Italy, the weakness of the Italian state may have created openings for trade union initiatives that do not normally exist in other countries.

Government policies also play an important role in creating conditions under which unions are likely to participate. In order to understand why some governments actively seek to include unions while others exclude them from the process of industrial modernization, we must also

¹¹ On Sweden, see Kjell Lundmark, "Welfare State and Employment Policy: Sweden" in Kenneth Dyson and Stephen Wilks, eds., *Industrial Crisis: A Comparative Study of State and Industry* (New York: St. Martin's Press, 1984), pp 220-245 and Jonas Pontusson, "Labor and Industrial Policy in Sweden," paper presented at the American Political Science Association, 1984, Washington, D.C. On West Germany, see Josef Esser and Wolfgang Fach, "Social Market and Modernization Policy: West Germany" in Dyson and Wilks, eds., *Industrial Crisis*. On Austria, see Peter Katzenstein, *Corporatism and Change*. On Italy, see Michael Contarino, "The Politics of Industrial Change: Textile Unions and Industrial Restructuring in Five Italian Localities," Ph.D. dissertation, Harvard University, 1984.

¹² Mancur Olson, *The Logic of Collective Action* (Cambridge: Harvard University Press, 1977) and *The Rise and Decline of Nations* (New Haven: Yale University Press, 1982).

¹³ Peter Katzenstein, *Small States in World Markets and Corporatism and Change*.

consider the content of industrial policies and the circumstances under which they are implemented. Although much of the industrial policy debate focuses on the desirability of positive or offensive industrial strategies, in practice most industrial policy involves the rescue and reorganization of declining firms or sectors. This may be accomplished simply by erecting tariff barriers or granting subsidies and loans, or by reorganizing production in order to reduce costs and increase profits. Involving unions can serve a variety of purposes: unions may be asked to consent to layoffs or plant closures; guarantee industrial peace; restrain wages; bend seniority rules; accept the introduction of new technologies and changes in the organization of work; and explain the necessity of change to their members. Governments may also use union support and union willingness to make concessions as a device for persuading firms to remain in the country and encourage foreign investment.

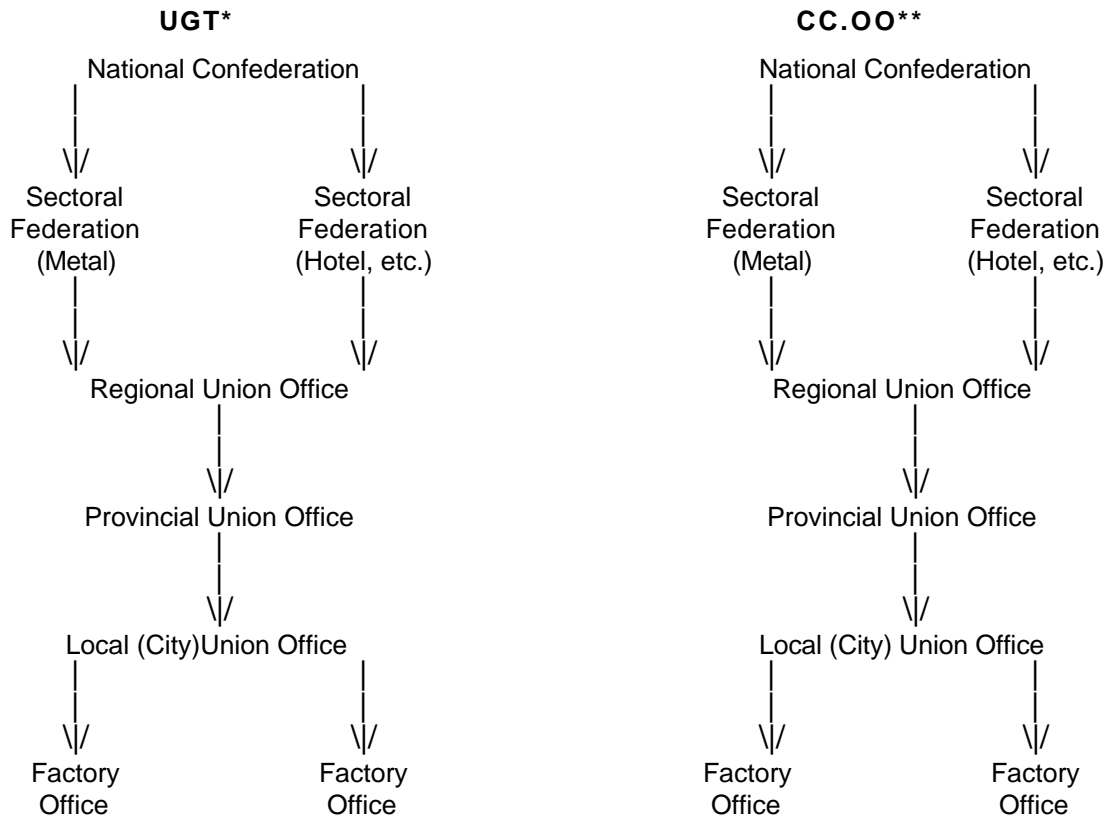
Conventional Explanations and the Spanish Case

The literature on trade union involvement in industrial policy-making provides us with little predictive capacity for the Spanish case. Union affiliation in Spain is low and fairly evenly divided between the Socialist and Communist trade unions. Neither union is highly centralized; both have sectoral as well as provincial and regional union offices. Moreover, the Spanish labor movement embraces both vertical and horizontal structures. (See Diagram 1.) In addition to the vertical unions, factory councils are legally recognized representative bodies, elected by union and nonunion members alike. The vast majority of council leaders are union affiliates, who are in principle bound to the directives of the trade union federations but are in practice not legally required to follow them.

Moreover, there is no strong history of bargaining between the social partners in Spain. While national-level bargaining did occur under the UCD governments, it was not institutionalized. The Communist CC.OO did not participate in several of the national-level accords signed between 1977 and 1982, and CEPYME (Confederación Española de Pequeños y Medianos Empresas, the small and medium business association) did not participate in any of them. Collective bargaining, depending on the industrial sector, may take place at the factory, city, provincial, regional, or sectoral level.

Lastly, while a left-wing government was in power, the color of the government was not enough to induce full labor participation. The Communist trade union refused to participate in the restructuring process, objecting to a modernization program that entailed redundancies. The Socialist UGT accepted the need for redundancies and advocated the PSOE's program. The factory councils pursued a position independent of both trade union federations.

DIAGRAM 1
Structure of Spanish Trade Unions



Factory Council

The factory council is elected by union and nonunion members alike. It may be comprised of representatives of the two major unions, regional unions such as the Basque ELA-STV and the Galician INTG, the anarchist CNT, and independents.

* UGT = Unión General de Trabajadores (Socialist trade union)

** CC.OO = Comisiones Obreras (Communist trade union)

The vast majority of studies that concern trade union participation in industrial policy focuses on trade unions at the sectoral/federal or confederal level. Few studies analyze the response of labor inside the factory in a systematic way. Analyses of rank-and-file response to industrial restructuring is largely descriptive, providing a chronology of strike actions. In other words, these studies capture the *organizational* capacity of labor in responding to industrial

modernization programs, especially those involving plant closures. They do not adequately capture labor's *mobilizational* capacity. In order to better understand the relationship between collective action and policy reform in Spain, we now turn to research on social movements in both political science and sociology.

INDUSTRIAL MODERNIZATION IN SPAIN

Social Movements and the Policy Process

During the 1970s, two paradigms emerged from the mass of case studies on the conflictual politics of the 1960s: the new social movement approach, found largely in Western Europe and the resource mobilization approach, common in the United States.¹⁴ Students of the new social movements emphasized the structural and cultural origins of social movements, whereas students of resource mobilization focused on individual attitudes and the organizational resources of groups that participated in mass protest. Both schools of research tended to underestimate the role of politics, reducing it to "a residual category or a transmission belt."¹⁵

However, a number of organizational case studies in political science and sociology conducted in the 1970s linked collective action to politics. Lipsky's study of rent strikes, Lowi's work on urban politics, and Eisenger's analyses of protest investigate the connection between social movements and national politics.¹⁶ In sociology, Mitchell stressed the importance of ideology in guiding affiliations with environmental groups, and Jenkins and Perrow stressed the importance of the political climate of the 1960s in producing the success of the United Farm Workers.¹⁷ From these case studies, we could discern that conventional politics might provide opportunities for collective actors, even those who apparently rejected these politics. Political

¹⁴ For an introduction and review of both schools of research, see Bert Klandermas and Sidney Tarrow, "Mobilization into Social Movements: Synthesizing the European and American Approaches" in Klandermas, Kriesi, and Tarrow, eds., *From Structure to Action: Comparing Movement Participation Across Cultures* (Greenwich CT: JAI Press, 1989) and Sidney Tarrow, "National Politics and Collective Action: Recent Theory and Research in Western Europe and the United States," *Annual Review of Sociology*, vol. 14 (1988), pp 421-440.

¹⁵ Tarrow, "National Politics and Collective Action," p. 423.

¹⁶ M. Lipsky, *Protest in City Politics* (Chicago: Rand McNally, 1970); T.J. Lowi, *The Politics of Disorder* (New York: Norton, 1971); P. Eisenger, "The Conditions of Protest Behavior in American Cities," *American Political Science Review*, vol. 67 (1973), pp. 11-28.

¹⁷ R. Mitchell, "National Environmental Lobbies and the Apparent Illogic of Collective Action" in C. Russell, ed., *Collective Decision-Making: Applications from Public Choice Theory* (Baltimore: Johns Hopkins Press, 1979), pp. 87-121; J. Jenkins and C. Perrow, "Insurgency of the Powerless Farm Workers Movements (1946-1972)," *American Sociology Review* vol. 42 (1977), pp. 249-268.

scientists stressed electoral constraints and opportunities; sociologists emphasized groups' internal resources. Still, both, at least implicitly, considered movements as strategic actors.

If social movements can be considered strategic actors and if collective action can be considered a form of politics then, as in conventional politics, there must be a set of constraints and opportunities that encourage or discourage mobilization. Under what political conditions do states become vulnerable to collective action? The notion of "political opportunity structure" introduced by Lipsky in the late 1960s provides us with a preliminary answer; this notion was made more explicit in the 1970s by Eisenger and Piven and Cloward.¹⁸ It was formalized later by Tilly, McAdam, and Tarrow.¹⁹

Though versions differ, the main variables in most models of political opportunity structure are: 1) the stability or instability of political alignments, particularly electoral alignments;²⁰ 2) the openness or closure of political institutions and processes;²¹ 3) the availability and strategic posture of support groups;²² and 4) the policy-making capacity of government.²³ From these models, we could predict that the instability of political alignments, the openness of political institutions and processes, the availability of support groups, and the inability of a government to produce policy would encourage the mobilization of protest.

While the political opportunity structure encourages mobilization, it does not ensure the success of protest actions in exacting policy reforms. The success of protest actions is affected by the characteristics and resources of social movements, the mobilization of "internal resources." Tarrow identifies three internal variables: organization; leadership; and internal solidarity.²⁴

However, the impact of two of these variables, organization and leadership, on protest success is ambiguous. Gamson argues that bureaucratized groups are more likely to achieve new advantages for their members than nonbureaucratized groups.²⁵ Marx and Wood argue that factionalism—the mix of radical and moderate groups within a social movement—is conducive to

¹⁸ P. Eisenger, "The Conditions of Protest Behavior"; F. Fox Piven and R. Cloward, *Poor People's Movements: Why They Succeed, How They Fail* (New York: Vintage, 1977).

¹⁹ C. Tilly, *From Mobilization to Revolution*, (Reading, MA: Addison-Wesley, 1978); D. McAdam, *Political Process and the Development of Black Insurgency* (Chicago: University of Chicago Press, 1982); S. Tarrow, *Struggling to Reform: Social Movements and Policy Change During Cycles of Protest* (Ithaca: Cornell University, Western Societies Occasional Paper, 1983) and *Democracy and Disorder: Social Conflict, Protest and Politics in Italy, 1965-1975* (New York: Oxford University Press, 1988).

²⁰ Piven and Cloward, *Poor People's Movements*.

²¹ P. Eisenger, "The Conditions of Protest Behavior."

²² Jenkins and Perrow, "Insurgency of Powerless Farm Workers" and William Gamson, *The Strategy of Social Protest* (Homewood, IL: Dorsey Press, 1975).

²³ H. Kitschelt, "Political Opportunity Structures and Political Protest: Anti-Nuclear Movements in Four Democracies," *British Journal of Political Science* vol. 16 (1986), pp. 57-85.

²⁴ S. Tarrow, *Struggling to Reform*, p.17.

²⁵ W. Gamson, *Strategy of Social Protest*, pp. 92-101.

policy reform, as the demands of the moderate groups become more acceptable.²⁶ Piven and Cloward appear to regard leadership *per se* as inducing failure or tending to direct a group's efforts toward institutionalization rather than radical and permanent change. Some of their critics, particularly Lipsky and Jenkins, find this judgment too harsh.²⁷ With regard to internal solidarity, we need to understand how the specific structure of the constituent group and its internal divisions and aspirations affect particular protest strategies and goals.

Political opportunity structure and internal resource mobilization provide us with a fluid model with which we can analyze the Spanish labor movement's mobilizational capacity. Spanish labor's experience with democratic trade unions is still relatively recent. Hence, measures of organizational strength underestimate the real power of the Spanish working class.

Industrial Modernization and the Political Opportunity Structure in Spain

The impact of the international recession and the persistence of large domestic macroeconomic imbalances left Spain with a difficult economic situation at the end of 1982. The PSOE's task was not easy: the Socialists were well aware that sustained noninflationary growth could not be achieved through expansionary demand policies.²⁸ Given the nature of problems besetting the economy, the government adopted a medium-term adjustment strategy. It devalued the peseta; tightened its monetary policy; pursued incomes policies based on wage moderation; and restrained public sector expenditures. However, the government argued that these measures were not enough: structural reforms were needed to support and re-enforce stabilization efforts. Thus, the PSOE initiated a number of structural reforms that included a new national energy plan that emphasized the need to increase the share of domestic energy sources in total consumption; liberalization of financial markets; privatization of public enterprises; social security and pension reforms; measures to make the labor market more flexible (part-time employment, fixed-term contracts); and industrial modernization.

These structural reforms sparked conflict between the government and the working class. The first structural reform undertaken was industrial modernization in 1983. Until 1983, industrial restructuring in Spain lagged considerably behind the experience of OECD countries and its own

²⁶ G. Marx and J. Wood, "Strands of Theory and Research in Collective Behavior," *Annual Review of Sociology*, vol. 1 (1975), p. 402.

²⁷ F. Fox Piven and R. Cloward, *Poor People's Movements*; M. Lipsky, "Review of *Poor People's Movements*," *American Political Science Review*, vol. 73 (1979), pp. 1144-1158; J. Jenkins, "What Is to Be Done: Movement or Organization?" *Contemporary Sociology*, vol. 8 (1979), pp. 222-228.

²⁸ By the time the PSOE came to power, the French and Greek Socialist Government experiments with expansionary demand-management policies were clear failures.

domestic requirements. Spanish industry was partly sheltered from the first oil shock by a cut in taxation on oil products, rapid domestic inflation, and the persistence of negative interest rates. Large investment programs in sectors such as steel and shipbuilding continued to be encouraged until the late 1970s, even though demand had fallen worldwide owing to cyclical and long-term structural factors. Moreover, these and other traditional sectors, such as textiles, suffered from increasing competition from other NICs, such as Brazil, Korea, and Taiwan. The growth of labor costs, especially in public enterprises, proceeded at a pace incompatible with the maintenance of competitiveness, profit margins, and employment. The situation came to a head in 1980 when, following the second oil shock, Spanish officials finally allowed the price of oil to adjust to international conditions, while real interest rates turned sharply positive. The crisis found large industrial sectors completely unprepared, with acute problems of overmanning, excess capacity, and indebtedness. However, the governing center-right UCD was too fragile to confront the crisis it induced.

In 1983, the PSOE undertook a modernization program designed to mitigate the losses of de-industrialization and the costs of reindustrialization. The emphasis of the program was placed on reducing capacity in declining industries, closing some firms down and modernizing those that were economically viable. The PSOE targeted eleven sectors and five multinationals for reconversion, and in its White Paper on reindustrialization, the PSOE published its projected reductions in employment for these sectors. (See Table 1.) The government offered to workers made redundant 80% of their former salary for three years. Given the concentration of declining industries in a few areas, the government created Zones of Urgent Reindustrialization (ZURs) in order to promote new growth in these regions. The government would provide fiscal incentives such as investment credits, subsidies, loans, and other assistance to firms opening in the ZURs.

The PSOE invited the pertinent sectoral federations of the major unions and employers' associations to negotiate restructuring plans for each sector. The government claimed that it wanted a union consensus on the necessity of redundancies, the number of redundancies, and compensation for the workers in order to ensure a swift and orderly reconversion process. The UGT, who saw a number of its officials transfer to government appointments after the PSOE assumed power, accepted the government's number of job reductions and agreed to its offer to pay redundant workers 80% of their former salary for three years. The CC.OO refused to participate in the negotiations. It maintained that the reconversion problem should be allowed to resolve itself gradually, through early retirement and voluntary departures.

The factory councils stood somewhere in between the UGT acquiescence to the government and the CC.OO refusal to participate. Factory council leaders were willing to accept job losses in their sector and in the factories, but they were not willing to allow the government to wash its hands of the workers after three years. Factory council leaders demanded that the

government suspend rather than break contracts, that is after three years if redundant workers had not found new employment, the government would have a contractual obligation to find these workers new jobs. This would apply to workers in both public and private firms. Council leaders accepted the government's offer to pay workers 80% of their former salary. They had one more demand: they wanted workers who were employed by subcontractors and in auxiliary industries to be included in the recompensation program.

TABLE 1
Employment Loss Due to Industrial Restructuring

	Initial Workforce	Target Reduction	Actual Reduction end-1987
(Thousands)			
Shipbuilding	37,347	13,105	13,837
Carbon-based steel	42,837	20,076	15,701
Speciality steel	13,744	8,728	7,082
Home appliances	23,869	12,611	11,544
Textiles	108,844	9,925	9,925
Electrical equipment	6,720	1,342	1,451
Electrical components	3,744	1,544	1,430
Standard-ITT	16,133	8,377	2,799
Others	27,173	7,280	6,821
Total	280,411	82,988	70,590

Source: Ministerio de Industria, *Informes sobre la Industria Española, 1987* (Madrid: Ministerio de Industria, 1988).

The PSOE's reconversion program was not the first one drawn up in a democratic Spain. But it did represent a radical departure from earlier proposals drawn up by the UCD. The UCD drew up two restructuring programs, one in 1977 and the other in 1979. Both plans called for curtailed employment, through early retirement and voluntary departures, and for an improved financial situation of the companies through minimizing financial charges and increasing

productivity. These plans were negotiated by all of the social partners: the UCD, the large business association (CEOE), and the UGT and CC.OO. The UCD insisted upon restructuring the crisis-ridden sectors through full concertation: all of the social partners had to agree on all aspects of a plan before it could be implemented. Both unions conditioned their approval on gradual reductions in employment; the firms' management did not object because the UCD was willing to subsidize their losses.

The PSOE said it preferred to negotiate with both unions and the CEOE; however, it would implement its reconversion program through decree-law if the social partners could not voluntarily reach an agreement. The steel and shipbuilding programs were passed by decree-law. The UGT did change its position on gradual and voluntary reductions in employment; it would accept actual cuts. However, the CC.OO also changed its position on negotiation; it now favored conflict and not conciliation with the PSOE. The CEOE balked at the proposals, complaining about their *dirigiste* nature. Labor and business could and did forestall reconversion under the UCD. They could not prevent it under the PSOE.

The changes in the political system at large, or in the political opportunity structure, help explain the change in the unions' position toward reconversion and their inability to reach an agreement with the government and with their rank-and-file. Consider the aspects of the political opportunity structure—the stability or instability of political alignments, especially electoral alignments; the openness or closure of political institutions and processes; the availability and strategic posture of support groups; and the policy-making capacity of the government—under the UCD and the PSOE governments.

The UCD was a weak and unstable governing coalition. It was internally incoherent; there was no single ideology guiding the UCD.²⁹ Nowhere was this more evident than in matters of economic policy, as various factions of Spanish capital competed with one another. Unions, especially the UGT, took advantage of this competition through the social pacts. The unions produced a policy paralysis by allying with different factions of Spanish capital at different times.³⁰ Over issues of industrial policy, the UGT and CC.OO formed an informal alliance with the leaders of INI, state-supported industry. This alliance permitted the maintenance of employment levels and subsidized losses, much to the dismay of the financial and banking leaders, who refused to grant new investment credits to the UCD for industrial modernization.³¹ The electoral weakness of the UCD, the permeability of the political system through social pacts and concertation, and the

²⁹ On the UCD, see José Amodia, "Union of the Democratic Center" in David Bell, ed., *Democratic Politics in Spain* (New York: St. Martin's Press, 1983), pp. 1-28.

³⁰ Lynne Wozniak, "Labor and Social Pacts in Spain: 1977-1982," paper presented at the Council for European Studies, October 1985, Washington, D.C.

³¹ Lynne Wozniak, "Evolution of Industrial Policy under Franco and the UCD" in "Industrial Restructuring and Political Protest in Socialist Spain," Ph.D. dissertation, Cornell University, 1990.

availability of a labor-capital alliance worked to the advantage of the unions. Labor did not make any real gains under the UCD, but the unions did succeed in stemming some of labor's losses. Paradoxically, the unstable political opportunity structure that existed under the UCD produced negotiation and not conflict.

The political opportunity structure changed radically under the PSOE. When the PSOE assumed power in 1982, it had an absolute majority in the Cortes and controlled eleven of fifteen regional governments and approximately 60% of the municipal governments. The PSOE captured the middle-class vote as well as the working-class vote. Neither left-wing or right-wing parties posed a credible threat to the PSOE and the policies it pursued in the Cortes. After the PSOE took power, there was an extremely stable electoral alignment.

With a stable majority in the Cortes, the second aspect of the political opportunity structure changed. Political institutions and processes closed. The PSOE came to power with the tacit support of the financial and banking elite. In forming this alliance the PSOE, unwittingly, closed the avenue of access the national unions had to macroeconomic policy. With a state-capital alliance, the unions now had to depend on the state—the PSOE—to defend their interests. The leadership of the UGT, not surprisingly, chose to support the PSOE. The leadership of the CC.OO believed that cooperating with the Government would stymie its ability to act as a critical sector.

Moreover, the third aspect of the political opportunity structure, the availability and strategic posture of allies, did not portend well for the working class. Certainly a policy of industrial modernization as harsh as this one would have its critics within the Party who could make their opposition known. Yet no dissenting voice was heard. Socialist representatives elected to the Cortes were threatened with expulsion if they voted against the government's proposals. At the 1979 Party Congress, the PSOE leadership under Gonzalez introduced rule changes that ensured their ability to pursue policies without much challenge. The leadership implemented a strict winner-take-all electoral system for party posts and delegates to conventions, and used bloc voting in party congresses. With these rule changes, the leadership eliminated the presence of minority groups and factions in party-governing organs and at congresses.³²

Thus, the stability of the electoral alignment, the closure of political processes to the national unions, and the unavailability of support groups at the national level, these changes in the political opportunity structure, broke the policy stalemate that existed under the UCD. What appeared to be a stable political opportunity structure provided the impetus for the mobilization of resources inside the factories.

³² On the evolution of the PSOE, see Richard Gillespie, *The Spanish Socialist Party: A History of Factionalism* (New York: Oxford University Press, 1989), ch. 5.

The Internal Resource Mobilization of Factory Councils

Workers in the steel and shipbuilding industries responded quickly to the announcement of the government's plans for industrial reconversion. City-wide strikes paralyzed industrial centers in Valencia, Cataluña, Andalucía, Euskadi, Asturias, and Galicia. Workers engaged in conventional protest actions. They protested before their city and regional governments, the Ministries of Industry, Economy, and Labor, the national Cortes and the Moncloa Palace. Workers refused to enter their factories and later refused to leave them. They would slow production and then increase it to over 100%. In Bilbao, protest marches turned into armed clashes between workers and police; several workers were killed and dozens were injured. Wives, children, students, and even local businessmen joined workers as they burned effigies of the Vice President and Ministers of Economy and Industry. Neighbors brought meals to workers and their families occupying factories on holidays. Nuns from a convent near a protest site in Bilbao, maintained their usual schedule of evening paseos, oftentimes through the protest as they separated workers and police and made a point of blessing the workers.

Workers also engaged in unconventional forms of protest. Workers from a steel mill in Sagunto, Valencia, kidnapped the president of the National Institute of Industry and held the Valencian parliament hostage. Disgruntled citizens from Sagunto forced their Socialist mayor to resign and replaced him with a troika composed of a Maoist, a Leninist, and a Trotskyite.³³ Protest over the modernization program for steel and shipbuilding lasted some 20 months, until 1985, when the PSOE and workers finally reached an agreement over recompensation measures.

Despite the protests, some steel mills and shipyards closed down. However, what the PSOE was forced to give the workers in exchange for their participation in the modernization program was subject to lengthy negotiations, as workers with the weakest unions exacted the highest price for their consent. The workers received every demand the factory council leaders made for them. What, then, empowered the factory councils?

³³ Later, in 1987, workers in Reinosa, Asturias held for ransom the president of their specialty steel mill targeted to close; citizens stoned and disarmed members of the Guardia Civil sent in to rescue him.

Organization

The institution of factory councils has a long history in Spain. After 1962, workers tried to infiltrate the corporatist vertical union structure by presenting themselves for election as workers' representatives to the *jurados de empresa* or workers' juries. CC.OO supported this infiltration, claiming that workers could weaken the corporatist structure from the inside. Although the UGT's official position was to boycott the vertical union structure, a number of its sympathizers joined or participated sporadically in negotiations. Over time, an assurance game developed among workers of competing unions at the factory level. Workers inside the plant preferred or found it expedient to cooperate with one another. Their own history of negotiations and their history of negotiations with management engendered a solidarity and an autonomous ideology. More significantly, the workers juries, a franquist attempt to ensure control over the working class, turned into the most important source of resistance to the franquist regime.

The 1978 Constitution confirmed the principle of worker participation in the plant: "Public authority shall efficiently promote various forms of representation within companies."³⁴ The Workers' Statute of 1980 established rules for the election of members to the factory councils and specified the powers and duties and the guarantees applicable to them. Council representatives have four major duties. First, they receive information and disseminate it to the workers. Information may include general trends in the sector, production, balance sheets or other data given to shareholders or partners, penalties imposed as disciplinary measures, and statistics on absenteeism, etc. Second, they review employer proposals to introduce changes in the structure of the staff that involve dismissals, reductions in hours of work, or transfers from the plant. Third, they enforce provisions concerning working conditions. Fourth, the factory council almost always represents the workers in collective bargaining at the level of the plant. In other words, the Workers' Statute endorsed a practice that dated back to the Franco regime and was re-introduced in 1978.

Organization as a resource during the period of industrial modernization operated on two levels: inside the firm and across firms.

Inside the Firm: while the factory council was a precisely defined institution governed by the Workers' Statute, the councils' relationship with the workers was largely a function of the characteristics of the council leaders and the workers themselves. An important trend developed in the relationship between council leaders and workers in the steel and shipbuilding sectors. During the reconversion process, the line between council leader and worker disappeared as general worker assemblies proposed and debated policy goals and actions. Council leaders

³⁴ Spanish Constitution, article 129, paragraph 2.

loosely coordinated the meetings but did not run them. Factory council leaders were flexible in their relationship with the workers, providing a forum for rank-and-file participation.

Across Firms: at best, factory council leaders loosely attempted to coordinate their actions. Since actions were often proposed and scheduled by the rank-and-file, they were difficult to coordinate: some would want to pursue transportation blockades; others would prefer factory occupations; and still others would organize marches on city hall or the regional government. While the disaggregated nature of protest did not augur well for a united labor front, it had several advantages. Everyone did not have to engage in daily protest actions to keep the issue of reconversion visible, and workers and councils could more easily coordinate with their own community groups. Thus, a plethora of protest actions was produced; some actions were replicated when perceived to be successful and others were dropped. Moreover, it was difficult for the government to respond to the variegated nature of protest.

The factory council as an institution of working-class dissent proved to be an important resource in the fight for policy reform. The council leaders' adaptability to the changing siltation inside the firms and across firms put the government on the defensive.

Leadership

At first glance, the factory council leaders did not appear to be advantageously positioned to play an important role in the restructuring process, especially to organize extensive protest actions. The council leaders in the steel and shipbuilding sectors did not have funds to hire experts to evaluate their firms' economic performance and few council leaders had the expertise to conduct these studies themselves. The council leaders were not professional organizers. They had neither strike funds nor money for creating and distributing propaganda. However, in the battle over restructuring, the council leaders had three important, nontangible resources: direct access to the workers and plant-level experience; common policy goals; and common strategies.

Access and Experience: council leaders are directly elected by all workers in their factories; few workers participate in the election of their union federation or confederation representatives. Moreover, council leaders face re-election every two years, as opposed to the four or six year terms for union representatives.³⁵ The potential turnover of council leaders makes them more responsive to workers inside the factory.

Yes, two years is a short time to serve as a factory council leader, but it is long enough. As you can see, the situation in a factory can change very quickly. The

³⁵ This changed in 1984 when the PSOE passed a law extending the term of factory council leaders to four years. For the most part, leaders elected in 1982 served until 1986. In some factories, however, workers voted for a new set of leaders in 1984, disregarding the new law.

workers must be able to trust us and we must know what the workers expect. Of course, some workers come to us directly and tell us what we should do, but many others, especially those who do not belong to the union, do not come to us. We try to tell what they are thinking through the elections...And, of course, since we are elected by the workers, our primary responsibility is with them. The unions must realize that sometimes their directives must be adapted to the situation inside the factory.

(interview num. 103, UGT, El Ferrol)

Still, many council leaders had time to cultivate a relationship with the workers. Nearly 70 percent of the leaders in the steel and shipbuilding sectors were first elected in 1978 and then re-elected in 1980 and 1982. Of the turnover that did occur, 58 percent were not re-elected because they retired or chose not to become a candidate.

TABLE 2
Factory Council Leaders and Policy Consensus

	Steel	Shipbuilding
Modernization necessary for sector:		
—yes	89%	95%
—no	11	5
Basis for reconversion:		
—by sector	83	92
—by firm	17	8
Accept reconversion with job loss:		
—yes	25	22
—no	75	78
Accept reconversion with retraining/relocation:		
—yes	92	93
—no	8	7
Most important issue in reconversion:		
—suspension	99	99
—amount received	1	0
—number in fund	0	1
Second most important issue in reconversion:		
—amount received	22	11
—number in fund	77	89
—suspension	1	0

Thus, many council leaders had years of experience in plant-level activities in democratic Spain. Most council leaders I interviewed had also gained experience in franquist Spain. Over forty percent of the council leaders had participated in negotiations with the authoritarian regime, and over eighty percent participated in illegal political activities which included strikes.

Common Policy Goals: in the steel and shipbuilding sectors, factory council leaders were almost entirely united on their policy goals, overwhelmingly accepting the need for industrial modernization. Council leaders opposed reconversion with job loss but would accept it if provisions were made for retraining and relocation. Nearly all of the leaders argued that suspension vs. rescission of contracts was the most important issue in reconversion; 89 percent of the council leaders in the shipbuilding sector and 77 percent of those in steel believed that the number of workers to be included in the Employment Promotion Funds was the second most important issue. (See Table 2 for measures of policy consensus.) The position of the factory councils made the two union federations look extreme. The UGT looked too willing to trust the government and surrender workers' rights. The CC.OO, on the other hand, looked too recalcitrant in the face of a crisis everyone acknowledged. This consensus on policy meant that the factory councils could present a united front before the government.

Common Strategies: The council leaders did not only concur on policy goals; they overwhelmingly believed that the government was not sincere about bargaining with the unions. Of the council leaders in the steel industry, 85 percent did not believe that the government was sincere about reaching an accord with the unions; of those in shipbuilding, 87 percent believed that the government was insincere.

Even though the council leaders did not believe the government, they did not arrive at an immediate consensus on what they should do. Initially, council leaders supported their union federations. However, as the reconversion process evolved, council leaders withdrew their support for their unions. The council leaders sought a balance between bargaining and protest; they maintained that neither strategy alone would resolve the stalemate with the government.

Why aren't they (UGT metal) representing us? We told Puerta (head of the metal federation) in Madrid that we would not accept the rescission of contracts. We told him that workers who had been fired unfairly would have to be included in the program. He told us not to worry and not to protest. But he didn't listen and we worried and then we protested.

(interview num. 170, UGT, Sevilla)

Why aren't we negotiating? How can a union represent workers if it refuses to appear at the bargaining table? There will be redundancies. But what is the union doing to make sure that we will find other jobs? Don't negotiate. We have no choice.

(interview num. 40, CC.OO, Bilbao)

The UGT metal federation lost control of the negotiations in the steel sector. Why did it think that it alone could reach an agreement with the government through negotiation for shipbuilding. We had to protest.

(interview num. 132, UGT, Asturias)

I don't know how the [CC.OO] metal federation attributes the "successful" conclusion of the steel sector to protest. An agreement was reached because the factory council realized that you had to protest and negotiate.

(interview num. 191, CC.OO, Cadiz)

A majority of council leaders believed that some combination of negotiation and conflict was necessary to resolve the reconversion crisis. (See Table 3.)

TABLE 3
Factory Council Leaders and their Perceptions
of Utility of Negotiation and Conflict
during Industrial Restructuring

	Steel	Shipbuilding
Negotiation most important	15%	4%
Both important, but negotiation is more important	33	31
Both are equally important	16	10
Both important, but conflict is more important	20	37
Conflict most important	16	18

The government was the primary target of protest actions during the first two phases of the reconversion process; the central union offices and the sectoral federations joined the PSOE as protest targets during the third phase. When the UGT refused to go back to the bargaining table with the factory councils' demands and as the CC.OO maintained its opposition to negotiation with the PSOE, factory councils turned on the vertical union offices and organized protest actions against them.

The factory councils refused to adhere to the agreements reached between the UGT and PSOE, calling into question the UGT's legitimacy as a bargaining agent and as a representative of its affiliates. The PSOE did not have a reliable negotiating partner, one that could contain conflict and ensure the dismantling of firms. Representatives of the factory councils wanted to bargain with the Ministry of Industry on behalf of the workers affected by reconversion, thus undercutting

the position of the CC.OO. The Ministry agreed to meet with the factory council leaders after nearly 20 months of protest had passed, and it signed the reconversion agreements with them.

Hence, factory council leadership played an important role in the fight for policy reform. Council leaders had direct access to the workers; they were united behind common policy goals; and they forged a position independent of the two union federations—they were willing to use both conflict and negotiation to achieve a resolution with the government.

Internal Solidarity: The third resource the factory councils could draw upon was internal solidarity. The majority of factory council leaders believed that the factory council was the most important body for the defense of workers. (See Table 4.) When both sectoral federations insisted that their union offices and representatives inside the plants execute the decisions they made or resign; factory council leaders refused.

Heretics! How dare they ask me to resign. They (UGT leadership) thought they knew what was best for me while they were in France and now sitting in Madrid they still think they know what is best for me. I tell you they are wrong and we will no longer submit to their so-called leadership, but we will not resign. Before this siege is over, we will see the national leadership change its position.

(interview num. 6, UGT, Sagunto)

Resign? They told me to negotiate with the franquistas and I did. They told me to negotiate with the center-right and I did. Now they are telling me not to negotiate with the Socialists? After 25 years of bargaining, I can, we can, handle the Socialists.

(interview, num. 143, CC.OO, Asturias)

TABLE 4
Factory Council Leaders and Internal Solidarity

	Steel	Shipbuilding
Most important for defense of workers' interests:		
—Factory council	48%	54%
—Union section	23	19
—Both	29	27
Perception of unity in factory:		
—Always united	22%	13%
—Generally united	39	53
—Occasionally united	32	22
—Never united	7	12

Factory council leaders argued that they were the elected representatives of workers, who may or may not be union members. They would resign when workers inside the plant asked them to

resign. Council leaders united with each other, not with their union federations. This unity encouraged workers from the various unions to unite, and it enabled the development of common policy goals and common strategies.

Hence, the institution and the organization of the factory council, leadership, and internal solidarity act as working-class power resources. Even though these are intangible resources, they are still very powerful. None of these resources are new. They enabled protest under Franco; they lay dormant under the UCD because economic conditions did not encourage their mobilization and the UCD did not challenge the status quo. The changes inherent in the PSOE's modernization program precipitated the remobilization of these factory resources. Without these internal resources, the factory councils could not have waged a successful campaign against the PSOE's reconversion program.

CONCLUSION: PROTEST AND THE POLITICS OF CITIZENSHIP RIGHTS

The protest campaign waged by the steel workers and shipbuilders is important because it represents the first instance of workers demanding and receiving policy reforms from the Socialist government. It is important for three other reasons. First, it left in its wake a pool of highly politicized, readily mobilizable workers who have nothing to do. When I asked a shipbuilder affiliated with the UGT what was the most important outcome of the protest, he responded:

Organization. You know this isn't over yet. If its not industrial modernization, it will be labor market flexibility or pensions. Suspension of contracts! We'll never see these jobs again. But if we let them take our contracts then we would have no place to meet, no place to go. Now we have three years to consolidate, watch what is going on in Madrid and act when we think is necessary. No this isn't over yet.

(interview num. 186, UGT, Cadiz)

Second, the campaign over industrial modernization in steel and ships provided a model for future campaigns in other sectors undergoing industrial reconversion and for campaigns against other structural reforms. Third, the protest in steel and ships, later in other industrial sectors, forced changes in the Socialist and Communist national unions. Both unions had to become more flexible in their relationship with their rank-and-file and with the government.

The protest campaign waged by these workers is important for its lesson on the politics of citizenship rights. By now, we are aware that the extension of rights—civil, political, social, and economic—to the working class in most democracies emanated from a series of pressures from below and responses from above during the long process of nation building. The extension of citizenship rights in newly redemocratized regimes also emanates from a series of pressures from below and responses from above but in a condensed period of time. However, the development

of rights in these cases is also conditioned by international factors, political and economic. In newly redemocratized regimes, political rights (suffrage) are re-established in a relatively straightforward manner; civil, social, and economic rights are more difficult to obtain, as they depend not only on domestic political alliances but are subject to international forces directly (such as the IMF) or indirectly (monetarism as the prevailing “regime” among OECD nations).

As Spain began its democratic transformation, the development of civil, social, and economic rights was fashioned less by international pressures than by domestic political negotiations. Under the UCD citizenship rights, particularly social democratic citizenship rights, were rooted in the politics of class compromise that coexisted with a Fordist mode of production. The key instrumentalities of Fordist social democracy were Keynesian macroeconomic policies targeted to produce growth and full employment, plus welfare state programs of all kinds. Social democrats were committed to a politics of redistribution of resources—income, welfare, and authority. The compromise was not anticapitalist and radical; egalitarianism had its limits.

This model of Fordist social democracy began to unravel in the late 1970s, and evinced new political and economic characteristics. Presently, social democrats see as their major task the regeneration of national economic capacities, industrial competitiveness in particular, while trying to preserve, as much as possible, national systems of social services. Post-Fordist social democrats are more willing to forgo the politics of class compromise and concentrate on localized bargaining.

What do these two models of social democracy and social democratic rights have to do with Spain? The founding coalition in Spain, the UCD, adopted a Keynesian project that, in many ways, resembled the first model of social democracy. In addition to granting political and civil rights, the UCD expanded the welfare state, in effect extending social rights. While it did not have any plan for the extension of economic rights, perversely enough it did not need one: the franquist state pursued a policy of full employment. The UCD did not extend social rights out of any deep-seated ideological commitment to social democracy; rather, it expanded these rights because it was a politically expedient way of negotiating the democratic transition. A politics of class compromise also made Spain more palatable to the Common Market. The UCD’s position might be characterized as “internationalization through democratization.”³⁶

The PSOE came to power in 1982 ready to pursue the post-Fordist model of social democracy, ready to retrench economic and social rights. Why? The PSOE was one of the first political organizations to experience a process of transnationalization. The Socialist International, the West German SPD, and the Swedish SAP were decisive influences on the ideological formation of the party’s leadership. The SI, SPD, and SAP influenced the deradicalization of the

³⁶ Otto Holman, “In Search of Hegemony: Socialist Government and the Internationalization of Domestic Politics in Spain,” *International Journal of Political Economy*, Fall 1989, pp. 76-101.

PSOE in the 1970s and the direction of the party's economic policy objectives. One of the most important consequences of this transnationalization is that the current party leadership developed a global perspective from which it interprets domestic politics and economics. The PSOE's position might be characterized as "democratization through internationalization."³⁷

Moreover, the changes wrought in domestic politics by the PSOE's ascension to power, especially the creation of a stable electoral alignment and the closure of political processes to the national unions, enabled the PSOE to pursue a post-Fordist model of social democracy. However, the full implementation of this new model of social democracy is limited by Spain's semiperipheral position in the world economy and by the recency of its democratic transition. Local collective bargaining committees have a longer history in Spain than do vertical union organizations. Hence, whereas the transition from a Fordist model of social democracy to a post-Fordist model of social democracy demobilized the working class in most of Western Europe, it encouraged the mobilization of the working class in Spain.

³⁷ Holman, "In Search of Hegemony."